

Press release

Thursday 27 January 2011

Businesses anticipate more of the same

Over half of Taranaki's businesses are expecting a plateau in both national economic conditions and their own industries over the coming 12 months, the latest Taranaki Business Survey has found.

Similarly, a greater number of Taranaki businesses predict sales over the next half year to stay the same and little change in employee numbers, with 13 percent expecting growth, 13 percent expecting decline and 73 percent predicting staff numbers to stay the same.

"In all cases those expecting improvement continue to outnumber those expecting deterioration, so the outlook around the region remains cautiously optimistic," said Venture Taranaki chief executive Stuart Trundle.

The region's businesses are most concerned by electricity and petrol price rises – more so than 6-months ago – while the impacts of the Emissions Trading Scheme are the third greatest concern, though less prominent than the mid-2010 survey.

Employment outlook

Skill shortages across the region continue to decline, with only 14 percent of Taranaki businesses stating they are having difficulties finding appropriate staff to fill vacancies, down from a peak of 47 percent in 2007. Vets, motivated trades people and those with specific industry qualifications are currently in demand by the region's businesses.

This survey looked in greater detail at the recruitment activity of Taranaki businesses – their strategies, practices, experiences and outlook.

"When it comes to recruiting staff businesses favoured word of mouth, local newspaper advertising and shoulder tapping potential candidates, proving the age-old adage of it's not what you know but who you know," says Stuart.

Website advertising, free local newspapers and recalling former employees were also popular channels for finding staff.

When it came to what attributes employers most sought in potential employees, motivation and reliability were by far the most important selection criteria, followed by having the right basic skills for the job and a good level of health and fitness.

When it came to short-listing candidates based on their written applications, businesses commented that red flags are raised when it comes to candidates who were dismissed from their last job, had a criminal record, or had not worked in over two years. However, previous redundancy, long-term employment, short-term unemployment or entering the workforce were not seen as having an overly negative impact on short-listing.

“The feedback from Taranaki businesses is that a candidate’s motivation and enthusiasm are critical when it comes to applying for a new position, and good quantities of these factors can overcome many of the challenges in terms of consistent employment history.”

Perceptions of unemployment

With growing levels of unemployment in both the region and the country, it was timely to investigate how Taranaki business owners and managers perceived job candidates who were currently unemployed.

Unemployment wouldn’t appear to be a handicap to finding a job in Taranaki – just over 43 percent of the region’s businesses have employed someone who has been unemployed for more than six months. Advantages were seen as an eagerness and excitement to get back into work and perform the job well.

The opportunity to train the employee and utilise some of the subsidies available to help get people off the unemployment benefit were also seen as benefits for employing someone who had previously been out of work, as was making a difference through giving them the opportunity to work.

Negative perceptions around hiring a long-term unemployed person centred on their loss of current skills, work-readiness – such as sustaining an 8-hour day – and a general lack of confidence in the role and workplace.

When it came to the use of financial incentives to shift people off the unemployment benefit and into work, there was little awareness of what was available, though feelings were mixed on their effectiveness.

“The message from the region’s employers is that unemployment in itself isn’t detrimental to finding employment, and that financial incentives might prove useful in fast-tracking the recruitment process,” said Stuart.

“While every candidate is different, there is a genuine desire to help motivated and confident candidates, though it can be challenging to maintain these skill sets through prolonged periods outside the workforce.”

Government employment policies

The survey also sought feedback from the region's businesses on a number of recent Government changes to employment policy and legislation.

There was significant support amongst business owners and managers for both the extension of the 90-day trial (82 percent support) and giving employees the option of exchanging their 4th week of annual leave for cash (69 percent support).

Shifting public holiday entitlements to other days – topical again this year with the number of holidays falling on weekends - drew a far more balanced response, with 53 percent support.

Requiring all those receiving the unemployment benefit to reapply for the benefit every year found 85 percent support, and work testing DPB recipients once their youngest child turned six was also seen as a positive move, gaining a total of 68 percent support.

“Generally we are seeing Government shifts in employment policy find favour with the region's employers.

“Overall the region's businesses expect to be treading a path of stability over the coming months.