

Recovery fails to assimilate laid-off workers

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By Paul Monies
The Oklahoman

The economy received another shot in the arm Thursday when the government released positive statistics on the number of jobless claims and higher productivity rates.

For the long-term unemployed and recently laid off, it's of little comfort. Not in a job market where the employers are holding all the cards.

"There's jobs out there, but there's so many looking for work that employers have the pick of the litter and they're taking so long to get back to you -- if at all," said Oklahoma City resident Darlene Luke, who was laid off from America Online in 2001 and stayed unemployed for a year before working a few temporary jobs. "I've been a 'professional' job searcher for the past year."

Luke, 56, is typical of many job seekers since the last recession, which ended in November 2001. Since then, the national economy has struggled to rebound and is now showing signs of picking up in nearly all areas apart from the job market.

The nation's unemployment rate stood at 6.2 percent in July, down two-tenths of a percent from a nine-year high in June. Oklahoma's seasonally adjusted unemployment rate was 5.9 percent in June, up slightly from 5.6 percent in May and almost a full percentage point since January's level of 5 percent.

A recent research report by the Kansas City Federal Reserve Bank, which covers Oklahoma, suggests the current "jobless recovery" mirrors the jobless recovery seen after the 1990-91 recession. Companies have withheld spending on capital projects and delayed hiring full-time workers, preferring instead to either increase overtime hours, hire part-time workers or turn to temporary staffing agencies.

The researchers, Stacey Schreft and Aarti Singh, said that companies have turned to "just-in-time" employment practices to match slower demand in the recovery period after a recession. Increases in productivity and just-in-time employment strategies allowed companies to continue cutting jobs. "Firms kept trimming payrolls well into those recoveries, and more of the laid-off workers suffered long-term bouts of unemployment than in the typical recovery," they wrote.

In Oklahoma, mass layoffs -- layoffs of more than 50 people -- have been increasing in recent months, according to the Bureau of Labor Statistics. More than 74 mass layoffs were announced in the first six months of 2003, up from an average of about 53 in the first six months of 2001 and 2002. Chicago-based outplacement firm Challenger, Gray & Christmas said job cuts nationally this year have hit 715,000 through July, a drop of 12 percent from the same period last year.

The just-in-time employment trend makes for a more flexible labor force, and saves the companies money, but its effects are mixed for workers, economists said.

Many workers prefer the flexible schedules of temp work and find it easier to move into jobs in different fields. But some workers are forced to take part-time or temporary work with no benefits when they would rather have regular full-time jobs. Others are staying unemployed longer, finding it hard to find new jobs that matched their old ones in salary and benefits.

Oklahoma City resident Regina Lovelace, 46, spent more than 20 years working in the telecommunications industry, first for Southwestern Bell and later for Logix Communications. She's been laid off twice in the last seven years, from Southwestern Bell in 1995 and from Logix in February 2002. In between layoffs, she worked for a telecom consulting company.

This time, Lovelace spent about six months in a temporary banking job and now works part-time in retail. She hasn't had a regular, full-time job in more than 18 months, but continues to look.

"I have been out there looking, but I don't know if it's because of my age or what, but a lot of companies are looking for people in their 20s," she said. "I have an associate's degree, but most companies are looking for a bachelor's or a master's."

Another hindrance, Lovelace said, is the fact that she made fairly good money in her previous telecom jobs. Employers typically ask for salary history in applications, and Lovelace suspects she's priced herself out of some jobs before -- or during the formal interview. "Some of the interviewers are younger than me," she said. "I feel the interview is going well but there's some younger applicants outside waiting for interviews, too. I feel I may not get the job because my salary history is higher than the others interviewing."

Temporary staffing agency Express Personnel, headquartered in Oklahoma City, have seen steady growth in the past few years, company representatives said.

Unemployed in Oklahoma

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The company's north Oklahoma City office has seen growth in company demand from services such as call centers and retail. Manager David Lewis said the overall number of applicants hasn't changed, but more are "underemployed," meaning they will take a lower position than ones for which they qualify.

Meanwhile, in Edmond, many Express applicants have little long-term experience at any one job, said Dru Wilson, the office's manager. He said that could be because employees with the shortest tenures are often the first to go in a layoff.

Local economists said conditions in the job market are part of the hangover from late-1990s excesses, when times were good and many workers had their pick among jobs.

"The jobless recovery we're seeing now has more to do with excessive employment in the past," said Jonathan Willner, an economist at Oklahoma City University.

"My feeling is that the economy is fine but we got used to peculiarly good circumstances and we got used to a very low unemployment rate," he said. "Companies are now reexamining the way they do work and get things done. They're realizing there's a lot of slack in the system and it's going to take a while to work itself out."

Mark Snead, an Oklahoma State University economist, said it boils down to perspective. People got used to state unemployment rates hovering around 3 percent and national unemployment at 4 percent a few years ago, which are unrealistic rates to expect today, he said. "In 2000, everybody who was ambulatory had a job," he said. "The idea that simply because the economy is recovering the unemployment rate will plummet is just not possible."

Despite recent layoff announcements, the state Commerce Department reports that in the first half of this year, 50 companies in Oklahoma announced they would add more than 4,300 new or expanded jobs in the next several years.

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