



Employment Placement and Contract Staff

Services

19th Voorburg Group, Ottawa 2004



Outline

- The industry within Australia
- Pricing methods
- Constant Quality issues

Employment Placement

- The provision of employment placement services including:
 - search,
 - selection,
 - referral,
 - placements and
 - recruitment
- On a *permanent basis*

Contract Staff Services

- Businesses engaged in job placement on a *temporary basis*
 - wages and associated costs are paid by the business performing the placement
- The contractor is effectively employed by the *contract staff agency*

Labour Recruitment in Australia

LABOUR RECRUITMENT IN AUSTRALIA (1998-99) (a)

	<i>Number of employees</i>	<i>Revenue \$m</i>
	<i>(1998-99)</i>	<i>(1998-99)</i>
.....		
Employment Placement	14,202	1,002.0
Contract Staff Services	293,647	6,815.6
<i>Total</i>	<i>307,849</i>	<i>7,817.6</i>

.....
(a) Source : Employment Services, Australia 1998-99 (ABS, cat. no. 8558.0), Table 2.1

Pricing methods

- Contracts
- Charge out rates
- Average prices

Constant Quality Issues

- Defining the service
- Measuring real prices

Difficulty defining the product

- Bundling
- Un-bundling
- “No two job placements are ever the same”

Quality : editing and queries

- Staffing
 - Specialised
 - Knowledgeable
- Expensive

Difficulty determining the price

- Percentage fees & salary bands
- “Client specific” charging regime

Fees and bands

- “33% of first year salary for junior supervisor with a salary in the range of \$45-50 k”
 - Respondents vary rate of fee over time
 - But average salaries rise as well
- Solution: incorporate Wage Cost Index
 - Bracket Creep?

“Client specific” pricing

- Top end of the executive search market
- Set fees “according to what the market can bear”
 - Not determined by actual service delivered but by demand for the respondents services
- Price change and quality change

Price Discrimination

- Not new ...
- Product change
 - Client perspective
 - Producer perspective