



***“Not in it for the money”, say 87% of members
SA and WA are hardest working
Staff development and skills shortage top issues for 2008***

Australia’s booming economy continues to drive member confidence skyward but it is forcing them to work more in order to counter the negative effects of the skills shortage, say the results of the Q4 2007 TEC Index survey of 207 Australian members.

“55% of members are looking to increase the size of their workforce to meet expected increases in demand next year,” explains Mike O’Neill, TEC chief executive. “Only 4% expect a decline in revenue, and only 12% are worried about profitability.

“Business growth is the reason 52% of members go to work each morning, way up from 29% last year. Another 17% work to make a difference, and 13% each for challenge or personal wealth/financial stability.”

The major issues identified by TEC members to focus on in 2008 are staff development at 33% and skills shortage management at 30%. For the first year, team building has equalled strategic vision as the most important leadership quality at 41%.

For the second year in a row, SA members are the hardest working with 74% working more than 50 hours per week compared to only 51% of QLD members keeping these hours. In 2006, WA members worked fewer hours than any other state, but this year they are the second hardest working with 60% working more than 50 hours a week.

Overall, TEC members took fewer holidays last year, especially in SA where 48% took two weeks or less, compared to last year when 76% took more than three weeks annual leave. WA has had the most drastic drop in holiday time with 89% taking three weeks or more in 2006, down to 60% taking the same time off this year. Only QLD members are taking more holidays this year than last with 78% taking more than three weeks compared to 74% in 2006.

Networking has overtaken financial management as the second least enjoyable part of the chief executive’s job at 24%, only slightly behind people management at 25%.

“Chief executives know their people are important, that’s why team development is cited as the most important leadership quality and staff development is named the biggest issue for 2008,” O’Neill said. “But most of us are time poor, working more than 50 hours a week, and while people management and networking are very worthwhile parts of the job, they are also very time-consuming.”

Arrogance still rates as the worst leadership trait members see in other chief executives, followed by ignorance of staff issues and lack of delegation and procrastination.

Corporate governance has been a major area of activity in the past year with 57% of members saying they have changed their approach. Most of this was through new policies and requirements (33%) or reviewing staff KPI definitions (16%).

Corporate social responsibility continues to grow with 37% of members reporting increased activity in the last year.

Economy Highlights

- The number of members who say the economy is in better shape today than a year ago has increased significantly (46% now from 27% this time last year). WA is the most optimistic state with 55% believing economy has improved. NSW is the most pessimistic with 24% saying the economy has worsened in the last 12 months.
- Only 18% believe the economy will be better this time next year. The number predicting a downturn has decreased to 28% from 32% this time last year, and 54% predict the same economic conditions.
- Members are optimistic on their own businesses. 76% say their sales revenue will increase in the next 12 months, compared with just 4% who anticipate a decrease. Males are more optimistic on their own business performance, with 78% expecting increased revenues compared to 69% of women.
- Nearly two thirds of members (63%) say their profits will improve, with only 12% saying a drop in their company profits is on the cards.
- The skill shortage looks likely to be exacerbated even further in the next 12 months with 55% expecting to hire more staff and only 6% expecting to decrease staff.

Leadership Highlights

- More than two thirds of members (69%) see their main personal motivators as business growth (52% up from 29% last year) and making a difference (17%). There has been a significant reduction in the number who say 'challenge' is their biggest motivator (down to 13% from 36% last year).
Females (22%) are twice as likely as males (11%) to see 'challenge' as their biggest personal motivator.
- Strategic vision (41%) and team-building skills (41%) are the two most important leadership qualities. Among females, team building is most important at 50%.
- Members say the skills shortage (30%) and staff development (33%) are the major issues to learn more about in 2008.
- Arrogance (26%), lack of delegation and procrastination (17%) and ignorance of staff issues (16%) are the worst leadership traits members see in other chief executives. This is a significant increase for ignorance of staff issues, up from 8% this time last year, while not sharing information decreased significantly from 17% last year to 11% this year.
- More than half (52%) say they need to know more about how to work strategically 'on' the business and less hands on 'in' the business. 75% of women say this is the area they need to know more about as opposed to 47% of men.
- Interestingly, 35% say working 'on' the business more is the area of leadership they have most changed in the last 12 months.

- People management is the least enjoyed task for 25%, followed by networking (24%) and financial management (22%).
- Nearly two thirds (65%) have succession plans in place, an increase from 44% this time last year. Of those with succession plans, the most common are up-skilling senior management to move into the role (33%) and trade sales (10%).
- There is no change in the percentage of members that are confident the next generation of leadership is in place in their business. 61% say it is in place or partially in place.
- 57% have changed their approach to corporate governance in the last 12 months, identifying changes of policies and requirements (33%) and KPI review (16%) as the major governance changes.
- 37% have increased their corporate social responsibility activities in the last year, with 20% now providing more regular support.

STATE POINTS – NEW SOUTH WALES

Economy Highlights

- NSW is the most pessimistic state on economic performance with 24% saying overall economic conditions have worsened in the last year.
- 75% in NSW say sales revenue will increase in the next 12 months, while 67% expect profitability to increase.
- NSW second most likely to be conducting business in the United States with 24% (second to WA with 26%) and also with NZ with 36% (second to VIC with 42%).
- 55% expect to increase staff numbers in the next 12 months, with only 4% expecting a decrease.

