



Mid-Atlantic Hiring Trends Survey

February 2010

eBook by Harry Griending



Executive Summary

In January 2010, DoubleStar conducted its quarterly online survey of Human Resources decision-makers at leading organizations in the Mid-Atlantic area. This survey provides important trends data about the general condition of the regional labor market, focusing on quarter-over-quarter changes in employment, hiring, headcount, and recruiting budget levels.

The study's key findings include:

- More employers are planning to increase **external** hiring in Q1 2010, continuing a positive trend we saw beginning in Q4 2009. This finding supports the conclusion that we may have seen the bottom of this job reduction cycle sometime in Q3 of 2009.
- 37% of survey respondents are reporting the intention to increase headcount in Q1 2010, continuing a positive trend from Q4 2009. 30% of companies reported headcount had increased in Q4 2009 compared to the previous quarter.
- Use of outsourced recruiting solutions is increasing significantly in Q1 compared to anytime in 2009.
- Recruiting function headcount and recruiting budgets continue to remain stagnant or decrease. This finding indicates that although hiring volume is picking up, the extent of that volume is not significant enough to warrant expansions in recruiting resources or spending.
- 14% of companies are planning to decrease headcount moving into 2010.
- Fewer companies are citing attrition, layoffs, and decreases in business as the driver of headcount change. More companies are reporting increases in business, mergers and acquisitions, and restructuring as their key drivers.



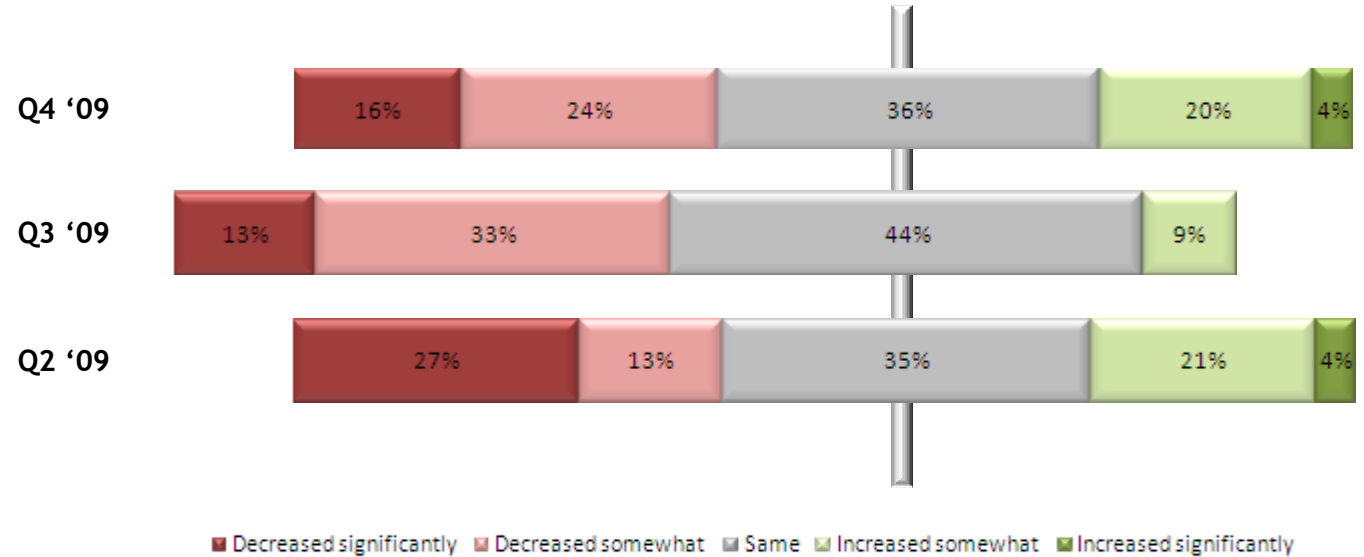
Hiring Volume

Consistent with last quarter's slightly positive trend, hiring activity seems to be increasing in the Mid-Atlantic Region, albeit at a slow pace.

