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Jobs may not return to Bermuda until 2011, says recruitment expert::



By Alex Wright

Many of the jobs that were lost in Bermuda in 2009 may not come back now until 2011 - particularly in the construction and hospitality industries.

That is the frank assessment of the employment market for 2010 by Doug Soares, partner at Expertise Ltd., who reckons that some of the positions that were made redundant in international business, especially fund administration, were unlikely to return at all, with vacancies being created instead in lower cost jurisdictions as the sector recovers.

But Britt Reiss, president of bermudaREcruit Ltd., believes there is reason for optimism with many companies happy to put a dismal 2009 behind them and move on to the beginning of a new year presented with new opportunities, with re/insurance leading the way.

“With some high-profile exceptions, established insurance and reinsurance companies have continued to hire, which has been a godsend for the employment market,” she said. “Beginning in the second quarter we expect hiring to pick up generally.

However, she maintained that competition was fierce among those applying for the same job due to less openings in the market, while those already in work were focused on keeping their position.

“During the last year, fewer jobs have meant stronger competition for every available opening. As the job market picks up, competition will remain high,” she said. “That’s because when the economy is struggling, people hold on to their jobs because they are afraid that if they move to a new company, they risk being the first one to be made redundant if the company’s financial situation changes.

“As the economy picks up and confidence returns, employees will start to look around the job market for new and better opportunities. That’s why Bermuda REcruit has always advised employees – even in buoyant times – to keep their technical skill sets up-to-date in order to stay competitive. Whether an opening is for an assistant controller or chief financial officer, jobs in 2010 will go to those who are doing the best work.”

The Department of Statistics’ Quarterly Bulletin of Statistics report revealed that total employment by major occupations and industry groups was up in 2008 at 40,213 compared to 39,851 in 2007, with international business accounting for 4,761 of that total, business services 4,326 and public administration 4,223. The highest numbers by occupation were

service workers and shop and market sales workers at 7,571 and professionals at 7,565, closely followed by senior officials and managers at 7,133.

In the hotel industry, employment rose 1.5 percent at 2,709 workers as a whole for the third quarter of 2009, the largest portion of which was from guest-houses and micro-units (25 percent) and hotels (five percent), but for cottage colonies and housekeeping that figure was down 10.1 percent. Hotel gross receipts fell across the board by 16 percent for the quarter, consisting of a 34.8 percent drop for small hotels and a decline of 12.4 percent for resort hotels.

Mr. Soares said it was not likely that any of the major industries would create a significant number of new jobs this year.

“We anticipate that many of the jobs lost in 2009 will not come back until 2011, particularly construction and hospitality jobs,” he said.

“Unfortunately some of the jobs lost in international business, particularly fund administration, are unlikely to come back. This is because, as the fund industry recovers, the jobs created are likely to be based in lower cost jurisdictions such as Canada, Ireland, and India.

“The funds may still be domiciled in Bermuda but much of the administration is likely to be done overseas. The recession has caused entrepreneurs to more critically examine the cost of doing business in Bermuda relative to other places. In fact, in the post recession era, jobs with no fixed abode are more likely to move to jurisdictions where labour is cheaper and the cost of operating an office is lower.”

He said that Expertise had not been impacted in the same way as other recruitment firms by the hiring downturn as a result of the diversity of human resources services it offers, and was upbeat about what 2010 held for his company.

“Although we do not expect our recruitment business to grow, we expect to do particularly well in the areas of management consulting, management training, payroll outsourcing and immigration services,” he said. “In addition, many companies continue to engage us for outplacement - to help redundant employees conduct a job search. That has our recruiters busy throughout 2009 and we expect that to continue for the first part of 2010.”

Andrea Haffar, president and senior consultant at Performance Solutions, said employers were going to be very cautious about recruiting new staff in the first quarter, with Bermuda only now feeling the knock-on effect of the economic downturn from North->America six months ago.

“You only have to look at today’s employment section in The Royal Gazette which is two pages as a sign of what is happening,” she said.

Ms Haffar said companies were just looking to fill essential positions or ones that would offer the best growth for the business and were being much more conservative with their budgets to avoid having to revise them again as they had done in the last two years.

But she added that the recession had allowed firms to put in place the right structures, policies and procedures needed to iron out any inefficiencies in the system, while working closely with their human resources management and directors to ensure the correct decisions are made concerning all aspects of the operation.

think for Bermuda the economic downturn has been unprecedented because it has hit all industries from the financial and re/insurance sectors to retail and tourism, with many businesses pulling out, merging or closing down, which is an indictment of