Leadership Highlights

- 54% in NSW identify business growth as their greatest personal motivator, making a difference is second at 15%.
- Team building is most important leadership trait for 48%, strategic vision for 39%.
- Arrogance is the worst leadership trait 22% see in others while 19% say lack of planning.
- 55% need to know more about working 'on' the business to be a better leader.
- 30% identify people management as the workplace task they least enjoy.
- NSW members most likely to have taken 4 weeks holiday (or more) in the last financial year at 45%. 7% took less than a week.
- 31% say their business life affects their private life 'very often' while 15% say their private life never affects their business life.
- 39% in NSW are 'upskilling management for the role' as part their personal succession plan while 38% have no succession plan in place.
- 30% in NSW are confident they have the next generation of leadership in place, more than any other state.

- 51% of NSW members have not changed their approach to governance in the last 12 months. 22% changed policies and requirements.
- 43% in NSW increased their CSR activities in the last year, mostly with more regular support and ad hoc donations.

STATE POINTS - VICTORIA

Economy Highlights

- VIC members are the most pessimistic on economic conditions next year with only 4% saying they will improve and 36% saying they will get worse.
- VIC are equal most positive (with QLD) about increasing fixed investment expenditures over the next year at 56%.
- Only 51% in VIC say profitability will increase compared to NSW at 67%.
- 64% in VIC are conducting business overseas, more than any other state.

Leadership Highlights

- VIC least likely to say personal wealth is their biggest motivator at 9% (equal with SA). Business growth is the leading motivator at 51%.
- Strategic vision is the most important leadership quality for 49% in VIC.
- VIC is more likely than other states to identify ignorance of staff issues as the worst leadership trait seen in others at 20% and not sharing information at 16%.
- 42% in VIC have changed their leadership style to be less hands on and 29% to be more strategic.
- 4% work 60 hours or more a week, the least of any state. 89% work 41-60 hours.
- VIC members say financial management as the task they least enjoy at 29%.
- 33% in VIC don't have a succession plan in place.
- 66% in VIC have changed their approach to governance last year with 34% changing policies and requirements.
- Staff development (29%) and skills shortage (27%) top issues for VIC in 2008.

STATE POINTS – QUEENSLAND

Economy Highlights

- QLD second least positive on economic conditions next year with only 15% suggesting they would get better – only 4% in VIC think they will.
- QLD equal most positive (with VIC) on increasing fixed investment expenditures next year at 56%.
- QLD most positive on increasing sales revenue next year at 82% and on increasing employee numbers at 64%.

Leadership Highlights

- 47% in QLD say business growth is their biggest personal motivator.

- Team building is the most important leadership trait in QLD for 53%.
- 34% say arrogance is the worst trait they see in other leaders.
- 45% want to know more about working 'on' the business to be a better leader.
- 95% in QLD have changed their leadership style in the last 12 months, mostly their communications style (26%) and delegating more (24%).
- 59% in QLD spend less than a quarter of their time on strategy.
- Networking is the task QLD least enjoys at 32%.
- For 41% in QLD, their business life affects their private life very often, higher than any other state, while 73% say their private life affects their business life only sometimes.
- QLD least confident the next generation of leadership is in place with 47% saying it isn't.
- 45% in QLD identify staff development as the most important issue they need to learn more about in 2008.

STATE POINTS - WESTERN AUSTRALIA

Economy Highlights

- WA most positive on last year's economy with 55% saying it has improved.
- WA second most positive in terms of increased profitability next year with 68% expecting an increase – 70% in SA expect one.
- WA most optimistic on Australian dollar with 58% expecting it to get stronger.
- WA least optimistic on increasing employees numbers next year at 45%, but 0% say they will decrease staff numbers.
- WA most likely to be doing business with India at 22%.

Leadership Highlights

- Greatest personal motivator in WA in business growth at 50%. Making a difference second at 27% -- the highest of any state for this answer.
- Strategic vision is the most important leadership quality trait for 53% in WA.
- Lack of accountability and arrogance are tied as the worst leadership traits seen in other leaders at 23%.
- WA most likely to have changed their leadership style to work more 'hands on' at 43%.
- People management is the task WA least enjoys at 33%.
- WA most likely to say their private lives sometimes affect their business life at 83%, but only 3% say it often does.
- WA most likely to have changed their approach to governance last year at 73% and most likely to have changed policies and requirements at 47%.
- At 43%, WA most likely to identify the skills shortage as being the largest issue they need to learn more about in 2008.

STATE POINTS – SOUTH AUSTRALIA

Economy Highlights

- SA equal most optimistic (with WA) about economy improving next year at 26%.
- 74% in SA expect sales revenue to increase next year, with 22% expecting no change (the highest of the states).
- SA most optimistic on profit improvements next year at 70%.
- SA equal most pessimistic (with VIC) on increasing employee numbers next year with 9% expecting staff numbers to decrease.
- SA least likely to be doing business overseas with 65% staying within Australia.

Leadership Highlights

- 57% in SA say business growth is their most important personal motivator.
- SA most likely to consider lack of delegation and procrastination as the worst traits seen in other leaders at 43%. Other states rate this trait 11-17%.
- SA most likely to identify working more 'on' the business as the most important thing they need to know more about to be a better leader at 70%.
- SA most likely to work 60 hours or more at 22%.
- SA most likely to identify planning as the task least enjoyed at 22%, compared to other states that rate this task 3-9%.
- SA most likely to have 1 week or less holiday at 13%.
- SA most likely not to have a succession plan in place with 44% not having one