
RECRUITING FOR THE TRANSPORT ENGINEERING AND PLANNING SECTOR DURING RECESSION

Although ubiquitous in the media and a standing agenda item for all those business guru wannabes around UK office coffee machines and corridors, one could be forgiven when first coined that the 'Credit Crunch' was a new cereal brand created by marketeers promising much 'Snap, Crackle and Pop'. Media reports indicated that there would be much of the latter in 2009 and certainly predict that there's plenty more to come. But for professional service providers trading in transportation engineering and planning, what are the likely outcomes of the 'Crunch' and what opportunities, if any, will there be for business and even recruitment during this time of uncertainty?

Finding a 'one-size-fits-all' answer to this question is difficult without going into a huge amount of labour and macro economic analysis. What is clear, however, is that trading conditions have been tough for both contractors and civil engineering and transport planning consultancies.

SNAP

As private sector projects are shelved or even dissolved due to lack of affordable financing and consumer and commercial demand, civil engineering contractors and support services that have been wholly reliant on this business area have struggled to maintain the status quo. They have had to re-profile their business not only in terms of market but also in terms of resources and manpower. For British firms that ventured into the Middle East, the reality of this is still very painful, as many are still smarting from the collapse of markets in Dubai in particular. Furthermore, for those that have a mixed portfolio of private and public sector income or even total public sector dependence, there will not only be internal pressure placed on business managers to consolidate and maximise revenue from the public purse, but also to stave off the threat of competitors entering the market from other engineering sectors with aggressive sales and pricing policies in the hunt for secure public sector cash flow.

The upshot of these circumstances has driven organisations to become more aggressive, competitive and focused on the public sector. However, this is a market which is vulnerable to budgetary and bureaucratic complications and, of course, political influence. For schemes that are currently funded by central, regional or local government, the future looks relatively stable based upon committed funding streams. For those schemes that are subject to Secretary of State or Mayoral approval, opportunity to withhold or even withdraw earmarked funding remains a distinct possibility. For public private partnership (PPP) schemes, which are heavily dependent on investment from the very financial institutions that have contributed to (allegedly) or suffering from direct consequences of the 'Crunch'.

Recent government announcements indicate that politicians aim to dispel rumours of reigning in public spending by 'bringing forward' infrastructure schemes such as Cross Rail or hard shoulder running highway improvement schemes. However, with current planning regulations as they are, the necessary public enquiries and protracted timeframes associated with major projects (e.g. third runway at Heathrow, nuclear power stations etc) are likely to form a sturdy barrier against the realisation of political and economic objectives, in spite of political rhetoric. The consequences of not progressing with vital infrastructure and their associated economic benefits are going to be politically unpopular and perhaps lead to the 'steamrollering' over planning laws to realise essential projects sooner.

CRACKLE

Clearly now is not the time for the public sector to begin having 'sympathy pains' in light of economic activity and downturn. In many respects the current situation works in the favour of public spending. Thankfully the Government's 'financial stimuli' have enabled major initiatives such as transport infrastructure projects to commence, but the funds are available for only a limited time period and the scale of schemes can only sustain a certain number of contractors, engineering consultancies and other interested parties. Local Authorities, where feasible, should aim to maintain and if possible increase their investment in transport infrastructure and planning schemes.

As companies refocus their private sector activities in the attempt to capture secure UK public sector contracts, increased competition will promulgate innovation, attractive pricing options for buyers and most probably ensure scheme delivery to time and budget. Additionally, reduced demand on infrastructure networks, will enable essential maintenance and construction schemes to proceed with lower levels of impact on congestion, service levels and overall passenger satisfaction than during economic peak periods. Therefore, it would seem an ideal time to assist the economy whilst ensuring value for money for public finances.

During the economic downturn, we have already seen companies behave in one of two ways:

The first has shown companies become more analytical, examining their cost structures, processes, suppliers, service delivery etc. Although this should be part of good business governance during any economic cycle, the outcome of this forced scrutiny typically results in a moratorium on certain business activities e.g. marketing, travel, entertainment, R&D, training, recruitment etc, and in more extreme circumstances has resulted in, at worst, broad brush, or, at best, specific redundancies in over resourced or under-performing, unprofitable activities. Remaining staff will adopt a low profile, keeping their heads down, but will be actively weighing up contingency and parachute employment options.

