



May  
2008

### NATIONAL

## Despite All the Talk, Recruiting Still Follows Seasonal Trends

April saw a continued erosion of pundit confidence in the economy to record lows. According to March's unemployment data, however, employee confidence may be on the rebound. Though the number of seasonally adjusted employed persons in March fell by 80,000, those in the available workforce grew by 410,000, likely representing an influx of people who felt the job market was too difficult to break into and had fallen back on other options.

"Hiring hasn't stopped. Almost everyone knows someone who is out there interviewing and even getting hired over the last few months. That personal, though anecdotal, evidence is overriding what people are reading about the economy. It's causing people to re-enter the job hunt, and they are right to do so," says Michael Jalbert, president of MRINetwork.

According to internal MRINetwork data, referred to as PTWeb<sup>+</sup>, hiring authorities aren't changing their patterns much. MRINetwork's nearly 900 U.S. offices work in the professional, management and executive levels of virtually all industries. According to the data from these offices, hiring has been closely following its normal seasonal trend. PTWeb+ showed an edging off towards the holidays then rebounding in January to make up for lost time and the new fiscal year, and finally beginning the slow upward growth into summer.

"Companies are of course looking at economic trends and being more cautious about hiring, but that caution isn't causing them to vary from their normal seasonal hiring patterns in a large way. Candidates are still out there and hiring authorities are still seeking them out," observes Jalbert.

"One of the largest effects on the housing slowdown and credit crunch on management level recruiting might not be in the loss of jobs but the relocation issue," Jalbert points out. "In the college educated professional workforce where home ownership rates are higher and relocations for work are more common, not being able to sell a home or get a loan for a new one can tie up a job switch for months. For an employer who is understaffed that is just too long."

While restaurants, retail and other types of services companies are reporting record high responses to job postings, the response has declined somewhat in the professional sector.

"It is a bit like both a candidate and an employer market at the same time. Both sides are having a hard time connecting with each other," says Jalbert. "The biggest lesson of the day for job seekers has to be, 'just keep looking,' because the jobs are out there waiting to be found."

Volume II Issue V

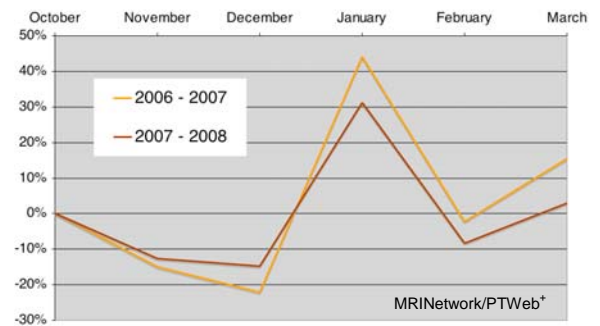
### Recent MRINetwork<sup>®</sup> Analysis

*"We are seeing lots of different shifts in industries across the board. It really does vary by sector. We're seeing, for example, in the retail sector some retailers truly pulling back their horns and starting to slow down ahead of actual demand slowing down. At the same time, other retail clients are taking advantage of softness, expanding their footprint and looking for more lease space. In places like Iowa and Sioux Falls, South Dakota we're seeing great demand. There aren't enough workers there."*

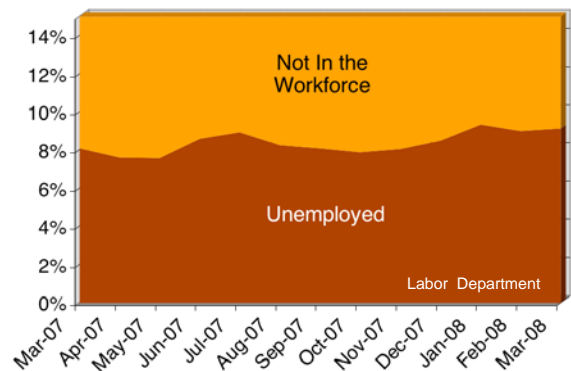
Michael Jalbert  
President of MRINetwork

Discussing the unemployment numbers on Fox Business's, Money for Breakfast, April 4, 2008

Month Over Month Change in MRINetwork Placements



Percentage of Jobless Seeking Work



## U.S. REGIONAL

### SOUTH DAKOTA

#### Notes from the Low Unemployment Capital of the Country

"The restaurants are packed and the malls are full," says Mathew Good, managing partner of **MRINetwork** Management Recruiters of Sioux Falls, who says his state of South Dakota has not yet had the job market or economy hit the same way other states have thus far.