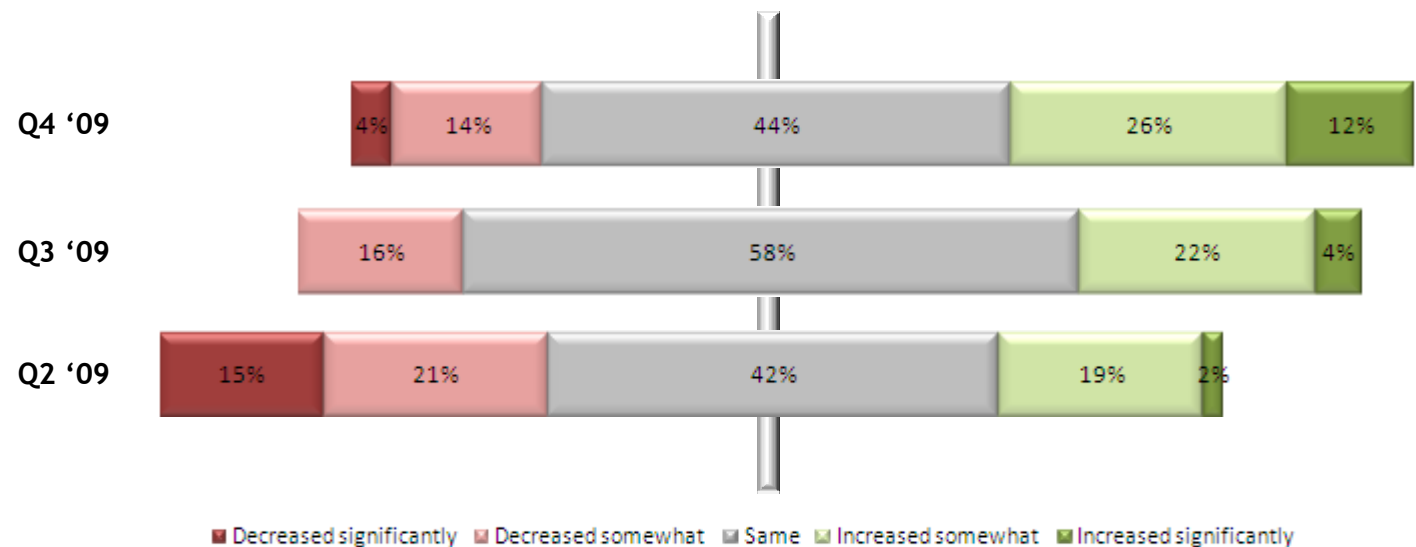
In Q4 2009, employers were reporting a near tripling of hiring volume compared to Q3 2009. Also positive is a nearly 50% increase in hiring plans for Q1 2010.

And, compared to Q2 2009, there is a continued decline in the number of companies reporting an intention to decrease hiring into 2010.

How does your current quarter's external hiring volume compare to the previous quarter?



How will next quarter's external hiring volume compare to this quarter's volume?





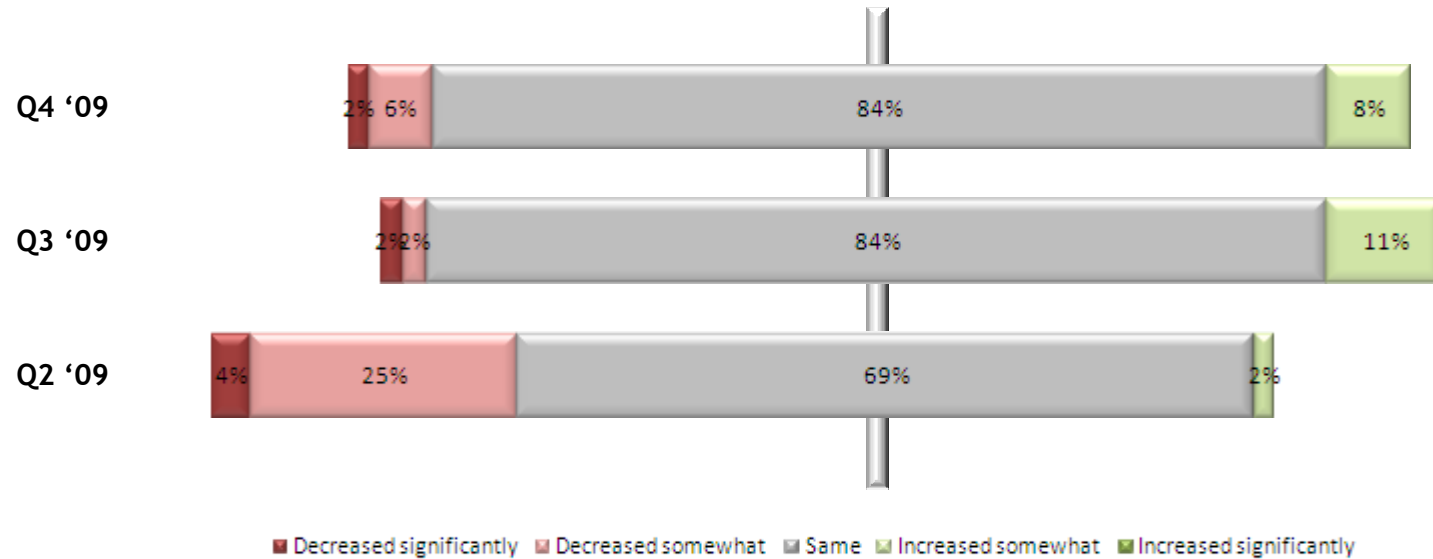
Internal Recruiting Function Resourcing

Corporate recruiting functions have been shrinking since the beginning of this recession in December 2007.

