

HaRe Group newsletter: 31 August 2007

Subject: Rewarding global talent

The “war for talent” has surely become a favourite cliché for many HR managers – so much that the expression may be losing its impact. What is not lost on line managers is the dearth of qualified people in many industries.

In a *BRW* article earlier this month, there were good examples of the global solution – employers are more frequently searching overseas for skilled employees. Accounting, Engineering, Information Technology, Resources and Health Care companies are actively pursuing large numbers of people to work in Australia on a 457 temporary business visa. During the nine months to 31 March 2007, there were around 3,000 computing professionals and applications programmers working on 457 visas – there were around 2,000 business and management consulting professionals.

To qualify under a 457 visa, an employer must clearly demonstrate the benefits of employing overseas skilled workers, as well as proving a commitment to training Australians. Visa applicants must also prove that they have the attributes and experience for the job. The employer must meet minimum standards of pay & conditions.

A 457 visa allows employer sponsorship for three months to four years; however, once in Australia, the overseas worker can change employer if the new employer will take over all sponsorship arrangements. This tends to happen in cases where visa holders on minimum pay & conditions come to realise their good value in the open market. To counter this leakage, the original sponsor companies are now managing pay & conditions of the new arrivals just like they would their Australian employees.

In some industries, the full integration of 457 employees with Australian staff will be critical. For example, some IT professionals recruited from overseas have developed skills that are more advanced than others here in Australia. These talented people need to be treated well and should be rewarded like all high value employees – they should not be paid the minimum rate just because they come from a “low pay” economy.

Qualified 457 employees should benefit from the fundamentals of a sound pay structure and performance review system, including:

- Position analysis (ie. determine the duties, responsibilities & scope of the position)
- Person specification (ie. establish the capabilities, skills and personal attributes required)
- Performance measurement (ie. define the key performance indicators and objectives for the position)
- Position delineation (ie. rank the value of the position alongside benchmark jobs within the company)
- Market pricing (ie. establish the local market pay rates for similar positions)
- Pay targeting (ie. identify the market pay rate that should be compensation for “fully competent” performance)
- Pay elasticity (ie. establish a base pay range that will deliver fair remuneration to the less experienced employee at the range minimum, and good reward for the best employee at the maximum)
- Determine eligibility for bonus and incentive plans
- Regularly administer the performance & remuneration management process
- Communicate and implement the whole process in a transparent and open manner

Given Australia’s demographic profile and our ever increasing skills shortage, a long term strategy for global recruitment is becoming critical. This strategy should include coverage by local remuneration programs to help ensure that 457 employees will become more engaged (and more valuable) for the duration of their stay in Australia.

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