



The Robert Half Professional Employment Report

Q4 2011

www.roberthalf.us/per

About the Report

The *Robert Half Professional Employment Report* is the first quarterly hiring survey of its size and scope to focus exclusively on professional-level hiring. The results are based on telephone interviews with more than 4,000 executives throughout the United States to determine their hiring plans for the upcoming quarter. Among those surveyed are chief financial officers (CFOs), chief information officers (CIOs), senior human resources (HR) managers, lawyers, and advertising and marketing executives. Respondents offered their views on hiring plans within their respective fields and the challenge of finding skilled professionals. The survey also measures executives' confidence in their companies' prospects for growth in the fourth quarter of 2011. Robert Half has been reporting employment data through its Hiring Index program since 1992.

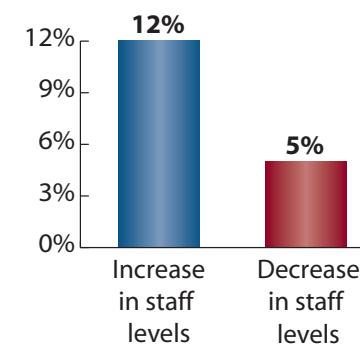
We hope the *Professional Employment Report* is useful and invite you to contact us for help with any of your staffing needs. For additional information, visit www.roberthalf.us/per.

¹ East North Central: IL, IN, MI, OH, WI

Key Findings

- A net **7 percent** of executives plan to add professional-level staff in the fourth quarter of 2011, according to the *Robert Half Professional Employment Report*, a quarterly survey of hiring executives.
- **Fifty-nine percent** of survey participants reported encountering recruiting challenges, up **17 points** from the third quarter.
- The legal and marketing fields are expected to see the strongest hiring, with a net **24 percent** of lawyers and a net **20 percent** of marketing and advertising executives planning to increase staff levels.
- Businesses in the East North Central¹ states project the most hiring activity, with a net **13 percent** of executives from this region planning to add professional-level staff in the fourth quarter.
- A net **12 percent** of executives in the finance, insurance and real estate sector anticipate staff additions, the most of any industry.
- **Forty-six percent** of executives said they are "very confident" in their organizations' ability to grow in the fourth quarter, and an equal number said they are "somewhat confident."

NATIONAL HIRING PROJECTIONS – FOURTH QUARTER 2011



Source: More than 4,000 executives at U.S. companies



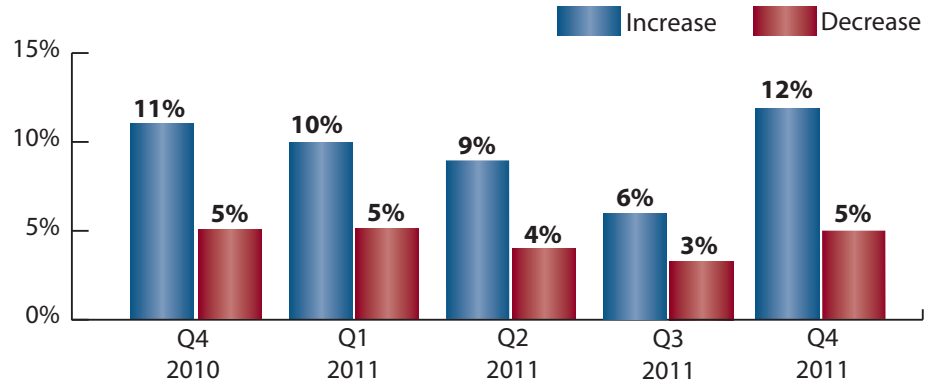
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Hiring Projections Over the Past Year

THE BOTTOM LINE:
A net 7 percent of executives plan to hire in the fourth quarter of 2011, four points above third-quarter hiring projections.

PROJECTED HIRING BY QUARTER



Source: More than 4,000 executives at U.S. companies

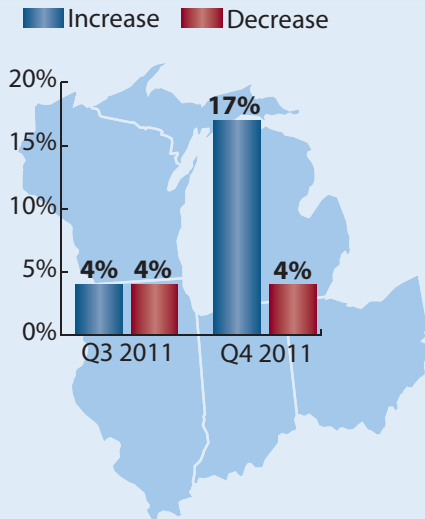
Executives interviewed anticipate more active hiring in the fourth quarter of 2011. Twelve percent of respondents said they expect to increase staff in the next three months – double the amount of those who planned to expand their teams in the prior quarter. Five percent of respondents said they foresee staff reductions in the fourth quarter. The net 7 percent anticipated hiring increase is the highest in the past year and four points above the previous quarter’s forecast.



