

RCSA Report, "Quarterly Business Manager Survey: Comparisons to Other Research"

February 2010

This report is a summary of the results of the RCSA Quarterly Business Manager Survey conducted between December 2009 and February 2010 and a comparison to selected research from other industry bodies.

RCSA Members are the most optimistic they have been since 2007 with most expecting business to improve by 8.5 per cent over the January-March quarter. In contrast, the Australian Industry Group (AIG) "Performance of Services Index" report for January 2010 has shown a slight contraction over the previous month while the AIG "Performance of Manufacturing Index" report for January 2010 shows similar pattern of dropping, although not as pronounced. While these reports do not suggest a major decline, they do indicate a likely "levelling" of employment for the coming quarter which may dampen the outcome compared to expectations by RCSA Members.

The recruitment industry's workforce has begun to stabilise with shrinkage of less than ten per cent during the past quarter and staff turnover back down to 37 per cent. These figures are a great improvement on the figures recorded last year as staff were being shed during the Global Financial Crisis; but the figures have not yet returned to a neutral position. Simultaneously, quality of candidates has started to fall despite there still being strong availability of job seekers in the marketplace. The greatest shift has been in terms of jobseekers' attitudes and capabilities which have gone from being positively "job ready" to being neutral. The Australian Bureau of Statistics "Labour Force" report for December 2009 shows that the number of people employed increased and the number of people unemployed decreased during the month which suggests that those with the highest skills have now found work and the pool of those still available represents candidates of less-marketable quality.

The shift towards permanent recruitment by the market continues, with on-hired placements dropping significantly in the mean average. Revenue has likewise shifted towards permanent recruitment which now represents 38 per cent of revenue on average with on-hire placements representing 50 per cent of revenue; an increase of five per cent and decrease of seven per cent respectively. If the trend continues, the long-term normal pattern of on-hired to permanent recruitment activity may return by the end of 2010.

When the results of the RCSA Quarterly Business Manager Survey Report is compared to the results of the ACCI "Survey of Investor Confidence" Report for January 2010, it suggests that there is a general expectation by businesses from all sectors that the market will improve over the coming quarter, but while most businesses believe this to be so, most businesses also suggest that their own level of investment will drop. The ACCI report echoed the AIG reports in showing that December's figures were a drop from the September quarter. This suggests that while confidence remains high overall,

the economy is still in a weak condition and that although growth is occurring it should not be taken to be a certainty.

These reports paint an overall picture that the slow but optimistic return to profitable business predicted in the October 2009 RCSA report is coming to fruition. The key challenge will be in maintaining an optimistic yet flexible stance to meet the needs of the marketplace as the weakened economy delivers "three steps forward, two steps back"-style growth.

Clayton S Jan, Freelance Business Writer
on behalf of the RCSA Research Centre

*RCSA Research Centre is supported by **RecruitmentSuper***

References

[Australian Bureau of Statistics "Labour Force Report" \(December 2009\)](#)

[Australian Chamber of Commerce and Industry "Survey of Investor Confidence Report" \(January 2010\)](#)

[Australian Industry Group "Performance of Manufacturing Index Report" \(January 2010\)](#)

[Australian Industry Group "Performance of Services Index Report" \(January 2010\)](#)

About the Recruitment and Consulting Services Association

The Recruitment and Consulting Services Association (RCSA) is the leading industry body for Australia and New Zealand with over 2,600 Members in recruitment, consulting and on-hire employment services. The Association sets professional standards, conducts research, educates and develops members' skills, monitors industry development and lobbies State and Federal Governments on issues directly affecting Members.
