



and Talent2 among those to have their actual or forecast earnings shaved.

For the 18 recruiters on the *BRW Fast Starters* list, although earnings have been hit by the downturn, their small size, specialisation and attention to customer service may be the keys to riding out the economic slump.

The co-founder and managing director of Marble Group, Gary Denton, is bullish about the future. Previously a director of recruitment firm Hays, Denton set up Marble in 2006. With revenue of \$3.9 million in 2007-08, he vows

THE BIGGEST CHALLENGE FOR LEADERS IN THE RECRUITMENT INDUSTRY IS KEEPING MORALE HIGH

GARY DENTON, MARBLE GROUP

he will double turnover this year. Marble has offices in Sydney and Perth and plans to open a Melbourne office in early 2010.

In the meantime, Denton says it is up to Marble to demonstrate to clients that the firm can add value to their business by finding the calibre of candidate they are insisting on.

"A year or two ago, companies were willing to compromise on who they recruited because of the skills shortage, but in today's market they're looking for exceptional candidates, and

we have to deliver those candidates because that's the only space available to recruiters in this market. We've only got one product, our reputation."

It is a tough market and Denton knows recruitment firm is working the telephone which means cold calling is not for the faint-hearted. Staff morale is a priority. "People operating with a sales focus in a down market can get very demoralised. We make sure to keep people motivated and keep them fresh."

Marble hosts regular staff breakfasts, provides employees with weekly exercise and meditation sessions and actively involves staff in the sponsorship of 20 children in Mozambique through World Vision. Internal training courses focus on business development, networking, maintaining client relationships and techniques for identifying candidates through the internet ensure consultants develop their skills for a tough market.

"With companies our size, it comes down to leadership," Denton says. "The biggest challenge for leaders in the recruitment industry is keeping morale high."

Staff turnover in recruitment firms has grown to a record 55 per cent and staff numbers have contracted by 33.3 per cent, also a record, a membership survey by the Recruitment and Consulting Services Association in May found. Like many of their clients, the RCSA says "members are shedding staff and not replacing them".

Shein employed two senior recruiters late last year in what Salt describes as "a classically countercyclical initiative".

"The reality is that really high-quality people attract business and add to a firm," he says. "We're committed to employing the best person first and letting the [recovery] process develop because when the time comes clients always respond to high quality."

Although employers are cutting into their labour budgets, the unemployment rate has not climbed as rapidly as expected. Just 1700 jobs were lost in May – which saw the jobless rate notch up 0.2 of a percentage point to 5.7 per cent.

Despite the apparent resilience of the job market, the fact is that full-time jobs are being lost in droves – more than 125,000 in the past 10 months. The Australian Bureau of Statistics says 26,200 full-time jobs were lost in May but these were replaced by 24,500 part-time jobs, thus the better-than-expected unemployment rate.

Volume recruitment firms have been hit hard, with listed recruiters Ambition, Clarius, HJB

HOW RECRUITERS ARE FIGHTING RECESSION

- 01** Expand range of services. A survey by the Recruitment and Consulting Services Association found that 38 per cent of recruiters are offering new services to clients.
- 02** Keep staff motivated. In-house exercise and meditation classes, staff breakfasts and corporate giving programs keep staff engaged.
- 03** Upskill. In a tougher market, firms need to develop the skills of their employees in such areas as business development, networking, maintaining client relationships and new technology.
- 04** Back to basics. The downturn is an ideal time to review business costs, systems and processes.
- 05** Reputation, customer service and client relationships, always important, are doubly so in a downturn.