



One in Four Independent Professionals Take Pay Cut During Global Financial Crisis But Remain Resilient, Enthusiastic and Committed to Contracting Work

Entity Solutions and Monash University Release the IPro Index 2009

Melbourne, 1 September 2009 The Global Financial Crisis (GFC) has resulted in one in four of Australia's Contractors, referred to as Independent Professionals (IPros) by Entity Solutions, taking a cut in pay rates, just under half having to be more flexible in their earnings expectations and thirty-eight per cent reporting increased competition for work.

At the same time, Australia's one million^[1] Independent Contractors who represent approximately 10 percent of Australia's workforce are a happy, enthusiastic and inspired group of individuals who enjoy the freedom, variety and perceived earnings ability of self-employment. They see their roles as best suited to an Indiana Jones-type of character and the majority of IPros typify their client/consultant relationships as being akin to Paris Hilton and whoever a temporary alliance of mutual benefit.

The findings were released today in the Independent Professional (IPro) Index 2009, a study of the attitudes, issues and trends of Australia's professional contracting market. The research was conducted by Monash University, sponsored by Entity Solutions, and involved an attitudinal survey of 256 white-collar contract professionals across Australia.

Despite the GFC, IPros rated a very positive mean score of 6.7 out of ten on the IPro Index for their attitudes across the five key areas of: lifestyle, well being, commitment to current clients, perceived support from clients, and industry-affecting trends.

Matthew Franceschini, CEO of Entity Solutions, commented, The 2009 IPro Index score sets a benchmark for future annual surveys and for ongoing research into the professional contracting workforce. It has been designed to help enhance our understanding of an often ignored but significant proportion of Australia's working population.

The study found that working as an IPro is not only a preferred lifestyle but it is also one that appears to offer a sustainable way of working for the majority of contract professionals. IPros demonstrate an ability to cope with uncertainty like Indiana Jones and are mature and educated and will work hard to integrate themselves into a client organisation. It's an approach which suits the clients' needs for flexibility as they adapt to changes in the business environment.

Contrary to popular belief factors such as being laid off, fear of job loss, difficulty in finding permanent work and a tight labour market appear to play no role in the decision to become an IPro. Instead, respondents cited that the decision to engage in contracting is largely driven by the sense of freedom, variety of work and perceived ability to earn more.

Client commitment among IPros is strong with one in two participants stating they would be very happy to spend the rest of their career working for their current client organisation. The same ratio of IPros noted that they feel as if their current client organisations problems are their own. Just under a third (27 percent) suggested they feel part of the family at their current client organisation.

In general IPros believe that this commitment runs two ways with 72 percent of IPros agreeing that their client organisation values their contributions and cares about their well-being. 70 percent also state that their client organisation takes pride in their accomplishments at work.

These beliefs have important implications as IPros who see themselves as valued are likely to increase their desire to help the organisation reach its objectives.

The results from the IPro Index study confirm that the world of work is changing and that Australian organisations better start taking a good look at just what their workforce really is. As more workers opt for the freedom and flexibility of the IPro lifestyle the traditional carrots of security, paid holidays and sick leave seem to have lost their charm and employers are going to have to deal with an educated, self aware and very competent individual who has plenty to offer the organisation but may provide organisations with the challenge of what can they offer them in return. commented Dr Tui McKeown, Deputy Director of SEIRnet (Social and Economic Interface Research Network), Monash University.

The survey also found that slightly more than half of respondents admitted that finding better work would be quite difficult to very difficult right now.

Franceschini, added, Economic uncertainty may have created a situation where IPros have to be more flexible in their earnings expectations, but overall they remain a happy group with strong job satisfaction and a very firm commitment to their clients.

About Entity Solutions

Servicing Australia nationally with offices in Melbourne, Sydney, Brisbane and Perth, Entity Solutions is the leading multi award winning Professional Engagement Services organisation. This means we provide the corporate engagement structure through which Contractors (Independent Professionals/IPros) engage with and are engaged by the business sector, most commonly for fixed terms or on a project-to-project basis.

By utilising our services, IPros and the organisations engaging them gain a risk free, efficient and compliant relationship with no administrative burden. This provides flexibility and control for all stakeholders to a fixed term, project based relationship, leaving all parties focus on what they do best. This is achieved through five distinct business units:

- Entity Enterprise IPro lifecycle management for corporations;
- Entity Engagement IPro engagement solutions for organisations;
- Entity Management IPro engagement solutions for individuals;
- Entity Migration individual and corporate migration solutions;
- Entity Backoffice financial and payroll services for organisations.

For further information or to arrange an interview, please contact David Bass, Director, Bass PR on (02) 9967 8022.

[1] ABS (2009), Australian Labour Market Statistics, Cat 6105.0