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MANAGER PANIC: COMPANIES AT RISK OF LOSING THEIR BEST TALENT

Australian companies are failing to properly manage their staff as people priorities continue to get pushed off the business radar due to the economic downturn, according to international recruitment firm, Robert Half.

“Managers have put so much emphasis on cost-cutting and delivering bottom-line efficiencies, that they’ve taken their eye off the ball and forgotten how to manage their greatest asset: their people,” said David Jones, Managing Director, Robert Half Asia-Pacific.

“While overall there has been a decrease in the number of candidates leaving existing jobs due to low confidence in the economy, we’ve noticed an increase in the number of strong candidates who come to us reporting manager issues as the main driver behind their departure.

“Their managers are panicking; they’re so worried about their own job security that they’re cutting staff pay and benefits without good reason and in some cases, without any justification as to why.”

This new trend puts at risk high levels of job loyalty that industries like accounting and finance have typically enjoyed. A recent employment survey conducted by Robert Half, showed that job loyalty is high in the accounting and finance industries, with a quarter (23%) of staff expecting to stay in the same role with their current employer over the next five years; but many employers are taking this for granted.

“Unless employers put their people priorities back on the business radar, companies are at risk of losing their best talent. It is a well known fact that people don’t leave their company, they leave their line manager, so managers need to smarten up, appreciate the loyalty of their staff and take employees on an open and honest journey in the downturn because the better they can communicate now, the better placed the company will be when the market recovers.

“In times of economic downturn, it is essential that companies take a long-term view as business success is largely dependent on the ability of staff. Australia has faced a serious talent shortage in key areas such as finance and accounting for more than a decade and employers must keep this in mind,” said Jones.

The downturn is also pushing other people priorities off the business radar. The baby boomer hurdle is another neglected issue with more than half (53%) of finance and accounting companies having taken NO steps to prepare for the retirement of baby boomers, according to Robert Half’s employment survey.

The exit of baby boomers will pose significant human resource challenges to Australian companies in two to three year's time and should be kept top of mind, even during a downturn.

“There are many long-term business issues or mega-trends that haven't changed, despite the downturn. Managers can't afford to be too-short sighted. The fact is **five per cent** of the working population is going to leave the workforce as soon as super funds bounce back. Cutting staff without proper thought in the current downturn, followed by the baby boomer exit, will see many companies fall short of good people,” said Jones.

Generational issues pose another key management problem in the downturn.

“Generation Y places great importance on their mentoring relationships but due to manager panic, Generation Y are losing out and are likely to leave unless these issues are addressed,” said Jones.

To help managers retain top performers and keep their organisations running smoothly in times of change, Robert Half has identified the most common management mistakes that are made in times of uncertainty:

Feeling people are lucky just to have a job	True, many people feel fortunate to have a stable position in this economy, but your most talented employees always have options. Good people are marketable in any economy, and you want your best people to stay with you for the long-term.
Assuming employees are mind readers	You've spent your week implementing cost cutting measures – and now your Accounts Assistant has requested a salary increase. Bad timing, but unless you communicate openly and often, your team will not know the business realities of the company.
Ignoring rumours	The rumour mill exists in every organisation especially when there are shut doors, cancelled meetings and people speaking in hushed tones. If your staff don't hear the news from you, they will hear it from someone else, and it may not be entirely accurate.
Lack of showing recognition	Many senior managers would be the first to admit they could offer a bit more positive reinforcement to their teams. There is no such thing as too much praise, as long as it's specific, genuine and timely.
Saving praise for last	It's nice to thank people for a job well done, but keep in mind that encouragement along the way works wonders too, in building motivation and productivity.
Not standing by your employees	Managers who do not support their workers lose their trust. Stand up for your team members, particularly if they are unfairly criticised. If you are there for them, they will be there for you.
Failing to give star treatment	Many managers make the mistake of spending too much time and resources trying to improve the performance of average employees while ignoring their strongest talent. While skills building is important, it is the top talent that are often responsible for your company's greatest successes.
Cutting back on training	Think twice before cutting staff development budgets, since enhancing your employees' skills can pay off in both the short and the long-term.
Equating busy with productive	Don't base employee recognition on who's working



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	the longest hours. Instead, reward people based on the results they generate towards company objectives.
Making work 'mission impossible'	Lay offs and budget cuts may mean one person will have to do the jobs of two or more people. Decide which projects are mission critical and delegate remaining tasks. Bring in temporary workers to assist your staff.
Waiting for an economic turnaround	If you have a good idea, don't wait for a recovery to implement it. You'll get a head start on the competition by making your move now.
Sacrificing quality	When people are busy, mistakes are more likely to occur. But don't let service levels slide because your team is swamped. You'll create a standard that will be difficult to break once workloads return to normal.
Making the wrong cuts	Most companies have had to reduce spending, but be careful about slashing services to your clients. If they're used to receiving certain benefits, taking them away can be a mistake.
Shifting the focus from the front lines	Customer service counts all the more when times are tough. Are you doing everything possible to make sure those who are the first point of contact with your company send the right message? If these employees come across as indifferent, you could lose prospective and existing clients.
Tying your employees' hands	Empower your team to make decisions that will ensure positive customer and client experiences. Provide guidance on how to resolve dilemmas most successfully, and let them know what they did well and what could have been done better.

The employment survey was developed by Robert Half International, the world's first and largest staffing services firm specialising in accounting and finance, and conducted by an independent research firm. The survey included responses from some 3556 accounting and finance professionals from 14 countries including Australia, Belgium, Brazil, Dubai, France, Hong Kong, Ireland, Italy, Japan, New Zealand, Singapore, Spain, The Netherlands and the United Kingdom. A total of 394 respondents were interviewed in Australia.

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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 locations in Asia Pacific, Europe, North America and South America.

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For more information about Robert Half, please contact:

Teneille Rennick

Lin Macdonald



Burson-Marsteller

Burson-Marsteller

P: 0412 584 679

P: 0408 501 381

E: teneille.rennick@bm.com

E: lin.macdonald@bm.com