The second has identified companies with vision and good leadership capable of recognising recession periods as ideal business and growth opportunities. They have adopted expansive, innovative measures such as increasing domestic and international sales, marketing, research and development in order to take advantage of weakened competition in preparation for market recovery. Certain companies have even embarked on the mergers and acquisitions trail, and others have explored sharing contractual risk through joint ventures and closer working relationships with partners and suppliers. Such growth activities have furnished employers with greater external appeal to high performing engineers, consultants and researchers that are engaged in declining businesses. Companies in growth mode can afford to be selective whilst also managing recruitment, retention and other overhead costs.

POP

The key challenge for employers will be their ability to hold on to business and revenue generating staff, mobilise resources to ensure that they are getting the best of their abilities and sufficiently stimulate them to remain committed to seeing the employing company through these troubled times. However, attrition (retirement, resignations, maternity leave etc), will continue regardless of business performance. Some will be replaced, others not as companies 'make do' with current resources, often at the cost of quality, service and customer satisfaction. The challenge is made even greater as expansive companies will want to take advantage of the economic situation by increasing their investment in executive search activities. They will aim to draw out high profile and emerging talent particularly from competitors that are contracting in size, and in some cases could sufficiently deplete their capabilities to the level of a minor market player. It has never been a better time for 'cherry picking'.

From a recruiting perspective, the recession has clearly had a severe effect on overall demand, but crucially permanent recruitment has not stopped altogether. Worst hit have been those trades most closely correlated with commercial and private property development such as transport planners (although skills restrained disciplines such as modelling have been relatively unaffected). There have been mixed fortunes for interims as private sector cost cutting measures typically accounted for them as 'primary cull'. In contrast however, the heavy reliance of Local Authorities and other public sector employers on interims, 'contractors', and other specialist temporary workers has resulted in these being maintained, often at the expense of other resource groups. In certain instances, private sector high end permanent salaries (£80k+) have not been tempting enough to prise them away from lucrative long term local authority and 2012 contracts.

Although the overall number of permanent positions has decreased, the *quality* of recruitment has clearly increased. Clients have become more discerning in their appointments, preferring to commission pure 'head

hunting' assignments as opposed to random market 'blunder-bussing'. Apart from those organisations that are compelled to provide equal opportunities and encourage diversity, advertising has almost been dispensed with altogether, reserved only for specialist or senior roles. A quick glance at key trade and national media journals provide sufficient testament to this, as insufficient vacancies and increased numbers of direct applicants negate justification of awareness raising activities.

Despite this abundance of potential resource, employers now face substantially increased workload to sift and identify candidates with the right experience. All too often such applicants rarely match required profiles, thus compelling employers to revert to proactive searches for the right candidate. Although it is clearly an employers market, the trick is to prise targeted individuals from their current job and this is where direct employer efforts typically come unstuck. For the majority of targets, time served acts as a valuable shield, often eliminating them from redundancy considerations. Moving to a new company in the current economic climate would mean relinquishing this protection and the associated vulnerability often negates any benefit that a new job could offer.

To overcome this, leading practitioners have developed closer working relationships with specialist recruitment consultants to represent their interests and attract the right individuals to join their business. Such recruiters tend not to canvass CVs to a multitude of potential employers as this adds negligible value. Instead their activities are more discreet and personal in nature, typically 'owning' relationships with the very best talent in the industry. Therefore partnering with an appropriate recruitment consultancy will add not only considerable value to far-sighted businesses, but critically, a distinct and real competitive advantage.

For all the economic monitoring and forecasting undertaken in the money markets, many could not predict the unprecedented global effect of the credit crunch and ensuing recession. Clearly, the infrastructure and transport planning market has experienced a period of 'snap, crackle and pop' – an enforced stock taking and business strategy correction metamorphosis. For businesses emerging from this transition, awaiting them will be acute competition for new projects and contract renewals in the UK and overseas. Without question, it will be talented people that win tenders, determine technical solutions, manage delivery and secure the lifeline of any firm: cash flow and profits. Having a 'competitive advantage' will be vital. Have you got yours?



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