Professional-Level Hiring – By Region

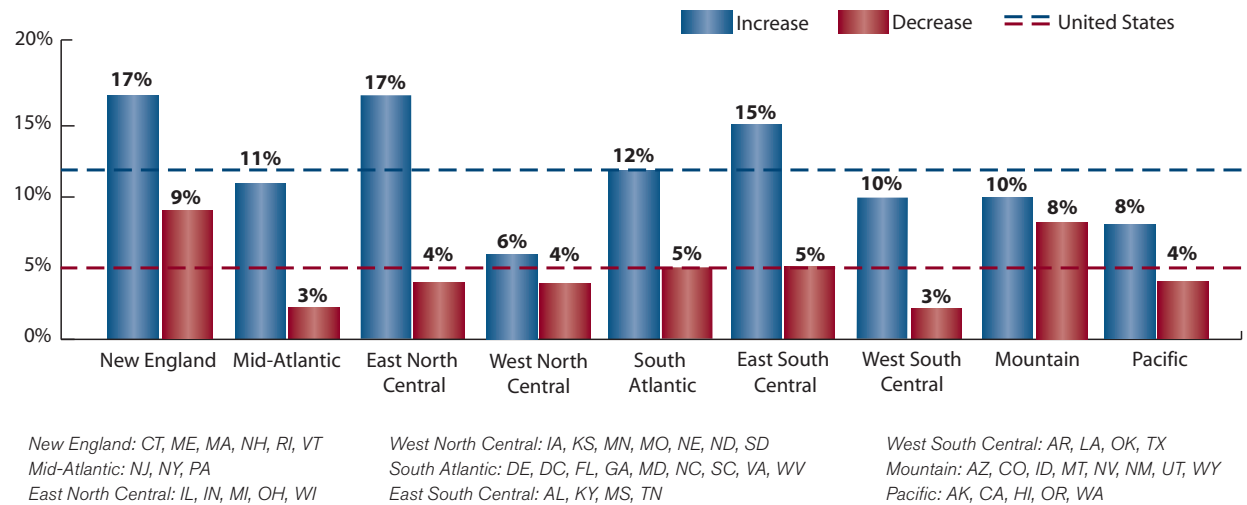
East North Central: The Top Region for Professional-Level Hiring

Percentage of executives who plan to increase or decrease staff levels:



East North Central: IL, IN, MI, OH, WI

PROJECTED HIRING BY REGION – ALL PROFESSIONS



Source: More than 4,000 executives at U.S. companies

Executives in the East North Central region are most optimistic about hiring, with a net 13 percent expecting to add staff in the fourth quarter of 2011, six points above the national average.

Hiring in the East North Central states is expected to be particularly strong in the manufacturing, healthcare and financial services industries. The service and technology sectors also are experiencing hiring activity as businesses look to expand their offerings and increase efficiencies. Companies are hiring selectively, though, and often are evaluating employees on an interim or project basis, as well as for temporary-to-hire arrangements, to ensure a good fit.