In fact, South Dakota takes the crown as having the lowest unemployment rate in the country, 2.6 percent according to March's numbers. With less than 800,000 people, South Dakota is not necessarily populous either, according to the Census Bureau.

"We've got a strong base of business in South Dakota," says Good. "High-paying jobs were brought into the state by a credit card industry lured in the early eighties by eliminating corporate taxes. In light of the country's current economic situation, it could be said that it has created a recession-proof economy in South Dakota."

Though showing signs of slowing, even the South Dakota real estate market has remained surprisingly strong with houses still being sold and others being built.

"People around here just don't look defeated," muses Good.

A strong economic base has given South Dakota, specifically Sioux Falls, the ability to become a bit of a utopia with a growing Generation Y population attracted to the state by burgeoning artistic and cultural communities.

"I grew up in this area, but moved away, spent some time in Mexico. When I was ready to settle down, I couldn't think of a better place than Sioux Falls," says Good.

To fill positions in South Dakota, MR of Sioux Falls consistently has to search across state lines to find candidates with experience needed by companies across all sectors. These are good times for the state.

What's the downside of living in South Dakota? Aside from the persistent references by out-of-staters to the movie *Fargo*, Good points out that in the winter, "It feels like the wind is blowing through your bones."

## INTERNATIONAL

### NORWAY

#### Language Barrier Tightens Labor Market

During the 9<sup>th</sup> century, much of Norway's workforce was in the seafaring business, as Vikings boarded long ships to raid, explore and settle in lands as far away as modern day Canada.

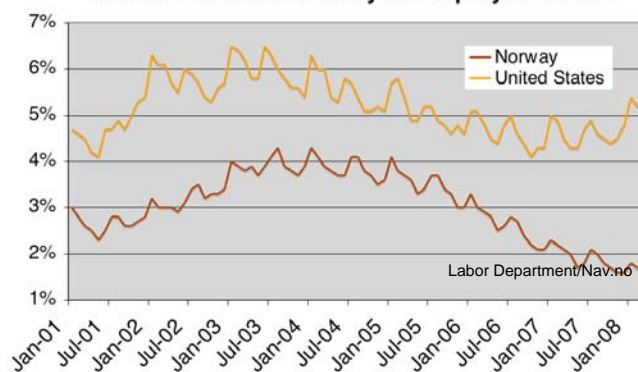
While the country is still a shipping nation today, Vikings have largely given way to Asian seamen. Norway's native workforce is now more terrestrial in nature and holds one of the lowest unemployment rates in the world -- 1.7 percent in March 2008.

Many EU countries have been plagued recently by rising unemployment as employment borders have melted away. Yet Norway has been spared, according to Trond Larsen, managing director of Scandinavian Search Group, an **MRINetwork** Worldwide Office in Norway, who says the Norwegian language has insulated the country from mass immigration.

The downside though, says Larsen, is for companies in IT, and oil and gas, both large industries for the country, where the talent shortage is severely impeding growth. The shortage has extended into the public sector where the supply of talent at all levels has dipped dangerously low.

To help the issue, some companies have started language

United States vs. Norway Unemployment Rate



programs in Eastern Europe to foster viable foreign candidates. Learning Norwegian, however, based on Old West Norse, which diverged from other European languages during the Black Death around 1350, isn't a simple task.

"More tightness for the labor market is on the horizon," says Larsen. "Norway is starting to have many of the same baby boomer retirement issues that the rest of the Western hemisphere is experiencing, and it has only just started."

In the economics vernacular, Norway has been at full employment for most of the last two years, and continues to tighten.

The talent shortages have caused dramatic upward pressures on the cost of living. According to *Economist Magazine's* Big Mac Index, a ranking of the local cost of a McDonald's Big Mac in U.S. dollars, Norway ranks second on the list at \$6.88. Topping the Index at \$7.61 is Iceland, which was first settled by Norwegian Viking, Ingólfur Arnarson, in 874. The average price of a Big Mac in the United States: \$3.41.