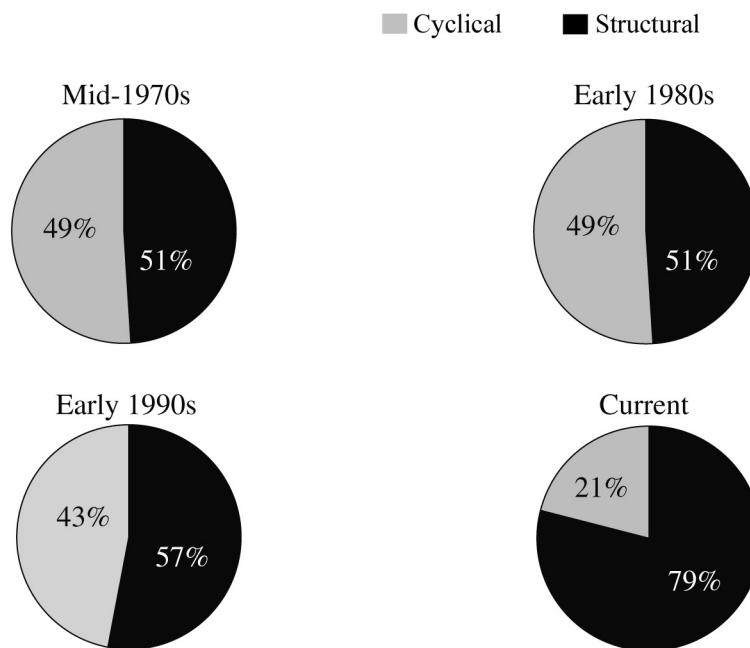


JOB EVOLUTION: THE REAL CAUSE OF A JOBLESS RECOVERY & HOW IT WILL IMPACT THE FUTURE OF JOBS.

By Luigi A. Lupo

Given the current job market companies are seeing increase in company profits and a decrease in company headcount. We are in the midst of a unique transitional economic time known as a “Jobless Recovery.” We are recovering from the elimination of over 2.7 million jobs eliminated since early 2001. The causes of these eliminations are felt by the employee and those seeking employment in many different ways. Layoffs are due to a combination of both cyclical and structural organizational changes. Cyclical or temporary planned layoffs were a more common business practice in many different industries. This behavior was correlated to the company’s production cycle. These types of cyclical changes are always a percentage of recessional economic jobless recoveries. The difference is that historically cyclical changes have been a stronger balance.

Share of Total Employment in Industries Undergoing Cyclical Changes
and in Industries Undergoing Structural Changes



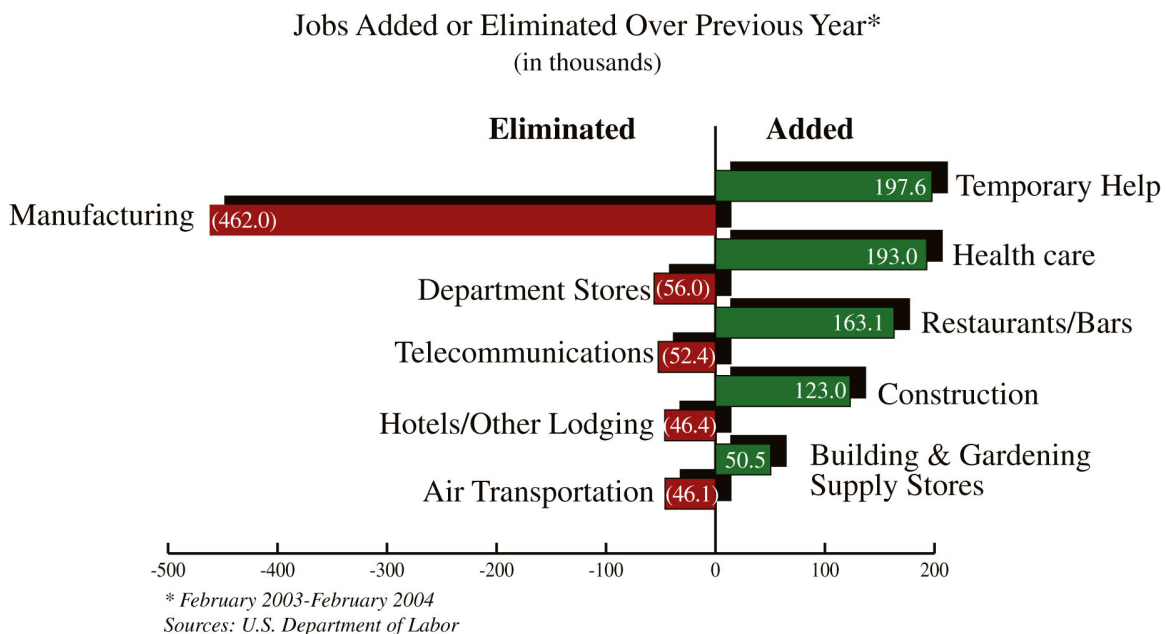
Sources: U.S. Bureau of Labor Statistics
and *Current Issues in Economics and Finance*, Vol. 9, Number 8

On the other hand structural, organizational changes permanently affect the relationship between the employer and employee. More recent economic conditions have forced companies to review their current resource allocation. Throughout many industries companies have restructured their respective business processes to become more and more efficient. This change is facilitated by the ever changing automated way of doing business and this has unfortunately eliminated positions. The affect felt by the job market is caused by “Job Evolution.” The production process is becoming automated and more efficient which means the support aspects to this old process will also be affected.