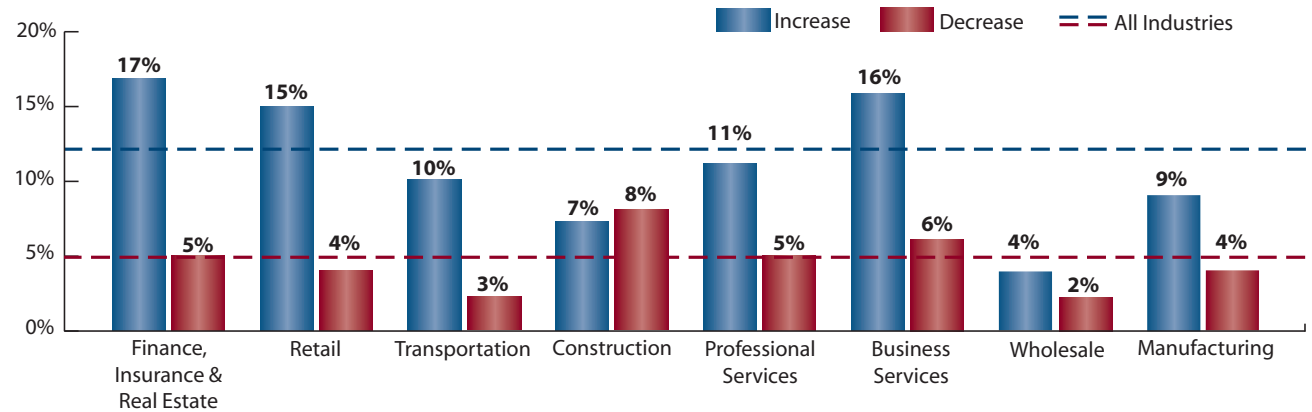
Professional-Level Hiring – By Industry

Top 5 Industries for Professional-Level Hiring

These industries show the highest projected net increase in hiring activity:

1. Finance, Insurance and Real Estate (+12%)
2. Retail (+11%)
3. Business Services (+10%)
4. Transportation (+7%)
5. Professional Services (+6%)

PROJECTED HIRING BY INDUSTRY – ALL PROFESSIONS



Source: More than 4,000 executives at U.S. companies

Executives in the finance, insurance and real estate industry expect the most active hiring of professional-level staff, with a net 12 percent of hiring authorities planning to increase personnel levels. In the retail sector, a net 11 percent of executives anticipate hiring in the fourth quarter of 2011.

In the business services industry, 16 percent of executives anticipate hiring in the coming months, and 6 percent expect staff declines, for a net 10 percent projected hiring increase in this sector. Executives in the transportation and professional services industries forecast a net 7 percent and a net 6 percent hiring increase, respectively, for the fourth quarter.



Recruiting Challenges

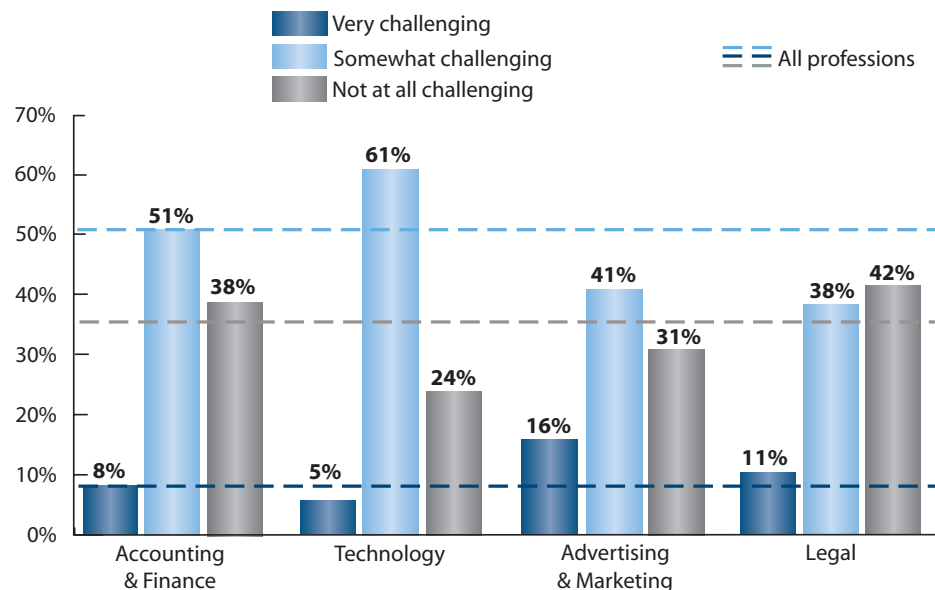
Confidence Remains Steady

Percentage of executives who are confident in their companies' growth prospects by quarter:



Source: More than 4,000 executives at U.S. companies

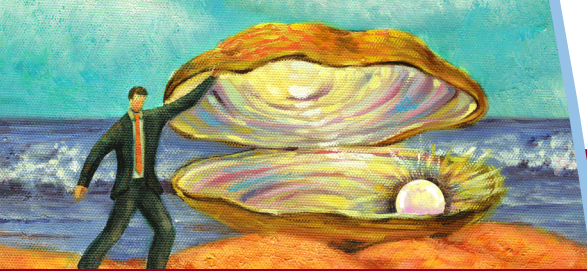
CHALLENGE IN FINDING SKILLED PROFESSIONALS



Source: More than 4,000 executives at U.S. companies

Locating the right candidate appears to be more difficult for executives interviewed. Fifty-nine percent of all respondents said it is at least somewhat challenging to find skilled professionals today, up 17 points from the prior quarter.

