

BRW Fast Starters 2010

Business Review Weekly recently released its annual list of Australia's fast starters. These are rapidly growing Australian companies that are less than 5 years old.

We are very proud of the fact Balance Recruitment came in at 36th place. A fantastic result given 2008-2009 was a very difficult time for the economy, and in particular the recruitment sector.

Balance is the highest placed IT Recruitment Company and has the 12th highest percentage revenue growth of all organisations.

We'd really like to thank our clients and candidates for all their help and support over the past couple of years, and look forward to continuing to work with you into the future.



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Market Update May 2010

In our last Market Update (December 2009), we spoke of 'a steady warming' of both the economy and the IT job market. We forecast a gradual tightening around candidate availability and a steady increase in job numbers over the course of the year.

We were wrong!

It wasn't a steady warming, rather a rapid boiling. We've seen a remarkable turnaround, and, there's no doubt this is industry wide. According to the April release of ANZ's job numbers, advertisements are up 29.9% from the trough of July 2009, and the number of IT Jobs on Seek has risen by closer to 50%. You know the jobs market is definitely booming when there are over 5000 vacancies for Recruitment Consultants currently listed on Seek.

One of the emerging trends we're seeing is the return of counter offers to the market. For the last 24 months employers had the luxury of not having to deal with counter offers – candidates had often been out of work, or their current employer wasn't in a position to come back with an improved offer. Now IT Managers and the broader business have both the budgets and pipelines of work to warrant fighting to keep their best people. We've found the best tactic to negate counter offers is to start

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building as strong a relationship as possible with your candidate before they resign. Introduce them to the team, invite them to come along to a team lunch, show them the spec of the new PC you're about to order for them, advise them you've cleared your diary for most of their first week and tell them about the impact they're going to have when they start. The more you engage them, the less likely they are to accept a counter offer.

With demand increasing across the board, there has also been a rapid escalation on salaries and rates. Several employers have been faced with contractors leaving for 40% rate increases. Unsurprisingly, we've seen many businesses struggle when going to market with the same budget as last year. In this light we've drawn together some practical ideas for those with a lean budget that should make your next trip to the recruitment market more successful and less time consuming.

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And some ideas to avoid....

Having high expectations of the skills and qualities of candidates is one thing, but there are a number of genuinely bad ideas that will make the search dramatically harder. Surprisingly they are still quite common practices:

- Expecting to unlock a totally new pool of candidates by increasing the salary or rate by 5%. If you genuinely want to make a substantial jump in the calibre of candidates you are seeing for roles, you need to increase the dollars on offer by 15-20%.
- Low ball salary offers. It's tempting to try save a few thousand dollars off your budget by putting in a slightly lower salary offer, but it may start a relationship off on a bad foot. Putting in a low offer on someone's salary can strike at the self esteem of that individual and potentially derail the whole process. If you feel the candidate is asking for a salary that's a little high, try and communicate this as early as possible in the recruitment process.
- Fixed term hires. On paper it seems like you'll make a substantial saving compared to hiring a contractor for the same duration. In tough times it can work very well, however when the market picks up it's a different situation. People in permanent roles aren't keen to leave their current position, contractors aren't interested as they aren't getting paid much less and they aren't even popular with those out of work, as people realise they'll soon be back on the market at the end of the term. In summary, you'll struggle to attract high calibre candidates with anything less than a 2 year fixed term hire.

Ideas for Recruiting with a Tight Budget

At present, the recruitment market is a lot like the property market. If you're looking to find a renovated freestanding 3 bedroom house in Leichhardt for \$700000, you're going to waste a lot of time looking, and in all likelihood you're going to end up disappointed. Increasing your budget isn't always an option, so you'd need to start looking at different suburbs, considering smaller houses or looking at a place that needs work. Here are a few ideas of what recruitment's version of a different postcode or a renovator's dream might look like:

A Different Vintage Consider a more mature candidate. Post-GFC, there is a pool of CIO/IT Manager level people who have struggled to get back into the market as there is a genuine paucity of roles at that level. Many of these candidates are more than happy to step back into more junior roles (such as Project Management, Infrastructure Management, etc), and there's some fantastic experience you can tap into at very competitive salaries and contract rates. It continues to amaze us how many employers refuse to look at anyone who is taking a step down.

New Arrivals Candidates who have just relocated to Australia on skilled migrant visas find it incredibly tough to get their first break into the local market. This is often due to perceptions around their communication skills or ability to integrate into the workplace culture. We don't believe 'no local experience' is an appropriate reason not to employ someone. It's the quality of the experience not the location of it that matters. There are some fantastic candidates out there – technically strong, with a strong work ethic and loyal to anyone who's prepared to give them a break. These candidates are often very sharply priced and it's not uncommon to see a reduction of 25-50% on local candidate rates.

Vertical Thinking Look beyond your industry sector. As much as it might be desirable to employ someone who has experience in the Banking/FMCG/Health/etc sector, your key driver is to hire someone who can relate to your users or stakeholders and has a good understanding of your technology. All industries are complex (yes, we know yours is even more so) so if the individual can demonstrate an ability to quickly learn the nuances of one sector, she/he can quickly learn yours.

Up-skilling & Cross-skilling Soften your technical requirements and let someone stretch into the role. Giving technical people the opportunity to learn about new technologies is always an attraction, and if you've got the capacity to bundle some formal training into the offer, it can become a real carrot to attract people.

Queen's English? Is it critical that the person has excellent communication skills? Obviously you need every person in your team to be an effective communicator, but that doesn't necessarily mean you need everyone to have a radio voice, especially for "back office" roles such as system administrators, DBAs or programmers.

3 Day Weekend Consider looking a 4 day a week option or a job share arrangement. In our experience there's a fantastic demand for these type of roles at all levels of the market. There are thousands of "return to work" mothers who are under-utilised or unemployed as they can't find a role that allows them to work flexible hours, and there an increasing number of candidates that simply like the idea of a 4 day week.

The other upside into going down one of these paths is this often has a positive impact on your staff retention. As many companies aren't super flexible, it will be less likely you'll have competitors taking your staff. So if you're the employer who thinks outside the square, it will be easier to keep your team.