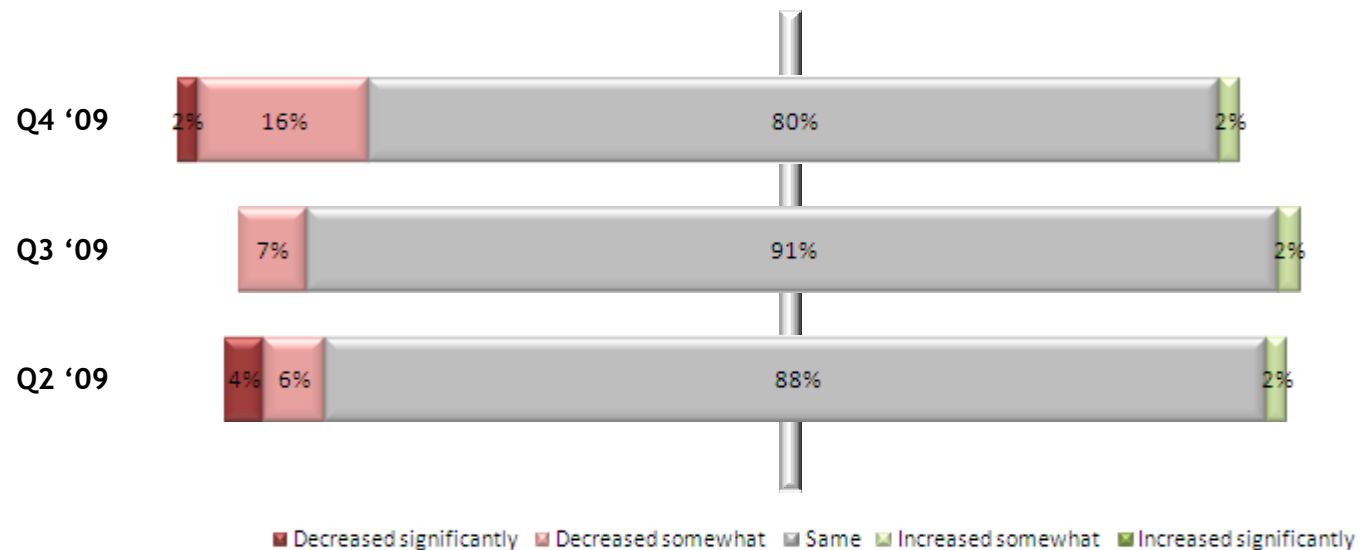
This quarter's results offer little hope that companies will begin to expand their shrunken recruiting functions anytime soon, with 84% of employers reporting no changes, and no plans to change the size of their recruiting staffs moving into 2010.

There are also signs that the shrinkage in the ranks of corporate recruiters may continue for a few more months, with employers reporting an increase in recruiting staff reductions.

How does the size of your current quarter's recruiting staff compare to the previous quarter?



How will the size of next quarter's recruiting staff compare to this quarter?