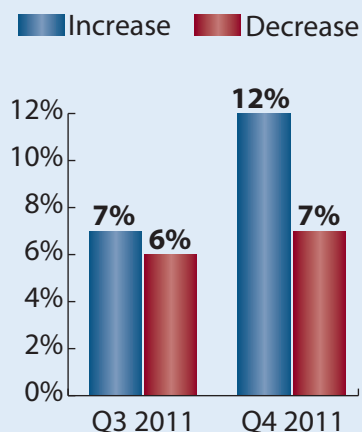
CIOs are having the hardest time finding skilled workers: 66 percent said it is challenging to locate experienced IT candidates, an 18-point increase over the third quarter. CFOs also are seeing a tighter candidate supply: 59 percent of financial executives said it is either somewhat or very challenging to find skilled accounting and finance professionals, compared to 41 percent in the previous quarter.



Hiring Trends – Accounting & Finance

HIRING PROJECTIONS

Percentage of CFOs who plan to increase or decrease staff levels:



Source: 1,400 CFOs at U.S. companies

Top Industries

- Professional Services (+9%)
- Manufacturing (+8%)
- Business Services (+6%)

Top Regions

- West South Central (+15%)
- South Atlantic (+8%)
- East North Central and East South Central (+6%)

West South Central: AR, LA, OK, TX

South Atlantic: DE, DC, FL, GA, MD, NC, SC, VA, WV

East North Central: IL, IN, MI, OH, WI

East South Central: AL, KY, MS, TN

Percentages reflect the net increase.

Overview

CFOs are increasingly optimistic about the hiring outlook. A net five percent of financial executives plan to increase staff in the fourth quarter of 2011, up four points from the previous quarter's forecast and the highest projected net increase in three years. Also promising, most financial executives – 91 percent – expressed at least some confidence in their companies' business prospects for the final three months of the year.

Firms recognize their teams are at capacity and are hiring professionals who can manage core accounting responsibilities and support growth initiatives. Companies also are bringing in temporary and project staff to address rising workloads and access specialized expertise.

As the hiring environment has improved, recruiting challenges have intensified. Fifty-nine percent of CFOs reported difficulty finding highly skilled applicants, up 18 points from the third-quarter survey.

Positions in Top Demand

- **Financial analysts** – Businesses need analysts who can evaluate financial plans, forecasts and budgets. Firms are looking for employees with a combination of functional expertise and strong interpersonal skills who can develop and effectively communicate strategies to control costs and boost profits.
- **Business systems analysts** – Companies seek professionals who can combine finance and information technology expertise, enhance the organization's existing systems, and leverage new hardware and software.
- **Staff and senior accountants** – Firms are hiring experienced professionals to manage fundamental accounting needs, including preparing financial statements, maintaining the general ledger and performing account analyses. Experience overseeing areas such as accounts payable and receivable is highly valued.

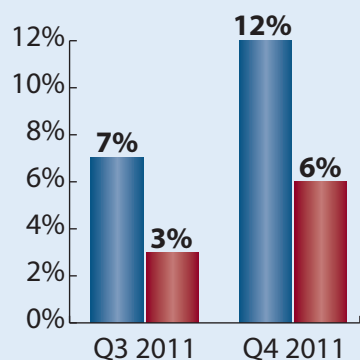


Hiring Trends – Technology

HIRING PROJECTIONS

Percentage of CIOs who plan to increase or decrease staff levels:

■ Increase ■ Decrease



Source: 1,400 CIOs at U.S. companies

Top Industries

- Transportation (+18%)
- Business Services (+12%)
- Wholesale (+10%)

Top Regions

- Mid-Atlantic (+12%)
- East South Central (+8%)
- Mountain (+8%)
- South Atlantic (+8%)

Mid-Atlantic: NJ, NY, PA

East South Central: AL, KY, MS, TN

Mountain: AZ, CO, ID, MT, NV, NM, UT, WY

South Atlantic: DE, DC, FL, GA, MD, NC, SC, VA, WV

Percentages reflect the net increase.

Overview

Hiring projections for technology professionals are on the rise. Twelve percent of CIOs interviewed said they plan to hire in the fourth quarter of 2011, and 6 percent expect to reduce staff. The net 6 percent increase in overall hiring activity is two points above the previous quarter's projection.

