

Employers Expect Uptick in Hiring in the New Year, CareerBuilder's 2010 Job Forecast Finds

-Employers highlight trends to preserve the health and growth of their businesses-

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The encouraging news regarding the economy may be easing hiring fears, as employers signal an increase in their plans to hire in the new year, according to CareerBuilder's 2010 Job Forecast. While employers continue to closely monitor the progress of recovery for the U.S. economy, they are beginning to consider hiring strategies designed to preserve the health and growth of their businesses for the future. CareerBuilder surveyed more than 2,700 hiring managers and human resource professionals nationwide across industries.

"There have been many signs over the past few months that point to the healing of the U.S. economy, especially the continued decrease in the number of jobs lost per month, a trend that will hopefully carry over into the new year," said Matt Ferguson, CEO of CareerBuilder. "Although 20 percent of employers plan to add headcount in 2010, up from 14 percent last year, they still remain cautious in regards to their hiring. We're headed in the right direction but should not expect to see actual job growth until at least Q2 2010."

HIRING IN 2010

Full time

Twenty percent of employers plan to increase their number of full-time, permanent employees in 2010, up from 14 percent in 2009. Nine percent say they plan to decrease headcount in 2010, down sharply from 16 percent in 2009. Sixty-one percent don't plan to change staff levels, while 10 percent say they are unsure.

Part time

Eleven percent of employers say they plan to add part-time employees in 2010, up slightly from 9 percent in 2009. Eight percent say they plan to decrease their part-time help in 2010, down from 14 percent in 2009. Sixty-nine percent plan no change in headcount, while 13 percent are unsure.

Hiring By Region

Employers in the West are planning to increase their headcounts more in 2010 than the other regions of the country. Nearly one-quarter of employers (24%) in the West say they plan to add full-time workers in 2010, compared to 21 percent in the Northeast, 20 percent in the South and 16 percent in the Midwest.

While plans to decrease headcounts in 2010 are down sharply across all regions, employers in the Northeast still plan to trim headcounts by 10 percent, followed by an 8 percent decrease in the South, Midwest and West.

Hiring By Industry

Comparing selected industries, hiring is expected to increase in information technology, manufacturing, financial services, professional and business services, and sales in the coming year. Thirty-two percent of IT, 27 percent of manufacturing, and 23 percent of financial services employers plan to add full-time, permanent employees in 2010, followed by 22 percent of employers in professional and business services and 21 percent in sales. Health care employers are also planning to expand staffs at 21 percent followed by 18 percent of transportation employers and 15 percent of Retail.

Hiring By Job Type

When asked which areas employers plan to hire for in 2010, one-third pointed to technology followed by 28 percent in customer service. Nearly one-quarter (23 percent) plan to add sales people, 18 percent will add research/development, 17 percent in business development, 15 percent in accounting/finance and 14 percent in marketing.

Compensation

Even as companies continue to watch their spending, they still plan slight increases to salaries in the coming year. Fifty-seven percent of employers report their companies will increase salaries for existing employees in 2010, down from 65 percent in 2009. Thirty-six percent expect to raise salaries of existing employees by 3

percent or more, while 11 percent anticipate increases of 5 percent or more.

Twenty-nine percent of employers plan to increase salaries on initial offers to new employees, down from 33 percent in 2009. Nearly one-in-five (18 percent) employers will raise salaries on initial offers by 3 percent or more while 7 percent anticipate increases of 5 percent or more.

HOW EMPLOYERS PLAN TO MOVE FORWARD IN THE NEW YEAR

Companies are looking to the future and making up for lost ground caused by the recession. The following are 10 trends for 2010:

1. Replacing Lower-Performing Employees: Employers are taking advantage of the large number of top talent in the current labor pool to strengthen their work force. Thirty-seven percent of employers say they plan to replace lower-performing employees with higher-performers in 2010. When asked to grade their current work force, 25 percent rated them an "A", 60 percent a "B", 15 percent a "C", and 1 percent a "D." Less than one-half of a percent felt their current staff was a failure.