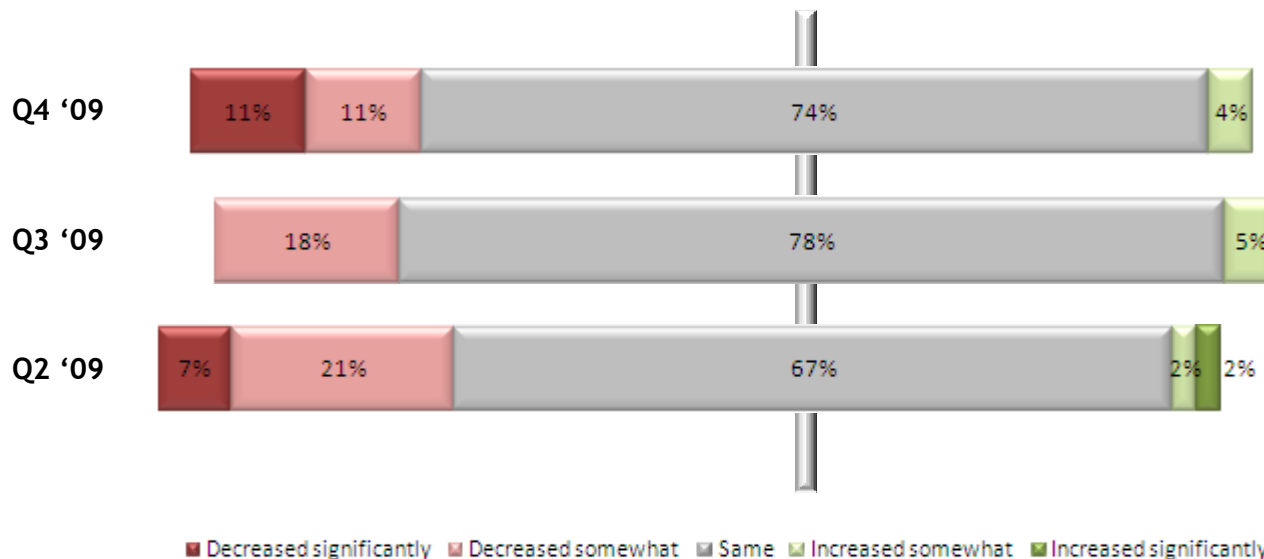


Recruiting Budgets

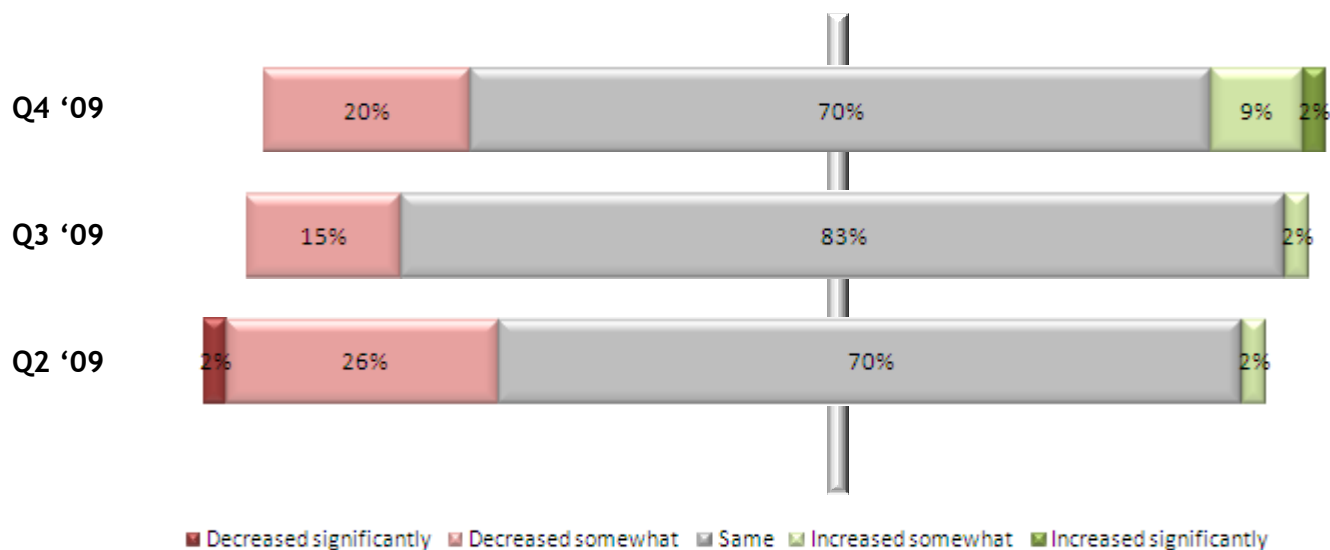
Recruiting budgets continue to largely remain stagnant, except in about 20% of employers, where they continue to be reduced.

Although the pace of the reductions has slowed, twice as many employers are planning to decrease budgets than are planning to increase budgets in 2010.

How does your current quarter's recruiting budget compare to the previous quarter?



How will next current quarter's recruiting budget compare to this quarter's budget?





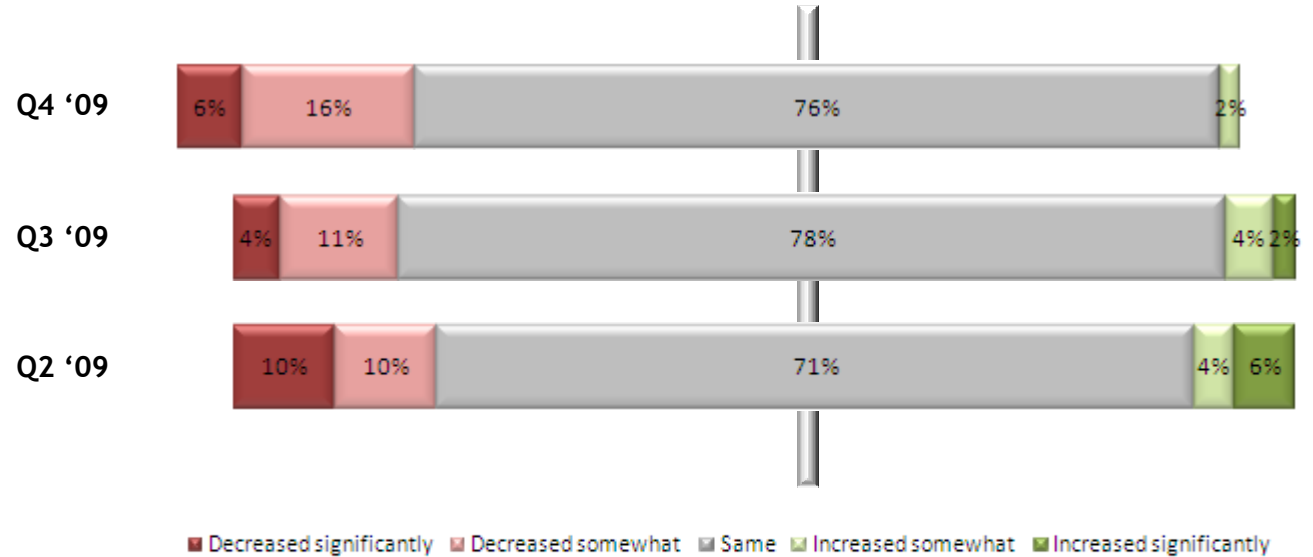
Headcount

In the headcount data, the market is sending its clearest mixed message.