CIOs also expressed optimism in the potential for IT investments. Thirty-nine percent of technology executives – or about one in four – rated the likelihood their companies will invest in IT projects in the fourth quarter a “4” or higher on a five-point scale (with “5” being the most optimistic).

The survey indicates that demand for skilled IT professionals is driven by the need to keep hardware and software systems up to date, as well as support the growing use of cloud computing, mobile application development and other evolving technologies. Finding a good match, especially in security and networking, is getting harder: 66 percent of technology executives said it is challenging to locate skilled IT professionals, up 18 points from the third-quarter survey.

Positions in Top Demand

- **Network administrators** – Companies continue to seek experienced network professionals to help them manage more complex networks. Those with solid knowledge of cloud computing, Voice over Internet Protocol (VoIP) and Software as a Service (SaaS) have an advantage in the job market.
- **Database developers** – Businesses look for developers to maintain and support a company's database environment and also value those with experience in Internet technologies. Candidates well versed in major enterprise database programs, such as Oracle or Microsoft SQL Server, may see slightly higher compensation than those without these skills.
- **Help desk and desktop support professionals** – Providing support to customers and end users remains a priority for organizations. Relatively high turnover rates among support personnel have contributed to an ongoing need for these professionals. Businesses are relying on support staff on both a project and full-time basis.

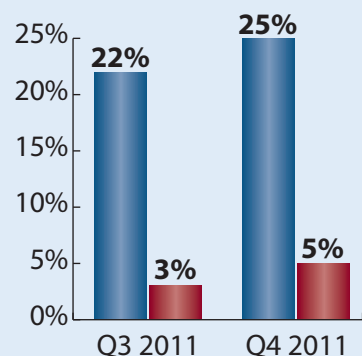


Hiring Trends – Advertising & Marketing

HIRING PROJECTIONS

Percentage of advertising and marketing executives who plan to increase or decrease staff levels:

■ Increase ■ Decrease



Source: 125 advertising executives and 375 marketing executives at U.S. companies

Overview

Greater investment in online initiatives, from website development and digital marketing to mobile advertising, is fueling demand for creative talent. A net 20 percent of advertising and marketing executives interviewed plan to increase staff levels in the fourth quarter of 2011. Yet, more than half (57 percent) of advertising and marketing executives interviewed said it's challenging to find skilled creative professionals today, up 15 points from the prior quarter.

Professionals with extensive digital skills and knowledge of traditional marketing and design practices are in short supply and have their pick of employers from which to choose. In fact, web design and production was cited as the specialty in greatest demand among advertising and marketing executives.

Positions in Top Demand

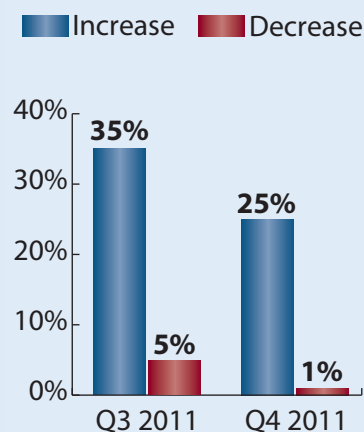
- **Web designers/developers** – Firms seek professionals with a strong creative eye and the ability to design, develop and maintain dynamic, interactive websites.
- **User experience (UX) designers** – Demand is strong for experienced UX designers who can create rich, intuitive online experiences that satisfy an organization's customer needs.
- **Online project managers** – As organizations strive to build more integrated campaigns that include print, online, broadcast, video and social media elements, they seek online project managers who can help plan, organize and execute multifaceted projects.



Hiring Trends – Legal

HIRING PROJECTIONS

Percentage of lawyers who plan to increase or decrease staff levels:



Source: 100 lawyers at law firms and 100 corporate lawyers in the United States

Overview

To meet rising demand for their services and grow revenue, many law firms are hiring senior-level associates with strong business development skills and expertise in hot practice areas. A net 24 percent of lawyers surveyed at law firms and corporations said they will add staff in the fourth quarter of 2011. Most of the hiring is expected at law firms.

Among lawyers surveyed, 82 percent said they are at least somewhat confident in their organizations' ability to expand in the fourth quarter. Those interviewed also acknowledged challenges in locating top candidates: 49 percent said they thought it was somewhat or very challenging to find skilled legal professionals today.

