SAP Q4 MARKET TALENT REPORT 2021

OVERVIEW

"I have not seen the market as busy in the last 10 years"

This was a phrase constantly used throughout Q4 when speaking to candidates. Just ask the person next to you how they are at the moment and I bet the response is one of a similar nature. Calendars are jam packed with back-to-back meetings, work commitments as well as social interactions (before the lockdown in Sydney) and there is a real sense that we are making up for lost time. There is still however a constant reminder that we are not out of the pandemic just yet with multiple mini outbreaks of the virus, snap lockdowns and the painfully slow uptake of the vaccination.

Why does it feel so busy?

During COVID there was a huge emphasis around keeping Australians in work and keeping the unemployment rate low. This has more than been achieved with 0.6% more people employed now than before the pandemic. That means at present 13 million Australians are either working full time or part time which is exactly half of the population and there is an unemployment rate of 5.1%. When we achieve 4.5% unemployment we will be at full employment. Coupled with the borders being shut and the already reduced immigration numbers pre COVID, this country will face a real challenge in the foreseeable future as people and talent are a commodity in decline.

Just think of this - There is over $300B to be spent on infrastructure projects in the next 10 years and for every $1B spent there is a need for 2000 jobs. That is over 600,000 jobs in infrastructure alone. Consider the knock-on effect for industries like ours – IT.

0.6%
More people employed than prior pandemic

OVERVIEW CONTINUED

To summarise:
- We have a considerable amount of work now with more to come
- We have an already small population and that is declining rapidly
- The borders are shut
- More work is being insourced

What was the effect on the SAP market?

We are in a war for talent now more than ever. In Q2 and Q3 we saw project pipeline realised and now moving into Q4 even more large scale programs are preparing to start which means more strain on an already exhausted talent pool.

With the global pandemic affecting countries like India we are also seeing less outsourcing. To provide some context, six large iconic organisations have had a significant amount of vacancies open for more than 120 days and are struggling to source talent. To source talent it is more than likely you will have to headhunt and attract people from competitors.

Now more than ever your value proposition as a business and as a leader needs to reach out and be attractive to SAP professionals. Long gone are the days of putting out an advert with 'what you need' in terms of a resource and expect applications. The approach now must be what your requirement and business is going to do for that person's career and life – what value can you bring to them?