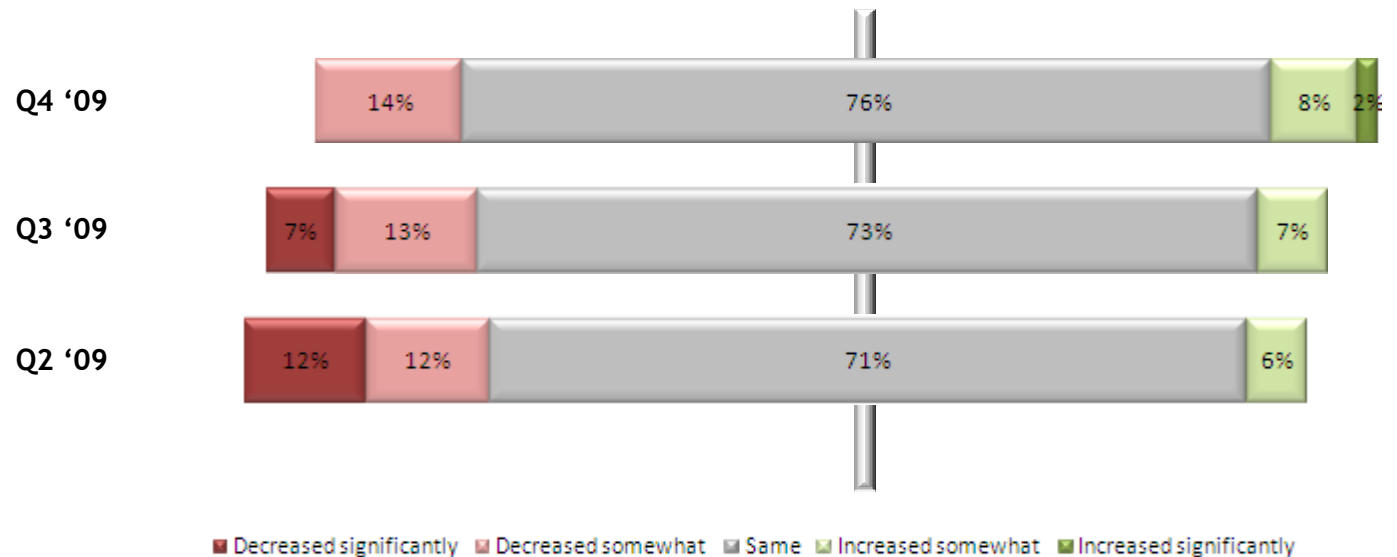
First, there is some good news for 2010, with nearly twice as many employers looking to expand headcount into Q1 2010. However, the good news needs to be tempered—the survey also found that an increased number of employers are also intending to reduce headcount.

And, although headcount reductions slowed quarter-over-quarter in 2009, they continued at over 20% of all employers.

How does your current quarter's headcount compare to the previous quarter?



How will next current quarter's headcount compare to this quarter's headcount?

