

# NEW CHALLENGES

Christchurch employers are facing more than just the challenge of dealing with continuing aftershocks. A survey of businesses in the region finds skill shortages and spiralling pay rates are also having an impact. Susan Doughty discusses the trends.



**Is Christchurch the next new micro market for pay?**

As if Christchurch employers haven't got enough to worry about with the ongoing uncertainty of aftershocks, many are beginning to realise that spiralling pay rates for jobs in hot demand are going to be a real challenge.

We recently conducted a survey of 40 medium-large businesses with operations in Christchurch which identified some trends to watch.

**Are there skills shortages in Christchurch and if so, where are they happening?**

Over half (55 percent) of companies surveyed said they are experiencing skill shortages specifically in the Christchurch area and these are as a direct result of the Christchurch earthquakes.

Not surprisingly, these shortages are being reported in job families that have connection to the Christchurch rebuild, eg, engineers, electricians, trades staff and also insurance personnel and call centre operations.

**Are Christchurch-based employers losing staff because of the earthquakes?**

Twenty-two percent of our survey participants said yes. The reasons given include that some people are moving away from Christchurch as a result of the earthquakes, some have lost staff because of a downturn in business, and some commented that they are losing staff because of head-hunting practices by other organisations.

**We hear rumours about poaching of staff and bonuses and other enticements being made to attract or keep staff. Is there any basis to these rumours?**

Without a doubt many organisations have implemented a range of initiatives in order to combat turnover, stop the poaching of key staff and/or to attract key people into jobs. This tends to be specific to certain job families, ie, civil and construction, project managers and trades staff—all of which are in hot demand right now because of the Christchurch rebuild. We have had cases reported to us where people have been offered up to 50 percent more in salary or been paid big bonuses in order to move or stay with companies.

**Are Christchurch-based employees getting bigger pay increases this year relative to others in the organisation?**

Nineteen percent of organisations surveyed have made higher pay increases to some staff based in Christchurch. These tend to be selective and specifically to retain key people and to recognise the challenges of working in tough conditions over the past year.

**Where are these companies recruiting staff from if skills are in short supply?**

Just over a third of companies are recruiting locally but almost all survey participants said they are casting the net wide. About 35 percent are seconding staff into Christchurch from other parts of the organisation and 25 percent said they are recruiting

internationally to find the right people. Only a small number of companies admitted they were activity targeting talent in the market by head hunting.

**What other types of allowances or inducements are being made to staff that aren't the norm?**

Apart from the obvious such as sign-on and retention bonuses, there are a great deal of hidden terms and conditions being offered that aren't as easily identified. These range from:

- Accommodation allowances;
- Higher duties allowances;
- Hardship allowances;
- Relocation allowances;
- Project bonuses;
- Fixed-term premium allowances;
- Travel;
- Disruption allowances;
- Family assistance packages;
- Childcare assistance packages;
- Extra paid time off.

**The social issues as a result of the earthquakes are yet to be fully realised. What are organisations saying about the issues most affecting their staff or their business?**

These tend to fall into categories—those issues facing employees directly and those facing the business as a result of the impact on staff. We have provided some of these below.

*Employee issues:*

- Increased levels of anxiety over future potential earthquakes and aftershocks;
- Staff shortages causing

increased workloads and pressure on employees;

- Stress caused through financial pressures as many face paying for rental accommodation as well as continuing to pay mortgages;
- Increased commute to relocated offices;
- Employees unable to get house insurance on their new homes;
- Reluctance to work in multi-story buildings;
- Reluctance to spend time away from family on business;
- Reluctance to work night shifts as they don't want to be away from family.

*Business issues:*

- Employees resigning due to the increased distance of office locations to their families;
- Poaching of staff affecting the delivery of operations;
- Decreased productivity levels due to employee stress and as a result of employees requiring extra leave to deal with earthquake-related issues (eg, supporting family, arranging rental accommodation);
- Many offices have been relocated into smaller offices across multiple sites resulting in fractured team environments, less team cohesion and decreased employee engagement in some cases.

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