

Job Market Showing Gradual Improvement, According to Quarterly Job Forecast From CareerBuilder and USA TODAY

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A renewed sense of optimism in hiring is revealed in CareerBuilder and USA TODAY's latest nationwide survey of employers. For the third consecutive quarter, more employers are projecting they will increase headcount in the next three months while fewer employers are expecting staff cuts. The survey was conducted by Harris Interactive© from February 10 to March 2, 2010. More than 2,700 hiring managers and human resource professionals across industries participated.

Activity on CareerBuilder's site also shows evidence that employers are ready to initiate growth strategies once again. "The number of job listings on CareerBuilder.com have increased both sequentially and year over year in 2010," said Matt Ferguson, CEO of CareerBuilder. "The recovery in the job market will take some time as employers face new market realities and gauge demand, but we expect to see gradual improvement throughout the year. The rise in online job listings and resurgence in temporary hiring are good leading indicators for stability in the market and the creation of more permanent jobs down the road."

Hiring in Q1 2010

Twenty-three percent of employers reported they increased their full-time, permanent staff in the first quarter. This is up from 13 percent in the same period last year and up from 20 percent in the fourth quarter. Twelve percent decreased headcount, down from 26 percent year over year and down from 13 percent in the fourth quarter. Sixty-four percent of employers reported no change in their number of full-time, permanent employees while one percent were undecided.

Hiring in Q2 2010

Twenty-three percent of employers plan to add full-time, permanent headcount in the second quarter while 8 percent plan to downsize staffs. Sixty-four percent anticipate no change while 6 percent are undecided. Looking at actual hiring for the second quarter in 2009, 18 percent of employers reported they had hired full-time, permanent staff while 17 percent reported they had decreased staff.

Six Employment Trends for Q2 2010

- Hiring Contract Workers - Hesitant to accelerate hiring of permanent staff, 25 percent of employers anticipate hiring contract workers or freelancers in the second quarter to help fill productivity gaps. Thirteen percent said they are likely to hire these workers on a permanent basis.
- Offering Internships - Employers are also upping their number of interns to cost-effectively add resources in the interim. Nearly one-quarter (24 percent) of employers said that they will be hiring interns at their location in the second quarter.
- Hiring for Social Media - The pervasiveness of social media is reflected in companies' plans to add jobs and responsibilities related to Web 2.0. Nearly one-in-ten employers (9 percent) plan to hire a new employee in the second quarter to focus on social media. An additional 13 percent plan to add social media management to a current employee's responsibilities.
- Adding Bilingual Staff - Employers are diversifying their workforce to appeal to broader consumer segments. One-third (33 percent) said they plan to hire bilingual candidates in the second quarter of 2010. Half (50 percent) said that if they had two equally qualified candidates, they would be more inclined to hire the bilingual candidate.
- Replacing Lower-Performing Employees - Companies are re-evaluating their current staffs to prepare for the upturn ahead. Twenty-eight percent of companies said they plan to replace lower-performing employees with higher-performers in the second quarter.
- Holding on to Talent - Thirty-two percent of employers are concerned that some of their top employees may leave their organizations in the next few months as market conditions improve. To help retain workers,

14 percent are offering more flexible work arrangements, 14 percent are investing more in training, 10 percent are promising future raises or promotions and 9 percent are offering more performance-based incentives such as trips and bonuses. Another 5 percent are providing a higher title without the salary.

Hiring By Region in Q2 2010

Companies in both the Northeast and the West are tracking above the national average of employers who said they plan to hire in the second quarter. One-quarter of employers in the Northeast (26 percent) and West (25 percent) said they plan to add full-time workers in the second quarter compared to 21 percent in the South and 20 percent in the Midwest.

While plans to decrease headcount in the second quarter are down from 2009 averages across all regions, 10 percent of employers in the Northeast plan to trim staff levels followed by 8 percent in the Midwest, and 7 percent in both the South and West.

Compensation in Q2 2010

Forty percent of employers expect there will be no change in salary levels in the second quarter. Thirty-seven percent expect an increase of 3 percent or less. Thirteen percent said they expect their average raises will be between 4 and 10 percent and two percent predict an increase of 11 percent or more. Four percent anticipate a decrease in salaries.

Note: Totals may not equal 100 percent due to rounding.

Survey Methodology

This survey was conducted online within the U.S. by Harris Interactive© on behalf of CareerBuilder and USA TODAY among 2,778 hiring managers and human resource professionals (employed full-time; not self-employed; with at least significant involvement in hiring decisions; non government); between February 10 and March 2, 2010 (percentages for some questions are based on a subset of U.S. employers, based on their responses to certain questions). With a pure probability sample of 2,778, one could say with a 95 percent probability that the overall results have a sampling error of +/- 1.86 percentage points. Sampling error for data from sub-samples is higher and varies.

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