

Q4 2011
October-December

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SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

Jobs Outlook Survey Report

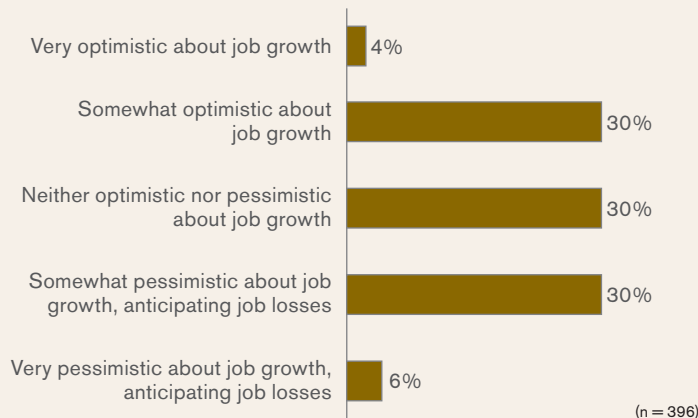
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JOBS OUTLOOK SURVEY REPORT

Q4 2011 (October-December)

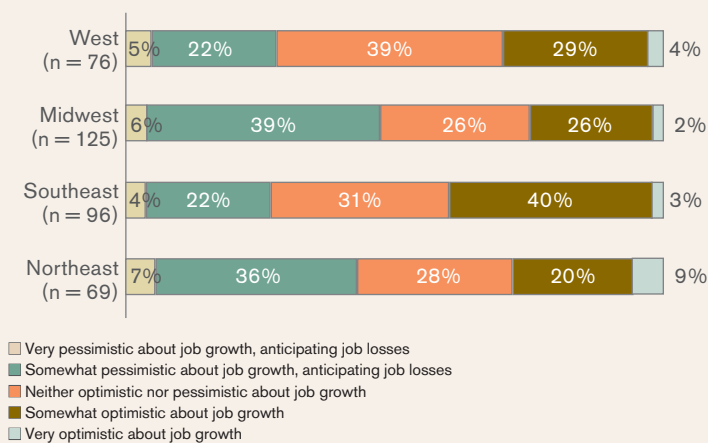
OPTIMISM ABOUT JOB GROWTH IN Q4 2011 (OCTOBER-DECEMBER)

Figure 1A | Optimism About Job Growth in the United States in Q4 2011



Note: Totals may not equal 100% because of rounding.

Figure 1B | Optimism About Job Growth in the United States in Q4 2011 (by Region)



Source: SHRM Jobs Outlook Survey (October-December 2011)

Note: States that belong to each region surveyed in the JOS are as follows:

Northeast: (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)

Midwest: (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin)

Southeast: (Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia)

West: (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Montana, Oregon, Utah, Washington, Wyoming)

With hiring activity in a weakened state and uncertainty surrounding the future of the U.S. economy, confidence in the job market has declined among human resource professionals for the fourth quarter of 2011, according to the Jobs Outlook Survey (JOS) by the Society for Human Resource Management (SHRM).

The survey examines hiring and recruiting trends across a six-month spectrum. The results for the fourth quarter of 2011 show that while jobs are being created at some companies, the pace will slacken as the end of the year approaches, and some employers are still struggling to find workers with skills that match their available positions. Among the survey's highlights:

- A total of 34% of respondents have some level of confidence in the U.S. job market for the fourth quarter of 2011 and expect job growth: 30% are *somewhat optimistic* about job growth in the United States, and another 4% are *very optimistic* and anticipate job growth during the quarter. That represents a steep drop from the second quarter of 2011, when a combined 57% of respondents expressed some level of optimism about job growth in the labor market (53% were *somewhat optimistic*, 4% were *very optimistic*).
- In the fourth quarter of 2011, 37% of respondents will conduct hiring, up from 26% in the fourth quarter of 2010. Among employer categories, medium-sized companies (48%) will be the most likely to add jobs in the fourth quarter.
- In the third quarter of 2011, 44% of companies added jobs, up from 38% in the third quarter of 2010. During the same time, 13% of companies decreased staffing levels, down slightly from 17% a year ago.

SHRM's JOS report examines hiring and recruiting trends based on a bi-annual survey of public- and private-sector human resource professionals who have a direct role in the staffing decisions at their companies. Respondents come from small, medium and large companies from around the United States and belong to a variety of for-profit, nonprofit and government entities.

Looking toward the fourth quarter of 2011, a combined 36% of respondents have concerns about the job market and anticipate job cuts in the U.S. labor force (30% are *somewhat pessimistic* and expect further losses in jobs, 6% are *very pessimistic*). That is up sharply from a combined level of just 18% in the second quarter of 2011, and up slightly from a combined 32% in the fourth quarter of 2010.