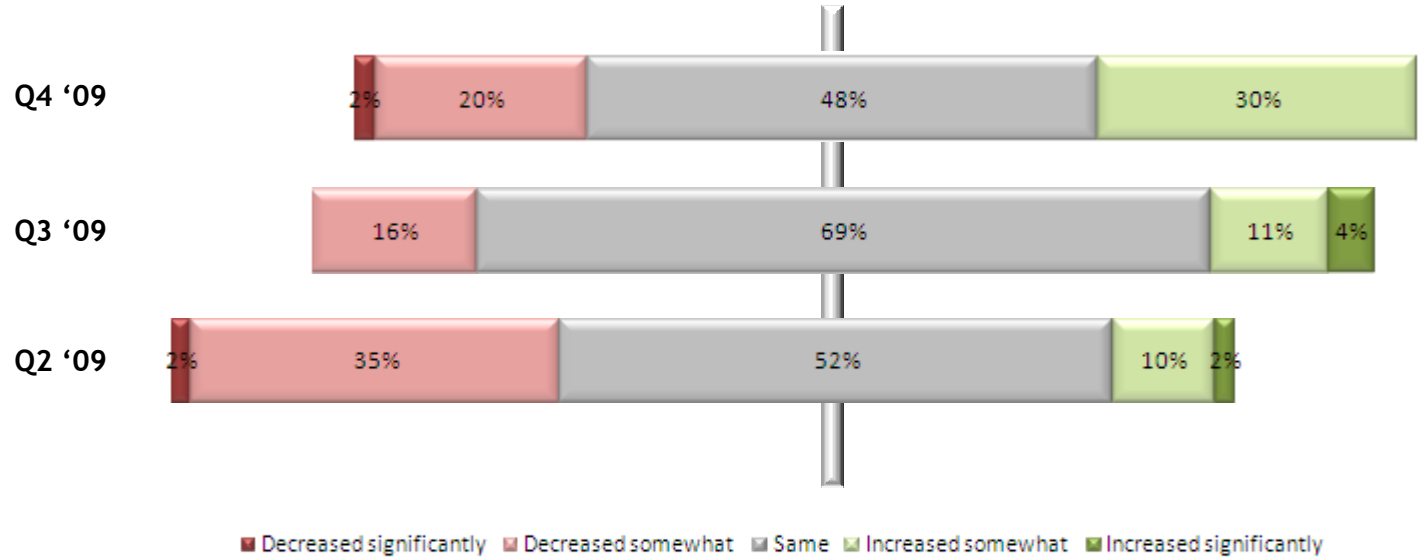




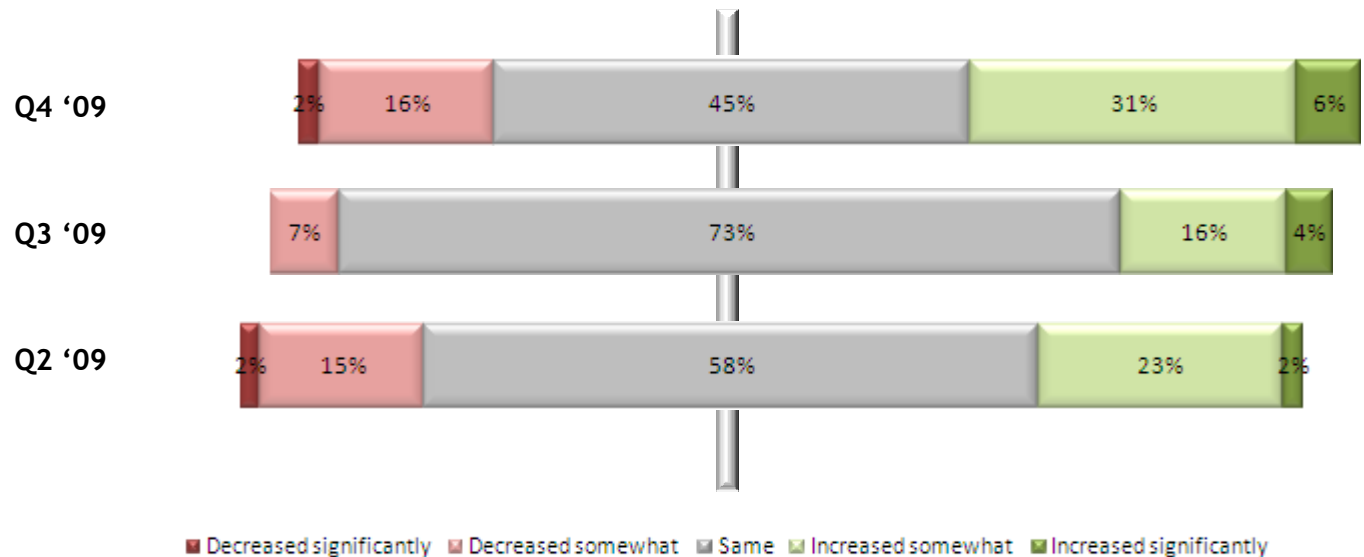
Outsourcing

There is little movement in outsourcing recruiting activity, with three quarters of all employers reporting no change and no intention to change their level of outsourcing in 2010.

How does your current quarter's outsourcing compare to the previous quarter?



How will next quarter's outsourcing compare to this quarter's utilization?



