



PRESS RELEASE

UK SMEs PREDICT FIVE OUT OF SIX BUSINESSES WILL NOT HIRE MORE STAFF IN 2010

SURVEY HIGHLIGHTS SME ATTITUDES TO RECRUITMENT

London, 04 August 2010

Key points

- 85% of SME respondents to the survey are not looking to hire in 2010
- The majority of those asked stated first impressions as key in hiring new recruits
- Only 13% cite recruitment or executive search agencies as the most effective means of finding the best people
- Only 18% think young people working as unpaid interns is a win-win arrangement

The first Investment in Staff survey of small and medium-sized enterprises (SMEs) from QBE, the specialist business insurer, shows that only one in six (15%) of those questioned are looking to hire more staff in 2010. A dire outlook for those who have graduated this summer and are looking for work, however there were some interesting findings from the report on how to go about securing a position.

A staggering 72% of those asked placed a great deal of importance on first impressions at the first meeting, with speaking skills and body language following closely behind (69% / 68% respectively). Only 51% placed a great deal of importance on references from current or past employers, 48% on a well presented CV and a mere 14% listed in-service training courses as being of great importance. This suggests that personality and confidence are of most importance in this entrepreneurial sector.



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Recruiting talent

Networking was stated as being by far the most effective means of finding new members of staff, with nearly half of respondents citing this as the best method. Interestingly, the second most effective method was advertising in the local paper or trade journals (29%) with only 13% listing recruitment or executive search agencies as the preferred means of finding the right people.

Unpaid internships

In the current marketplace, many have seen working as an unpaid intern as a useful way of gaining experience. However in this survey only 18% of respondents would describe this as a win-win arrangement and over a third (36%) would describe the situation as exploitative.

Staff retention

Once hired, the survey indicated that the most effective way to retain staff is to promote mutually supportive morale and camaraderie amongst colleagues (75%), with 70% citing a flexible attitude to time-off for family as being a key factor. A 'work hard, play hard' culture was supported by only 15% of respondents.

Terry Whittaker, Managing Director Distribution, QBE European Operations: "In the current climate, small to medium-sized enterprises have a key role to play in the UK's economy. As a specialist business insurer, QBE is always looking for ways to support the SME community and to help them develop; recruitment and retention of talent is a vital part of that progression."

-ENDS-

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Notes to editors

About the QBE Investment in Staff Survey

Data were collected by The Survey Shop in June 2010. A total of 406 interviews were conducted by telephone using quota sampling. Respondents were qualified as owners, managers and decision-makers, and the data are representative of SMEs in UK and Ireland.

About QBE

QBE Insurance Group is Standard & Poor's 'A+' rated and is one of the world's leading international insurers and reinsurers, headquartered in Sydney, Australia. We operate out of 48 countries across the globe, with a presence in all key insurance markets, and are lead underwriters within our chosen markets, setting rates and conditions. For the year ended 31 December 2009, the company underwrote gross written premium totalling £7,241.86 million and held shareholders' funds of £5,670.07 million.

QBE's European Operations, which accounts for 35% of QBE Group turnover, is a leading specialist in London market and European commercial lines business. It provides a wide range of insurance cover, including property, motor, liability and professional indemnity across a broad range of business types and sizes.

QBE is proud to be the Official Business Insurance Partner of England Rugby and Premiership rugby. Our partnerships with two elite properties in the sport will allow QBE's brand to continue to develop and business to grow.