The U.S. economy continues to send mixed signals as it now enters its third year of “recovery,” or positive growth in gross domestic product, from the recession of 2007-2009. The U.S. Gross Domestic Product grew by just 1.3% in the second quarter of 2011 and by only 0.4% in the first quarter of the year, according to the U.S. Bureau of Economic Analysis (BEA). And yet, corporate profits are up in many sectors, and consumer spending rose 0.7% in July, the largest increase in 18 months, according to the BEA.

However, job creation—typically one of the last segments of the economy to bounce back in a recovery—is still not widespread and has not been sufficient to bring down the nation’s unemployment rate, which has been above 8% since February 2009, according to the U.S. Bureau of Labor Statistics (BLS). The conflicting economic indicators are clearly putting a hold on hiring plans for many employers, and considering that an estimated 14 million people are out of work, according to the BLS, the jobless rate will not come down significantly for quite some time.

Perhaps rather than adding jobs, some employers are instead getting more productivity out of their current staff: 22% of JOS respondents said their hourly employees worked longer hours in the third quarter of 2011 compared with the second quarter of the year. Again, perhaps due to a cloudy economic future, that pace will decline: just 16% of respondents expected their hourly employees to work longer hours in the fourth quarter of 2011.

The JOS fourth quarter results show that 37% of companies will conduct hiring during the October-December timeframe. Among employment sectors, privately owned for-profit companies will be the most likely to create jobs during the fourth quarter

LOOKING AHEAD: Q4 2011 (OCTOBER-DECEMBER)

Figure 2A | Planned Changes in Total Staff Level

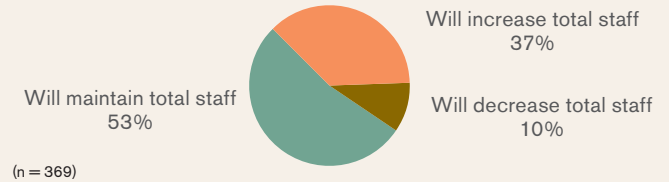


Figure 2B | Planned Changes in Total Staff Level by Organization Staff Size

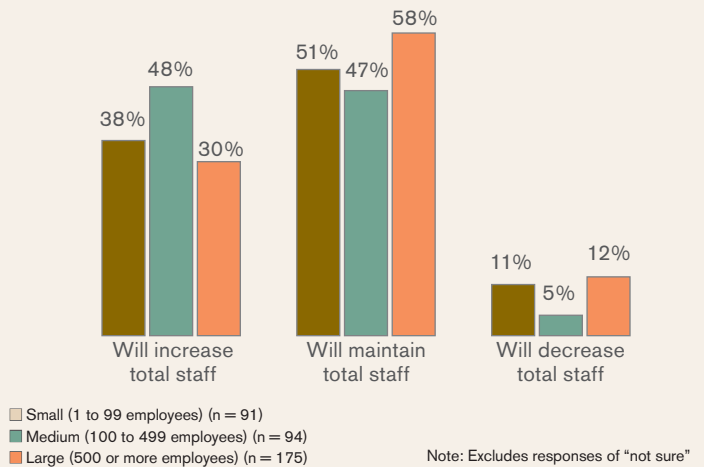
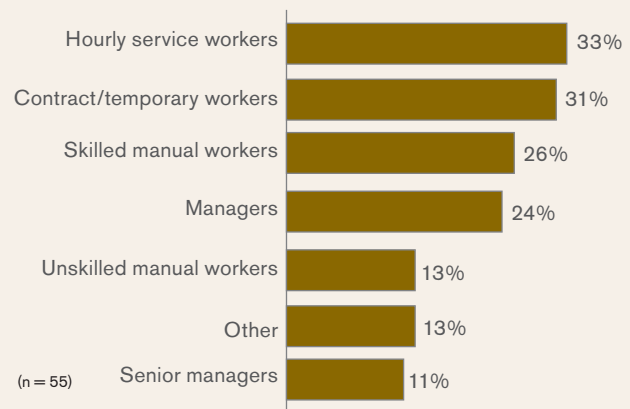


Figure 2C | Planned Changes in Total Staff Level by Organization Sector

	Overall (n = 358)	Publicly Owned For-Profit (n = 73)	Privately Owned For-Profit (n = 177)	Nonprofit (n = 66)	Government (n = 29)
Will increase total staff	37%	37%	44%	26%	14%
Will maintain total staff	53%	55%	47%	62%	69%
Will decrease total staff	10%	8%	9%	12%	17%

Note: Respondents who answered “not sure” were excluded from this analysis.
Note: Totals may not equal 100% because of rounding.