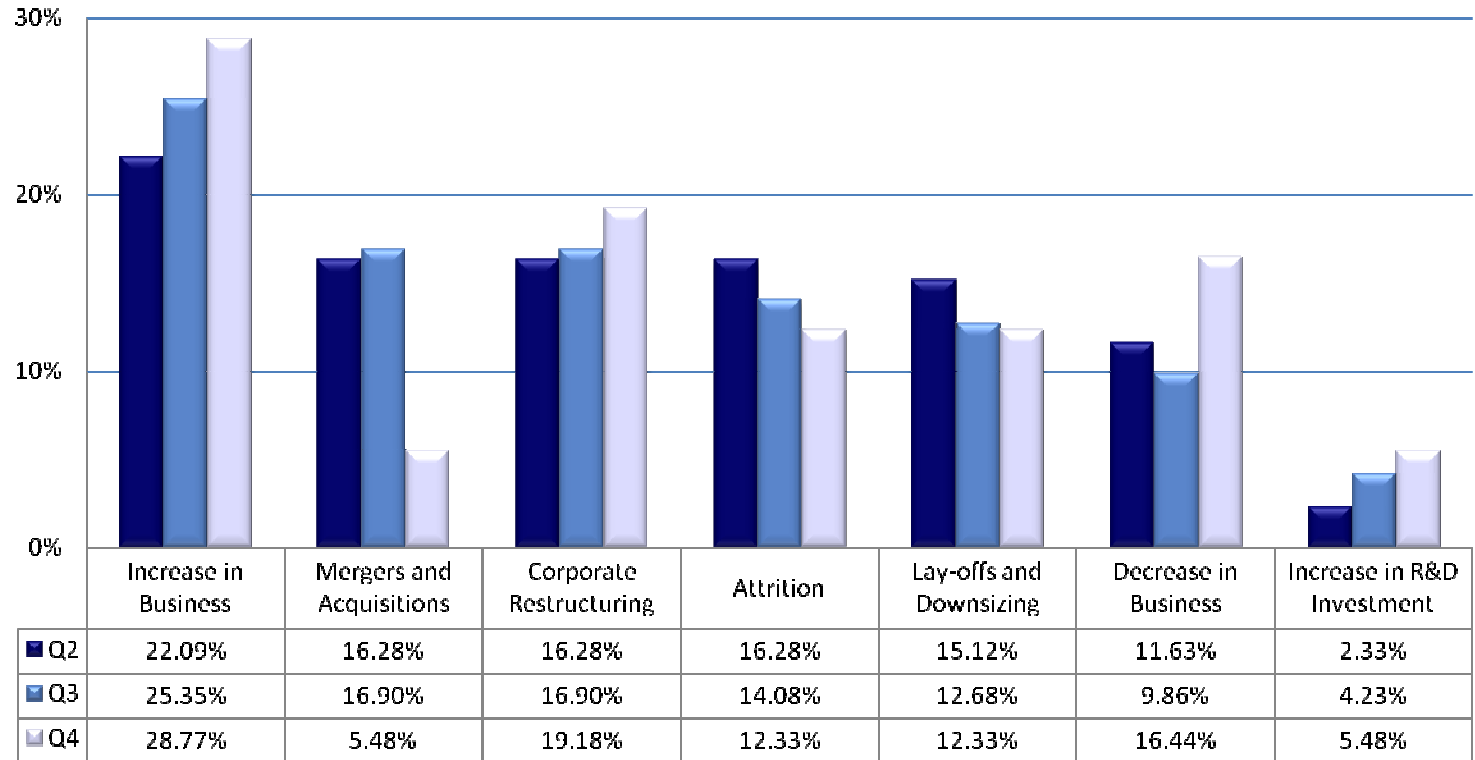


Headcount Change Drivers

Fewer companies are citing attrition, layoffs, and mergers and acquisitions as the drivers of headcount change.

More companies are reporting increases in business, increases in R&D investment, and restructuring as their key drivers.

What is driving changes in headcount in your organization?



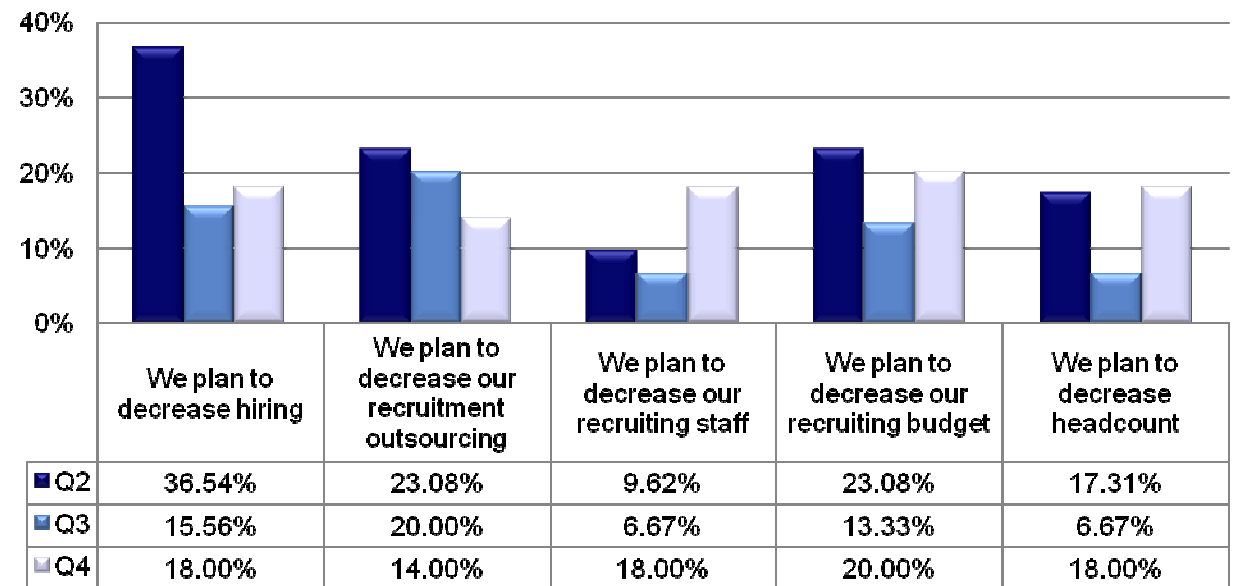
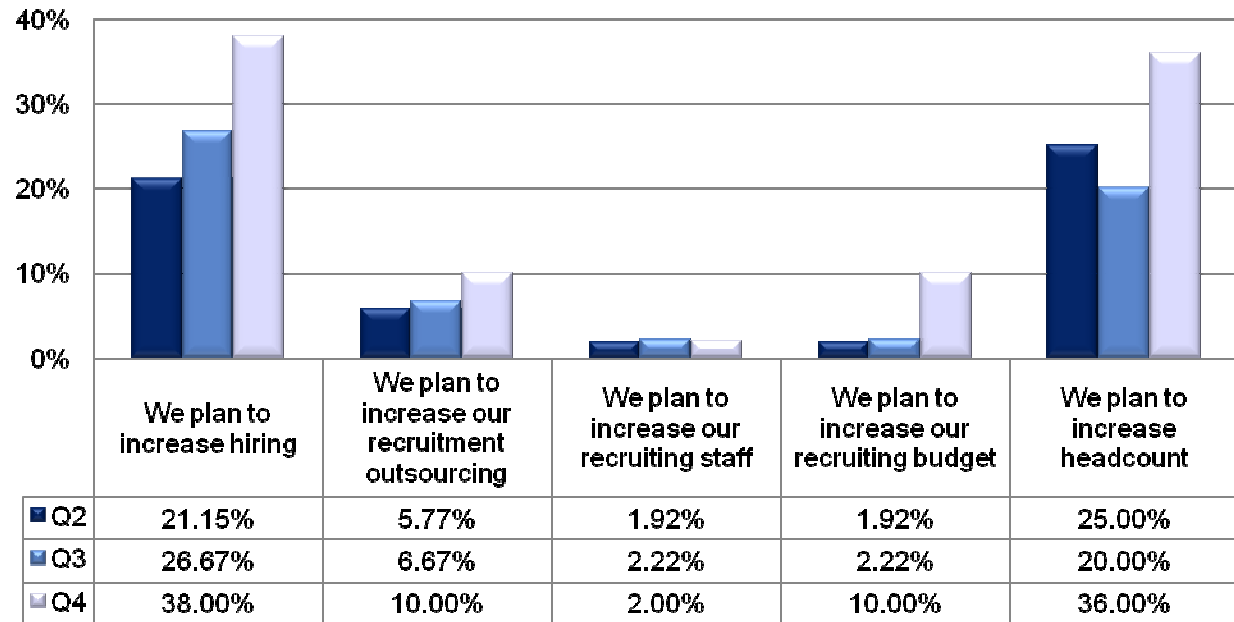