OVERVIEW CONTINUED

For the third year in a row we are seeing a predominantly contract driven market. It is important to note that despite this, there has been an increase in permanent employment.
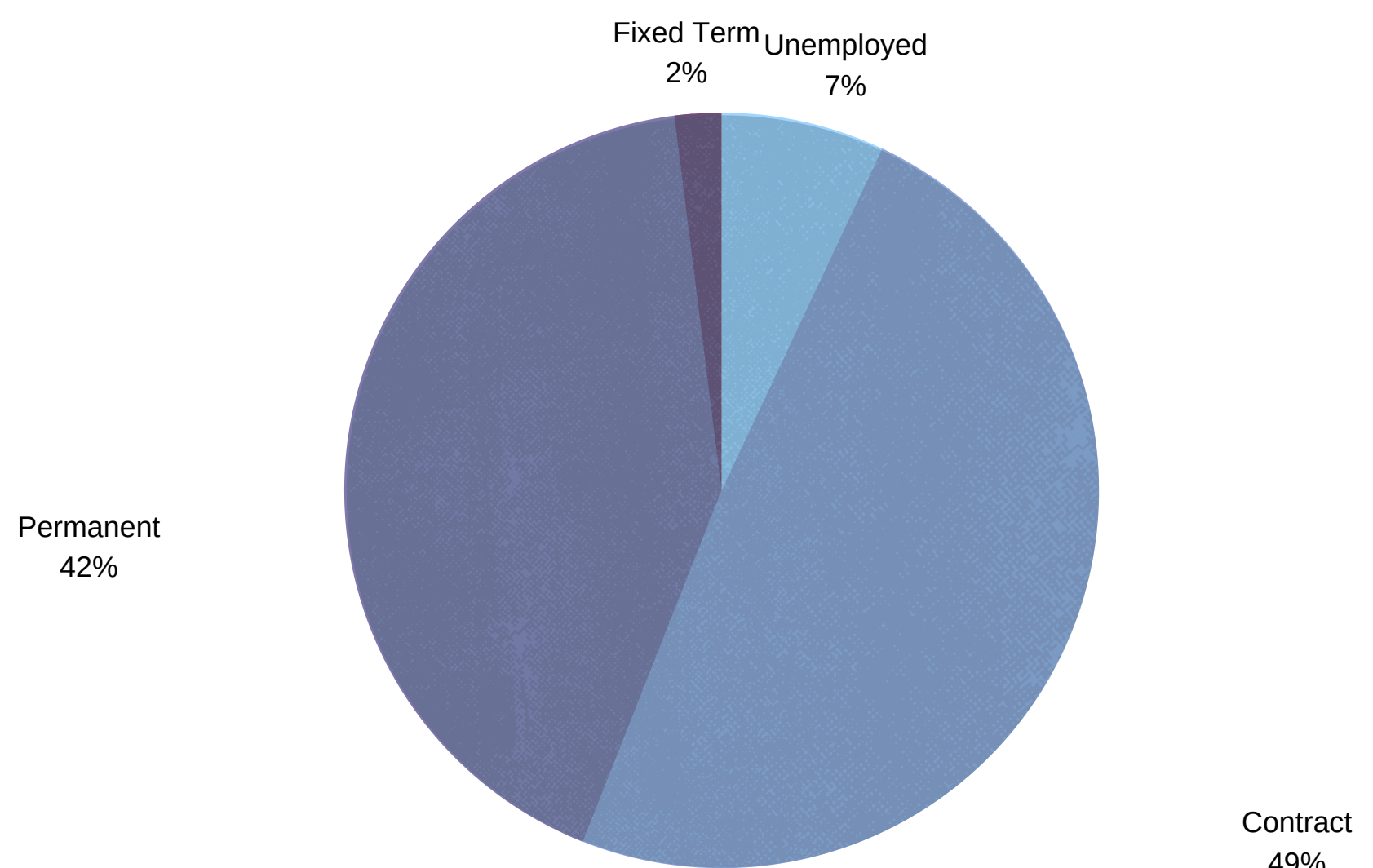
Now we're putting this reason down to two things:

1. Candidates are looking for stability
2. Candidates are looking for flexibility

Despite an increase in permanent hires – the overwhelming preference of the market is to remain contracting with 52% preferring contract work.

What that means is your full time members of staff are maybe considering contract work.