Figure 2D | Categories of Workers Affected by Planned Q4 2011 Layoffs



Source: SHRM Jobs Outlook Survey (October-December 2011)

LOOKING BACK: Q3 2011 (JULY–SEPTEMBER)

Figure 3A | Changes in Total Staff Level

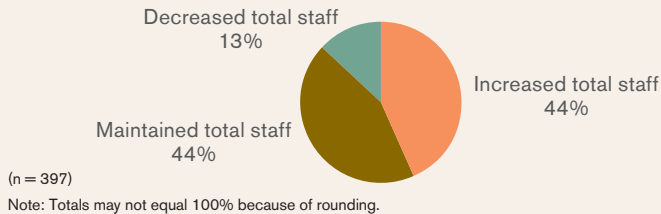


Figure 3B | Changes in Total Staff Level by Organization Staff Size

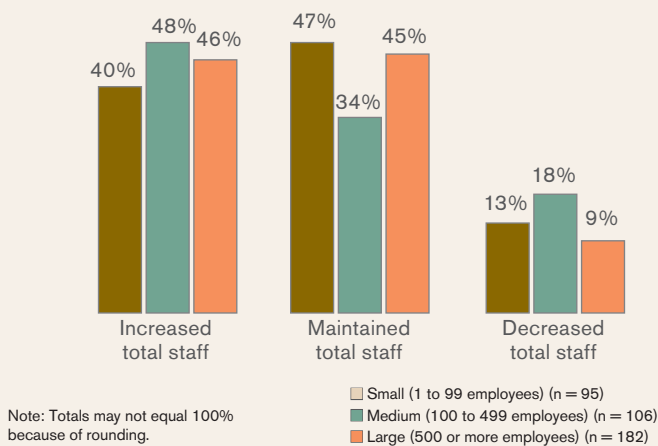


Figure 3C | Changes in Total Staff Level by Organization Sector

	Overall (n = 381)	Publicly Owned For-Profit (n = 79)	Privately Owned For-Profit (n = 189)	Nonprofit (n = 71)	Government (n = 29)
Increased total staff	44%	47%	48%	32%	34%
Maintained total staff	44%	39%	39%	56%	48%
Decreased total staff	13%	14%	13%	11%	17%

Note: Respondents who answered "not sure" were excluded from this analysis.

Figure 3D | Categories of Workers Most Difficult to Hire in Q3 2011



Source: SHRM Jobs Outlook Survey (October-December 2011)

(44%). That sector is followed by publicly owned for-profits (37% of which will add jobs), nonprofits (26%) and government entities (14%).

In employer size categories, medium-sized companies (100 to 499 employees) will hire at the highest rate in the fourth quarter of 2011 (48%), followed by small companies (1 to 99 employees) at 38%, and large companies (more than 500 employees) at 30%.

Only 10% of respondents said their organizations will conduct layoffs during the quarter. The government sector (17%) was most likely to trim payrolls, followed by nonprofits (12%), privately owned for-profit companies (9%) and publicly owned for-profit companies (8%).

Hiring activity in the third quarter of 2011 improved compared with recent quarters covered by the JOS. Of the HR professionals surveyed, 44% said their companies created jobs in the third quarter, up moderately from 33% in the second quarter of the year and a slight increase from 38% in the third quarter of 2010.

For the 44% of respondents that did hire staff in the third quarter of 2011, medium-sized employers added workers at the highest rate (48%). They were followed by large companies (46% of which conducted hiring) and small employers (40%).

But a new metric in the survey showed that many companies are also having difficulty matching job seekers with the skill sets required for their open positions. Three out of four respondents (75%) said the workers they had the most difficulty hiring in the third quarter of 2011 were either skilled professionals (60%) or skilled manual workers (15%).

Other SHRM data support those findings. Recruiting difficulty, which measures how difficult it is for HR professionals to fill openings of strategic importance to their companies, rose on an annual basis in both manufacturing and service sectors for every month in 2011 except for April, according to SHRM's monthly Leading Indicators of National Employment (LINE) report.

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SHRM Jobs Outlook Survey Methodology

A sample of HR professionals was randomly selected from SHRM's membership database, which included approximately 250,000 individual members at the time the survey was conducted. Only members who had not participated in a SHRM survey or poll in the last six months were included in the sampling frame. Members who were students, located internationally or had no e-mail address on file were excluded from the sampling frame. In August 2011, an e-mail that included a hyperlink to the SHRM Jobs Outlook Survey was sent to 3,000 randomly selected SHRM members. Of these, 2,753 e-mails were successfully delivered to respondents, and 403 HR professionals responded, yielding a response rate of 15%. The survey was accessible for a period of two weeks, and three e-mail reminders were sent to nonrespondents in an effort to increase response rates.

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