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Employers to freeze staff size, Manpower survey shows

By [Joel Dresang](#) of the Journal Sentinel

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Following mass job cuts at the end of this year, two-thirds of U.S. employers plan to freeze their staff size for the first quarter of 2009, according to a new Manpower Inc. report.

The Milwaukee-based employment services company found that 67% of nearly 32,000 employers surveyed expect neither to hire nor fire workers in the first three months of the year, the largest such indication of reticence since 1992.

"A lot are hoping that they can be in wait-and-see mode to see how the first quarter really turns out," said Jeff Joerres, chairman, president and chief executive officer of Manpower.

Caution signs from Manpower's hiring outlook survey follow Friday's report by the Labor Department that employers cut 533,000 jobs last month, the biggest monthly reduction since 1974 and the deepest in percentage terms since 1982. In the last three months, companies eliminated 1.25 million jobs.

"We are clearly in uncharted waters," Joerres said. "The degree of drops by these companies, and the magnitudes of what may happen, is really hard to tell by looking at the survey."

Joerres figures companies are trying to adjust their year-end payrolls in response to a global recession that officially hit the U.S. economy one year ago. Entering the new year, Joerres said, the majority of employers intend to hold on, brace themselves and hope that the economic slide is near bottom.

"What they're hoping is that I can wait and see, as opposed to more shoes dropping and major events happening that are shocks to the system," Joerres said.

As far as Joerres can see, pulling out of the recession won't be quick or easy because, unlike contractions in 2001 and the early 1990s, the current downturn is worldwide.

In its survey of more than 71,000 employers in 33 countries, Manpower found that every place surveyed a year ago has lower expectations for the first quarter of 2009.

"This clearly is a recession that is global," Joerres said. "Dubai is hit as much as Japan is hit and China and India."

Among U.S. employers, 16% foresee adding to staff in the first three months of 2009, down from 22% in the year-ago survey.

"You can see it's going to get worse before it gets better," Joerres said.

Manpower is not alone in that outlook:

- The Federal Reserve Bank of Chicago reported Monday that 26 regional economists and business leaders participating in the bank's economic outlook symposium Friday have forecast unemployment to rise from its current rate of 6.7% to 7.8% in 2009, which would be the nation's highest since 1992.

- Also Monday, the Conference Board, a business research group, reported a drop in employment trend indicators and suggested the decline in jobs could exceed 3 million by mid-2009 from 1.9 million through the first 11 months of 2008.

- Wisconsin Manufacturers & Commerce, the state's biggest business booster, said Monday that 33% of local chambers of commerce executives interviewed expect employment to grow in their communities this year, down from 69% in the survey a year ago.

Manpower has revised its 46-year-old hiring survey to get better data from industrial sectors and 201 metropolitan areas.

The outlook from employers in the four-county Milwaukee area approximates the national figures, with 66% expecting to keep their current staff level through the first quarter of 2009, 18% adding staff and 13% reducing.

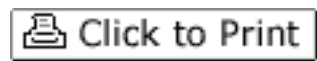
Having already suffered setbacks, particularly in manufacturing, Joerres said, employers in Milwaukee and Wisconsin might be better situated to wait and see what develops in the

months ahead.

"I'm not saying that the picture for Milwaukee is going to be rosy," Joerres said. "What I'm saying is that I don't think it would be any worse than the rest of the United States, and potentially slightly better, because we don't have as much of a distressed housing environment."

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