We expect this figure to rise because as we go through these lockdowns the uncertainty is not as it was previously because we have shown that projects can be delivered remotely - hence giving people more confidence of stability.
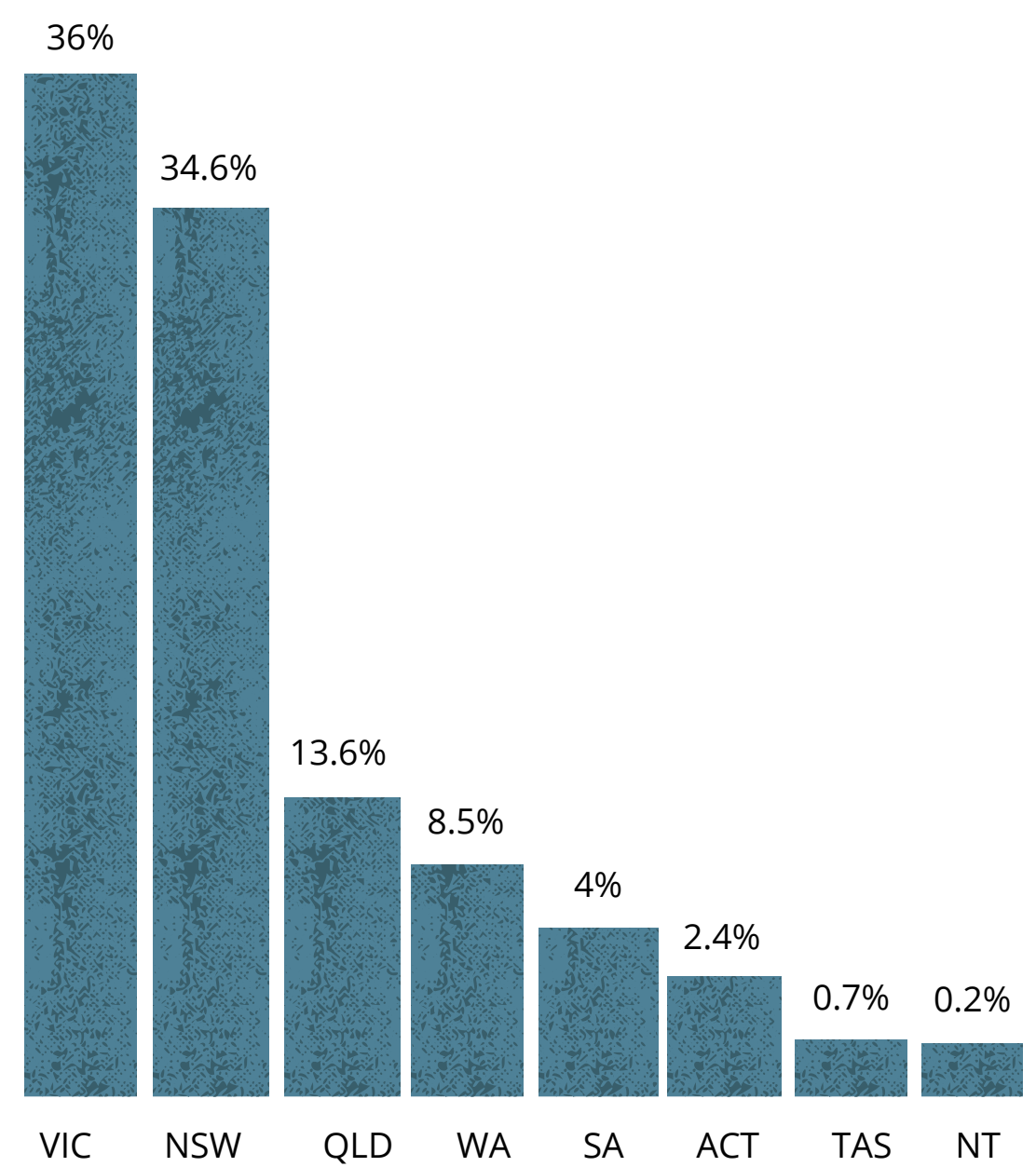
Fixed Term
2%

Unemployed
7%

Permanent
42%

Contract
49%

3

AT A GLANCE

Job Titles In Demand

Business Analyst

Solution Architect

Junior Consultants

Skills In Demand

SuccessFactors

Analytics Cloud

Deployment

Active Sectors Hiring

Government

Utilities

Consultancies

Break Down of New Hires per State

State	Percentage
VIC	36%
NSW	34.6%
QLD	13.6%
WA	8.5%
SA	4%
ACT	2.4%
TAS	0.7%
NT	0.2%

1211

people changed jobs in Q4

9%

Decrease

in contract rates from Q3 but rates are still up on last year by 4%

THE FUTURE

With the rising amount of work and the lack of new talent coming into the Australia it is fundamentally important that your business's number one strategy is retention. Those who are aggressively hiring tend to focus their energy looking outwards but there is no point going to market to try and attract new talent when you are losing your own.

Secondly with the government's zero COVID policy and until the vaccination is rolled out, we are going to experience more snap lockdowns so get ahead of the curve and if you haven't already, offer your staff an option to work remotely and follow a hybrid model. This causes a lot less disruption when snap lockdowns happen, and the other plus point is it opens up your talent pool to other geographies across Australasia when sourcing talent.

Lastly the war for talent is only going to become more challenging in the future so changing and adapting now before you are forced to is highly recommended. Partnering with universities, promoting talent within, running internal graduate programs, allowing talent to work remotely, offering vast flexibility and investing in your current team are all strategies that are going to achieve success.

THE FUTURE CONTINUED

Insights for candidates:

- Are you considering a move? Contact your current hiring manager first to see if your situation can be rectified
- A message for contractors - Don't just ask for a pay rise because of the length of your contract. This is the wrong approach. An increase in scope or significantly more responsibilities warrants a rate increase
- If you are moving, don't be tempted by just the remuneration. Assess all things including culture, type of work, leadership team, average tenure of that companies employees, project work and buy in from C-Level

Insight for clients:

- Do not go to market with an advert saying what you need. Go to market with 'what your role will do for the candidate's career'
- Start promoting your company and your leadership via Linkedin
- Offer flexibility to your staff