

## Use of project contractors skyrockets

There is a growing trend of companies keeping a small and limited team of full time-permanent staff, and bringing in skilled contractors for special projects as they require, new research has revealed.

The annual survey by Resources Global Professionals canvassed the opinions of Australian senior consultants who work on a project basis across sectors including accounting and finance, risk management/internal audit, information management and [human resources](#) projects.

The results showed that senior project workers are increasingly in demand, but in a sign reflecting the tough economic climate, 75% of senior project consultants reported needing to be flexible on their pay rates for the period ending July 2011.

The financial services and resources sectors continue to offer the most project work, with results also indicating a drop in government work and a rise in IT&T opportunities.

Despite the decline of manufacturing in Australia, 28% of those surveyed predicted there would be project opportunities for them within this sector (up from 15% last year).

Managing director (Asia Pacific) Resources Global Professionals, Jacinta Whelan, said: “This reflects the reality that manufacturers are looking closely at whether to remain in Australia – and if they decide to stay onshore, they’ll need to successfully restructure to survive. A tough climate for the retail sector is reflected in the low number of professionals expecting retail project work (8% - 12% last year).”

The survey indicated the top three reasons for businesses and organisations engaging contracted project professionals in the past 12 months were:

1. Staff shortages causing inability to execute projects;
2. Large scale projects requiring additional people; and
3. Lack of in-house expertise

Whelan also commented that 62% of project consultants indicated their services had been more demand than in the previous year.

Talent2’s recent market pulse study corroborated the apparent trends, with their results highlighting just how common the practice of using contractors has become.

The survey, which saw nearly 600 senior HR managers as well as executives from Australia, China, Singapore and Hong Kong interviewed, showed 67% of respondents reported having had [recruitment](#) problems due to skill shortages. That figure rose to 77% for organisations employing in excess of 250 employees.

Talent2's survey revealed that of the companies which have experienced skill shortages, a range of strategies have been adopted to alleviate the problem including:

- Upgrade the skills of existing staff (63%)
- Hire contract/temporary staff to help alleviate high workloads (55%)
- Hire new staff from overseas (34%)
- Make do by having existing staff work longer hours (28%)