2. Emphasis on Social Media to Strengthen Brand: The economy required companies to make some tough decisions about their businesses, which had a negative impact on their brands. Close to four-in-ten employers (37%) plan to put a greater emphasis on social media in 2010 to create a more positive brand for their organization. One-in-five employers plan to add social media responsibilities to a current employee, while close to one-in-twelve (8 percent) plan to hire someone new to focus or partially focus on social media.

3. Rehiring Laid-off Workers: Companies needed to scale their businesses to market last year and four-in-ten employers say they were forced to lay off workers. Among those who had lay-offs in 2009, thirty-two percent of employers now say they plan to bring back workers with three-in-ten either doing it now or planning to do so in the first six months of 2010.

4. Flexible Work Arrangements: Companies plan to continue providing employees with greater flexibility in hopes of maintaining a better work-life balance. Thirty-five percent of employers say they plan to provide more flexible work arrangements in 2010, compared to 31 percent last year. These arrangements include:

- Alternate schedules - come in early and leave early or come in later and leave later - 73 percent
- Telecommuting options - 41 percent
- Compressed workweeks - work the same hours, but in fewer days - 32 percent
- Summer hours - 18 percent
- Job sharing - 13 percent
- Sabbaticals - 6 percent

5. Cutting Perks and Benefits: Even as companies look to the new year and toward growth opportunities for their businesses, many are still choosing to trim perks and benefits. Thirty-seven percent of employers say they will cut perks and benefits in 2010, up from 32 percent who said they trimmed in 2009. Perks and benefits employers plan to trim in the new year include bonuses, medical coverage, suspended 401k matching and office perks such as coffee, tea and condiments.

6. Rehiring Retirees and Postponing Retirement: Companies understand the intellectual capital mature workers bring to their organization and 27 percent say they are open to retaining their workers who are approaching retirement. Sixteen percent say they are likely to rehire retirees from other companies in 2010. Additionally, one-in-ten are likely to provide incentives for workers at or approaching retirement age to stay on with the company longer. At the same time, workers have expressed interest in postponing retirement. Thirty percent of employers report they have received requests from workers approaching retirement age to stay on with their company, up from 22 percent last year.

7. Freelance or Contract Hiring: While employers still plan to be cautious regarding the number of full-time employees they add in the new year, many will turn to freelance or contract employees to help keep their businesses moving forward. Three-in-ten employers anticipate hiring freelancers or contractors in 2010, up slightly from 28 percent in 2009. Six percent expect to employ more freelance workers or contractors than last year, while 15 percent expect to hire the same amount and 10 percent plan to hire fewer.

8. Green Jobs: Employers will continue to turn some of their focus to the environment in the new year. Eleven percent of employers say they plan to add "green jobs" in 2010, the same amount who said they added them in 2009. "Green jobs" are positions that implement environmentally conscious design, policy and technology to

improve conservation and sustainability.

9. Bilingual Recruitment: Employers have identified having a diverse work force as an important measure of success as they begin to rebuild their businesses after the economic downturn. One area they plan to focus on is building a bilingual team. Nearly four-in-ten employers (39%) said they plan to hire bilingual candidates in 2010 and half said that if they had two equally qualified candidates, they would be more inclined to hire the bilingual candidate.

10. Business Travel: While employers are inching away from cost containment and more into growth, one area they still plan to save money on is business travel. Forty-three percent of employers say that in their organizations there will be less business travel in 2010 than in 2009.

Survey Methodology

This survey was conducted online within the U.S. by Harris Interactive© on behalf of CareerBuilder.com among 2,720 hiring managers and human resource professionals (employed full-time; not self-employed; non-government; with at least significant involvement in hiring decisions) ages 18 and over between November 5 and November 23, 2009 (percentages for some questions are based on a subset, based on their responses to certain questions). With a pure probability sample of 2,720 one could say with a 95 percent probability that the overall results have a sampling error of +/- 1.88 percentage points. Sampling error for data from sub-samples is higher and varies.

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