Quarter-over-Quarter Trending

Overall, quarter-over-quarter trends are sending a mixed message about the health of the hiring markets.

On the bright side, more companies are planning to increase hiring and headcount, and those trends are continuing upward throughout 2009 and the beginning of 2010. Also positive is the reduction in intent to decrease hiring.

On the negative side, companies are still not adding recruiting staff (in fact, the trend is toward further reductions in staff size), and there is only a slight movement toward increasing hiring budgets.





Commentary

Although some positive signs continue to emerge in this quarter's Mid-Atlantic Hiring Trends Survey, there are still enough mixed signals in the data to conclude that the employment markets remain stalled, and the economic engines that drive job growth have yet to be fully restarted.

First, the good news. 2010 is starting with increased external hiring activity at 38% of employers. Headcount is on the rise at 37% of all respondents. And, although 18% of employers are planning to decrease hiring and 18% are still planning to decrease headcount, the number of companies planning reductions has dropped steadily throughout 2009.

Looking forward, though, employers are not yet investing in the infrastructure needed to support long-term increases in hiring demand. While most companies are holding recruiting functions stagnant, there are still a significant number of companies reporting reductions in recruiting staffs and budgets into 2010. And, outsourced recruiting activity is rising in first quarter, a clear indication the internal groups are not feeling enough confidence to make directly hired additions to their staffs.

So, what do we make of this quarter's results? It appears that the beginning of 2010 will hold some improvements in employment markets, but the data suggests that those improvements will be slow and uneven. Unemployment rates should decrease at a slow rate, but we would not be surprised to see erratic variations month-over-month as 2010 unfolds. Employment activity has increased, and that trend should continue, but real, sustained job market recovery will be slow to accelerate in 2010, as there seems to be too much uncertainty in the markets at this time.

And uncertainty is the enemy of job creation.

We'd like to thank those firms that participated in the study. If you would like to learn more about these findings or for more information about DoubleStar, please call 1.888.719.9311 or visit us at <http://www.doublestarinc.com>.



About the Author

Harry Griendling



Harry Griendling is a co-founder and CEO of DoubleStar, Inc.

During his 17 years at DoubleStar's helm, Griendling has led the design, development, and execution of more than 700 high-volume recruitment projects. As a recognized thought leader and visionary in recruiting, retention, and talent management, Griendling is a frequent speaker and publisher of provocative content that enables HR and business leaders to look at talent-related imperatives in new and interesting ways.

Harry has published multiple articles and authored a monthly feature column on Technology and Pharmaceutical Industry Careers for the *Philadelphia Inquirer* and *Technology Times*. He has been featured in *INC Magazine* and Benchmark Communications for innovations made in his own firm's internal staffing and retention practices. Harry has delivered over 100 seminars and presentations at regional and national recruiting industry events and also taught customized recruitment seminars for corporate executive teams.

Harry's expertise in employment and labor trends has led to frequent appearances on Fox Business News and other nationally televised news channels. In 2009, Harry spearheaded the development of the Mid-Atlantic Employment Trends survey which has gained recognition by the Associated Press and publications such as USA Today and Phillie.com.

Under Harry's leadership, DoubleStar has been twice named to the INC 500 list of America's fastest-growing private companies and six times to the Philly 100 list of the region's high-growth private firms.

Mr. Griendling holds his bachelor's and master's degrees from The Pennsylvania State University.

For more information about DoubleStar visit <http://www.doublestarinc.com>.