Lawyers, paralegals and legal secretaries are the positions in greatest demand for the fourth quarter. Lawyers cited litigation, bankruptcy/foreclosure, and labor and employment law as the areas that will experience the most growth in the next three months. In addition, general business and commercial law, as well as intellectual property, are strong in certain markets.

Practice Areas in Top Demand

- **Litigation** – Rising corporate and commercial litigation, in addition to a surge in insurance defense lawsuits, is driving demand for associates, paralegals and legal secretaries with litigation backgrounds.
- **Bankruptcy/foreclosure** – Lawyers and paralegals with experience in bankruptcy, foreclosure and restructuring are in demand across the country due to continued activity in these areas.
- **Labor and employment** – Lawyers and legal support professionals with employment law experience are sought by companies to assist with personnel policies, compliance matters, and mergers and acquisitions, as well as litigation.



The Skinny on Year-End Bonuses

SPOTLIGHT:

A Look Back on Bonuses

Executives were asked if their firms offered employees year-end bonuses last year. Their responses:

Yes: 36%

No: 60%

Source: More than 4,000 executives at U.S. companies

The Bonus Breakdown

Executives were asked how they anticipate year-end employee bonuses will change from those awarded last year. Their responses:

	Higher	Lower	Unchanged
Total	30%	14%	53%
Accounting & Finance	21%	17%	60%
Technology	25%	18%	53%
Legal	12%	4%	73%
Advertising & Marketing	19%	13%	53%

Source: More than 1,200 executives at U.S. companies

Which Way Are Bonuses Headed This Year?

Year-end is often equated with bonuses – but not for all companies or employees. While more than one-third of executives (36 percent) interviewed for the *Professional Employment Report* indicated that their firms offered bonuses last year, 60 percent said they did not. Plans for cash rewards are slightly more encouraging this year: 30 percent of executives said they expect to pay employees higher bonuses than last year. Fifty-three percent of respondents said 2012 bonuses will remain unchanged, and only 14 percent said they will be lower.

Making Bonuses Count

Whether a bonus program is tied to results of the company, department or employee, it should follow three main principles:

- Employees receive bonuses based on specific results.
- The rules for bonuses are clear and fair.
- Bonuses reward extra effort and superior performance.

Other Bonus Options

Not all companies are in a position to offer their staff year-end bonuses, despite well-deserving employees. Spot bonuses are another popular strategy to quickly recognize superior work. An employee is awarded a pre-determined sum, typically ranging from \$250 to \$1,000, preferably within 24 to 48 hours of a certain achievement. This type of instant reward not only encourages additional contributions by the employee, but motivates others in the department as well.

Bonuses don't need to be tied only to job performance. Companies can offer them for employee or client referrals, for suggestions that enhance company goals, or for completing a successful special project. Bonuses also can include rewards of time off, a free membership in a local health club, or discounts on merchandise or services.

For additional retention tips and resources, visit the Robert Half Small Business Resource Center at roberthalf.us/smallbusinesscenter and follow us on Twitter at twitter.com/smallbizhiring.



About the Survey

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The quarterly *Robert Half Professional Employment Report* was developed by Robert Half and conducted by an independent research firm. The study is based on more than 4,000 telephone interviews with executives from a random sample of U.S. companies across a number of industries, including more than:

- 1,400 chief financial officers at companies with 20 or more employees
- 1,400 chief information officers at companies with 100 or more employees
- 500 senior human resources managers at companies with 20 or more employees
- 100 lawyers at law firms with 20 or more employees and 100 corporate lawyers at companies with 1,000 or more employees
- 125 advertising executives at companies with 20 or more employees and 375 marketing executives at companies with 100 or more employees

About Robert Half

Founded in 1948, Robert Half, the world's first and largest specialized staffing firm, is a recognized leader in professional staffing services. The company's specialized staffing divisions include Accountemps®, Robert Half® Finance & Accounting and Robert Half® Management Resources, for temporary, full-time and senior-level project professionals, respectively, in the fields of accounting and finance; OfficeTeam®, for highly skilled office and administrative support professionals; Robert Half® Technology, for project and full-time technology professionals; Robert Half® Legal, for project and full-time staffing of lawyers, paralegals and legal support personnel; and The Creative Group®, for interactive, design, marketing, advertising and public relations professionals. Robert Half has staffing operations in more than 350 locations worldwide. For more information about the specialized staffing and recruitment divisions of Robert Half, visit roberthalf.us and follow us on Twitter at twitter.com/roberthalf.