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AUSTRALIAN COMPANIES SET TO CAPITALISE ON LESSONS LEARNED IN THE DOWNTURN

While the effects of the economic downturn continue to plague Australian companies, many have gleaned valuable lessons that are changing the way they do business, according to specialist finance recruitment firm, Robert Half.

“It’s perhaps a very bold thing to say, but it’s my belief that Australian companies are now better off and better equipped to manage their businesses as a result of the global financial crisis,” said David Jones, Managing Director of Robert Half Asia Pacific.

“Locally, we’ve weathered the storm well and are now in a position to better prepare for and handle future crises,” he said.

The strength of Australia’s local banking community against global competitors, who were once considered the most prestigious in the world, is but one example of how Australia has outperformed international markets during the downturn. Jones also believes Australia’s fairly stable employment rate and the increasing interest rates are other indicators of a positive performance.

But up to this point, it hasn’t all been smooth sailing.

“Australian companies moved from a position of management stress and cut backs during the height of the economic downturn, to a position of better understanding when and how to hire, and where productivity gains can be made,” said Jones.

“Businesses were forced to react quickly and mistakes were made. Many faced the consequences of having excess capacity; some laid off too many staff; and others ignored the wellbeing of their best people, to their detriment.”

According to Jones, “These quick-fixes highlighted problem areas within business that existed well before the downturn began. They’ve since given today’s up-and-coming managers the opportunity to learn first-hand what not to do during times of economic upheaval and the importance of building sustainability into a business well before a crisis hits.”

Jones prioritises the top three management learnings as:

1. The importance of maintaining relationships and loyalty among staff.

Companies now know that those employees who weren’t treated well in the height of the downturn are more likely to leave.

“We predict an exodus of people as soon as the economy has properly rebounded,” said Jones. “This will likely become the norm from February or March next year.”



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However, companies that invested in and paid attention to their organisations' star players during the crisis will have gained loyalty and are less likely to lose them to competitors.

Businesses will know this for next time.

2. The importance of investing time, money and staff resources in challenging economic circumstances.

In a downturn employers should invest in training up employees, now downplaying their contributions to the business. This approach to staffing gives employees more accountability and makes them feel more loyal to their employer. It also has the dual advantage of freeing up senior strategic resources to focus on business improvement and integration while allowing employees to continue day-to-day activities, therefore allowing the business to move forward.

3. Importance of finance.

The economic crisis taught companies that finance policies, measures and people need to be firmly embedded across all areas of business. As such, the role of the CFO in an organisation has changed. At a recent Robert Half roundtable, all participants confirmed that the role of the CFO now has a higher profile within an organisation.

Banking relationships have become more selective and delicate to manage; and external interactions have become far more important. This has bolstered the importance of the finance department and the role of the CFO.

"The downturn gave finance people an opportunity to take back some ground. In fact, finance leaders are being valued more highly than ever before.

"Their profile has been undeniably raised in an effort to help the company successfully face the challenges and opportunities the economy presents," said Jones.

"As a result of the global financial crisis, Australian businesses have been presented with a valuable opportunity to capitalise on lessons learned and better handle this kind of experience in the future," he said.

-ENDS-

About Robert Half

Robert Half International Inc. (RHI) pioneered specialised staffing services and today is the world's leader in the field. Founded in 1948, the company is traded on the New York Stock Exchange (symbol: RHI) and operates four separate divisions in Australia, each serving distinct markets. They include: Robert Half Finance & Accounting, for temporary and permanent finance and accounting personnel; Robert Half Financial Services Group, for high-calibre finance and banking professionals; Robert Half Management Resources, for specialised interim financial professionals and OfficeTeam, for highly skilled temporary administrative support. There are more than 360 Robert Half International staffing locations worldwide. *In 2009 Robert Half International was ranked number one in our industry on FORTUNE® magazine's list of the "World's Most Admired Companies."*

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