

Push grows for more salary rises

Hannah Low

Pressure to raise salaries is increasing in every market as more employees push for pay rises now that the economy is on the mend.

A recent survey of 258 organisations by consulting firm Mercer forecast salaries to increase by 4 per cent over the next two years, compared with 3 per cent in 2009. While this is not as high as the pre-global financial crisis figure of 5 per cent, recruiters are confident consistent economic growth will cause a rise across a range of sectors.

Salaries are expected to increase 4 per cent over the next two years.

The marketing director at RossJuliaRoss, Caroline Vickers-Willis, said some sectors had had disproportionate growth but as the economy grew the sectoral differences would smooth out.

Employers were seeking more complex solutions, Ms Vickers-Willis said. "Instead of a client just wanting a recruiter to come in and recruit we're now seeing clients that are asking to put human resources advisors on site so they don't have to fund it themselves."

Organisations may look to implement an employee retention program or a talent management policy but instead of hiring a HR manager, they are outsourcing to a provider to get what they need on a pay-for-service basis rather than overloading their headcount.

Generation-specific characteristics are also becoming less extreme in the workforce. A couple of years ago generation Y prioritised non-financial benefits and were more mobile in their careers, often moving jobs every 12-18 months. That sort of behaviour had changed in the past 12 months, Ms Vicker-Willis said, but she acknowledged it was unclear whether this behaviour would reappear as jobs become more plentiful.