

Job Market In Second Half of 2010 to Stay the Course, According to Quarterly Job Forecast From CareerBuilder and USA TODAY

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Hiring in the second half of 2010 is likely to mirror the first half, according to CareerBuilder and USA TODAY's latest nationwide survey of employers. Forty-one percent of hiring managers plan to hire in the months of July through December. One-in-five plan to hire full-time, permanent employees in the third quarter, similar to the previous two quarters. The survey was conducted by Harris Interactive© from May 18 to June 3, 2010. More than 2,500 hiring managers and human resource professionals and 4,400 workers across industries participated.

"Employers began recruiting at a moderate, but consistent pace in the first half of 2010 as confidence levels inched upward amidst a better global financial picture," said Matt Ferguson, CEO of CareerBuilder. "The economic recovery has broadened, but employers remain guarded. The survey indicates that we'll see sustainable new job growth through the remainder of the year, but it will be absent of any dramatic shifts."

Employers are primarily focused on preserving clientele and fueling new revenue opportunities, and are recruiting for the following functional areas first:

- Customer Service (25 percent of hiring managers)
- Sales (22 percent)
- IT (18 percent)
- Administrative (13 percent)
- Business Development (10 percent)
- Accounting/Finance (10 percent)

Three Trends for the Second Half of 2010

1. Emerging Jobs - Employers are also looking for personnel to fill emerging positions that are relatively new to the workforce. Twenty-four percent reported they are recruiting for jobs focused on areas such as social media, green energy, cyber security, global relations and healthcare reform.
2. Changing Jobs - Employers are implementing measures to retain top performers. Looking at a subset of Human Resource managers, 56 percent fear that their top talent will leave their organizations as the U.S. produces more jobs. Their concern is substantiated with 29 percent of workers planning to change jobs once the economy improves.
3. Shortage of Skilled Labor - One-in-five employers (22 percent) reported that, despite an abundant labor pool, they still have positions for which they can't find qualified candidates. Nearly half (48 percent) of HR managers reported there is a shortage of skills within their organizations with IT, Customer Service and Communications being the areas with the greatest deficit. Among industries, healthcare employers were the most likely to report a skills deficit with 63 percent of HR professionals in large healthcare organizations stating they have a shortage of qualified workers.

Hiring in Q2 2010

The amount of employers who added full-time, permanent headcount in the second quarter was slightly ahead of what was originally forecasted in the survey, continuing a trend of actual hiring beating projected hiring. Twenty-four percent of employers reported they increased their full-time, permanent staff in the second quarter. This is up from 18 percent year over year and up 1 percent from last quarter. Eleven percent decreased headcount, an improvement from 17 percent last year and 12 percent last quarter. Sixty-four percent reported no change in their number of full-time, permanent employees while one percent were undecided.

Hiring in Q3 2010

Twenty-one percent of employers plan to augment their full-time permanent headcount in the third quarter while 8 percent expect to downsize staffs. Sixty-five percent anticipate no change while 6 percent are undecided. Looking at actual hiring for the third quarter in 2009, 18 percent of employers reported they had hired full-time, permanent staff while 15 percent decreased headcount.

Hiring By Region in Q3 2010

There isn't a significant difference among regions in terms of anticipated staff expansions for the third quarter. Twenty-two percent of employers in the West plan to add full-time, permanent workers compared to 21 percent in the Northeast and Midwest and 20 percent in the South.

In terms of staff reductions, the Northeast has the highest number of employers (10 percent) anticipating a decrease in headcount in the third quarter. The South follows at 8 percent, Midwest at 7 percent and West at 5 percent.

Compensation in Q3 2010

Fifteen percent of employers reported they instituted pay cuts at their organizations in the last 12 months. Of these employers, 28 percent were restoring pay levels in the first half of the year, 18 percent in the latter half and 25 percent in 2011 and 2012. Twenty-nine percent were unsure if and when pay would be restored to previous levels.

Looking at compensation in the third quarter specifically, 42 percent of employers anticipate no change in salary levels. Thirty-seven percent expected there will be an increase of 1 to 3 percent. Twelve percent expect their average changes will be between 4 and 10 percent and 1 percent predict an increase of 11 percent or more. Three percent anticipate a decrease in salaries.

The Worker's Perspective

As the nation moves toward greater financial health, workers are re-evaluating their employment situations. Twenty-five percent of workers reported they have a worse opinion of their employer in the wake of the recession, 14 percent have a better opinion and 61 percent stayed the same.

Twenty-nine percent of workers plan to pursue new job opportunities when the economy shows more improvement. Twenty-five percent of all workers expect to leave their organizations in the next 12 months.

Several factors influenced these decisions. Thirty percent of workers attributed their desire to leave their organizations to factors related to the recession such as feeling over-worked, feeling the climate changed in their work environment and harboring resentment over other workers being laid off. One-third of workers (33 percent) reported they feel overqualified for their current jobs and 23 percent stated that a lack of interesting work was one of the main motivators for changing employers.

When asked what their employers could do to retain them as employees, workers first pointed to increased compensation. If their employers weren't in a position to elevate salary levels, the top thing that workers said would inspire them to stay with their organizations is employee recognition. This was followed by the company setting realistic performance expectations and manageable workloads, and the company taking the time to evaluate their potential and discuss career paths. Investments in training and the company showing an ability to adapt were also cited.

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 2,534 hiring managers and human resource professionals (employed full-time; not self-employed; non-government; with at least significant involvement in hiring decisions) and 4,498 U.S. workers (employed full-time; not self-employed; non-government, ages 18 and over) between May 18 and June 3, 2010 (percentages for some questions are based on a subset, based on their responses to certain questions). With a pure probability sample of 2,534 and 4,498, one could say with a 95 percent probability that the overall results have a sampling error of +/- 1.95 and +/- 1.46 percentage points, respectively. Sampling error for data from sub-samples is higher and varies.

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