

Market Update & Remuneration Benchmarking

Overview

Market conditions

- High interest rates leading to greater awareness of cost pressures
- Growing appreciation of the value of risk management, resilience and compliance
- Regulatory pressures continuing
- Cost-cutting initiatives leading to redundancies and restructures

Outcomes

- Lower, more considered, or delayed hiring
- More candidates displaced and active in the market
- Higher levels of stress and frustration either with workload or through the job search process
- Candidate remuneration expectations and client budgets are mis-aligned; both parties are adjusting
- Hiring Managers expecting more 'bang for their buck'

We are currently in a tight job market.

“Tight Job Market = More active candidates, fewer roles”

Cost-cutting activities through redundancies and restructuring are clearly having an impact on candidate supply and with lower hiring levels, we have more candidates on the sidelines.

The new financial year has seen activity levels start to pick up at the Analyst and Manager levels.

Hiring managers are raising their expectations of risk and compliance candidates when recruiting and ***despite there being more candidates in the market, they seem to be falling short on meeting clients' expectations with experience levels, breadth and depth, fit and remuneration.*** There is a clearer gap emerging between candidate's technical knowledge and depth of experience and their remuneration expectations and both parties are having to adjust. In most instances, clients are paying more for the better talent.

We expect this imbalance of client and candidate expectations to continue for the rest of the year.

Remuneration



Generally speaking, risk and compliance professionals have experienced an upward trajectory in remuneration over the last few years.

In the current market, we will start to notice a downward adjustment for candidates that may have ridden the wave.

Displaced candidates at the Senior Manager levels and above (circa \$180K upwards) are having to concede and be more flexible with remuneration expectations.

At the Manager level and below, the typical supply and demand imbalance continues, resulting in remuneration levels moving above client budgets.

There is a stronger focus on getting a “GOOD” candidate. These candidates are commanding a premium (anywhere from \$15K and up to \$30K in some instances) depending on the role.

The common “GOOD” attributes sought after are: communication and interpersonal skills, practical thinking, a proactive/can-do attitude and a strong work ethic.

Although there may be an increase in supply, finding a “GOOD” candidate will still be challenging as hiring managers seek out more bang for their buck!

Send us an email to request our updated Remuneration Schedule (admin@pxresources.com.au)

REQUEST

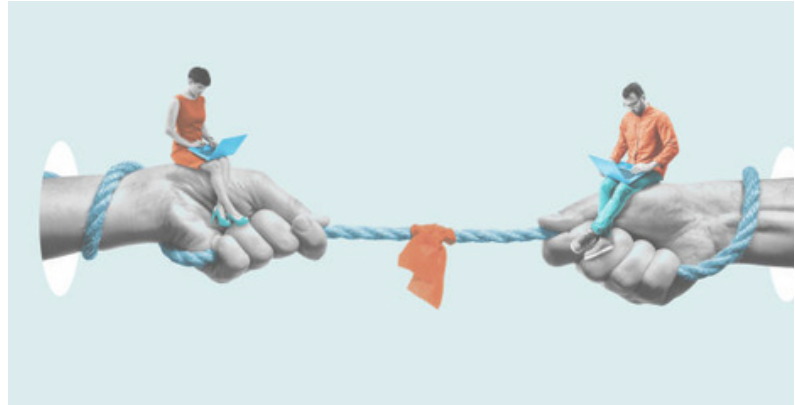
Retaining Talent vs Cost of Replacement

Good candidates are being offered higher salaries and are stepping up earlier than traditional timeframes. An increased number of resignations and candidates constantly getting approached by recruiters is now a common occurrence.

We are increasingly being asked the question...

...how do we retain talent in our team?

The last few years have contributed to a transient environment for candidates.



Once candidate tenure gets close to the 18 month / 2 year mark, propensity to move starts to increase. Our experience is that most candidates are curious, some opportunistic.

In many cases, candidates' perceived progression is mis-aligned with their leader's or organisation's timing. An open dialogue with candidates along with a pathway to learning, progression and remuneration will typically ensure that candidates are committed (to a certain point).

REALITY - The last few years and the change in working conditions have led to candidates rethinking their priorities. This has altered the level of commitment that candidates allocate towards employers.

Key Push Factors / Reasons for leaving:

- increased remuneration
- career progression opportunities
- a negative experience with change
- work life balance and more flexible working (for some)

In a number of instances, the cost of replacement can be more expensive when compared to keeping a good candidate. Key factors to consider are:

- existing candidate's tenure and how long you will continue to keep them
- market supply of potential replacement candidates
- market remuneration level for replacement candidates (see our Remuneration Schedule above), and
- timeframes to recruit and train

Sometimes however, a change of the guard is required and can provide a much needed reality check of market conditions and an uplift in skills.

Candidate sentiment

Most candidates are aware of the tight market and are cautious.

Displaced candidates are doing their best to stay positive and explore the job market however, frustrations are starting to build.



Narrative:
“Most of the roles out there are not paying what I was receiving in my last role.”

Candidates at the Senior Manager/Executive Manager levels and above are feeling the most pinch as the number of roles at these levels are in short supply.

Across the board, there is a yearning for stability, consistency and good leadership. For some candidates, the reality of having to step slightly backwards is kicking in.



ONE SIZE DOES NOT FIT ALL.

PX Resources is a specialist in governance, risk management, audit and compliance recruitment.

We take an advisory based approach to recruitment and sourcing talent and we work closely with clients and hiring managers to provide fit for purpose recruitment solutions.

We have the experience, market context and networks to source and deliver the best talent.

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