When these two types of organizational changes occur, jobs that were being eliminated in the recession are continuing to be restructured in a jobless recovery.

Job Evolution is the combination of these two types of organizational changes becoming operational. It is a combination of the company, technology and industry becoming more efficient. Elements of Job Evolution will affect the Job market in different ways. One way is that employers are taking longer to restructure and effectively combine positions. The evaluation process has extended the job creation and evaluation life-cycle. More and more positions are being put on hold pending longer approval processes. The job responsibilities for these newly evolved positions are unique to both the organization and the job market. The job has evolved into a new responsibility created by a newly automated process. This now requires a specific combination of experience and backgrounds. Through a process of trial and error companies have begun to realize the benefit of combining selective job descriptions. This creates a more efficient use of resource allocation and a lower employee headcount. The combination of job descriptions to meet industry and market changes is the core result of Job Evolution. The effect is permanently changing the employers search criteria when identifying new talent.

Another factor of Job Evolution is that organizations are now also looking at their business in cyclical perspectives. Temporary as opposed to permanent staff are being utilized through cycles of higher productivity. The practice of outsourcing small units of work as opposed to developing permanent staff is not uncommon within this model. This business practice once seen primarily in the manufacturing industry can now be seen utilized in many different industries with different diverse work forces. It is simply one of the easiest ways to manage costs relating to permanent company staff. Temporary staff typically fixes a surge in a company's headcount demand relative to production. This practice allows companies to better manage both recruiting costs as well as permanent headcount.



Finally, the last aspect to consider is “Job Outsourcing.” This business practice existed in the jobless recovery of the early 90’s. The difference is now it is affecting many more industries. The practice that started within various sectors of the manufacturing industry is now moving into the clerical and technology industries.

Job Evolution has permanently affected both the employee and job seeker. This change is the biggest difference between the recoveries of the early 90’s and present day. The most recent recession has left many highly skilled talent pools within industry sectors that only possess half of the responsibilities and industry related experience required for the new hybrid positions companies are looking to add to staff. In addition, this evolution has brought with it new technologies which automates the older labor-intensive way of doing business. These new efficiencies and automated tools have re-organized the core structure of companies.

Routine Work Will Wither Away...		
Job Category	Average Pay in 2002	Projected Employment Change, 2002-2012
Sewing Machine Operators	\$23,000	-99,000
Word Processors	28,000	-93,000
Telephone Operators	29,000	-28,000
Travel Agents	28,000	-16,000
Title Examiners	37,000	-1,000
...But Complex Jobs Will Multiply		
College Educators	\$59,000	600,000
Managers	84,000	380,000
Software Engineers*	74,000	179,000
Management Consultants	70,000	176,000
Artists and Educators	46,000**	125,000

**Application Engineers
 ** Range of \$21,000-\$70,000
 Source: Bureau of Labor Statistics*

We can expect the labor force to be affected in both the short term and the long term. In the short term employees will begin to experience more job security and stability. Companies are beginning to formalize retention policies as well as aggressive recruiting strategies. This will eventually lead to the demand for similar talent and additional

headcount. In the long term, the new job requirements will allow employers to source from various industry backgrounds and experiences. Niche Experience Membership Associations and Recruiting sites are constantly being developed to not only support but also help identify this uniquely experienced talent. This “Niche Market Recruiting” industry sector has show positive growth over the past 3 consecutive years.

Job Evolution also creates career diversity and growth potential. As the organizational processes develop and are put into practice new support positions should also begin to become available to the job seeker. Companies are at a point of needing to increase headcount to be able to support the increased market productivity and aggressive sales goals. This will pave the way over time to an abundant job market, filled with new job requirements and newly approved support positions. Job Seekers will now be able to be considered for various new opportunities within their respective industries as well as apply for opportunities within different industries and market sectors that are completely different from their background, but require a unique skill set. This creates an exciting job market open to career crosspollination. Job seekers and employees can also take advantage of career advancement by combining their career experience with new Educational and Certification requirements created by the new job opportunities. Industry specific certifications and education will be utilized as common “industry bridges.”

This in time will force the job market to shift from an employer driven to an employee driven market. This market shift is also a cyclical change that historically follows in the wake of a slow jobless economic recovery. It will be at this point the job seeker can look forward to stronger career growth finding stronger company security and lower unemployment rate.

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