

## A BUOYANT ECONOMY, HIGH BOTTOM LINES, JOB VACANCIES GALORE. EMPLOYERS SHOULD BE HIRING EXTENSIVELY: THEY AREN'T: HERE'S WHY?



Ever since the presidential elections have been over, the hue and cry over lack of jobs, has somewhat died down with the media and analysts saying that the employment scenario is more upbeat and that jobs are relatively easier to get now, than say a couple of months ago. But long queue's of job seekers at career fairs and unemployment agencies tell another story and those who have actually been looking for a job say that getting a job is not as easy as many make it out to be. Economists are saying that the job-seekers are right in saying so and there are good reasons why employers are showing a reluctance to hire. The lack of enthusiasm on the part of the employers is rather strange and out of character. For most of the last five years, companies have been operating with as few people as possible and their bottom lines have been the best they've had for years, as such they are sitting on tons of cash and also have lots of vacancies – logically they should be hiring and hiring big. The recession gave employers an excuse get the maximum work out of the workers, but with worker productivity growing at a rate of 1.9 percent even that has reached saturation point. Even then, there is hardly any talk about hiring. Moreover, according to the Bureau of Labor Statistics, there were 3.6 million job openings available. What then is the reason for this negativity in hiring – where the employers should be salivating for new employees, there are just sitting on their hands. Economists say that the climate of uncertainty created over the last five years, is one of the prime causes of the employers disinclination and lack of enthusiasm. Every time they had something or the other to worry about that further fueled this uncertainty. Sometimes it was the recession, at other times it was the presidential elections, the fiscal stimulus program, will it come or won't it come, kept people on tenterhooks. Now it is the “fiscal cliff,” a serious issue, which if the Congress and the Obama administration fail to resolve, will send US economy plunging down and force it back into a recession, worse than the one that the people have just endured. Since the fiscal cliff is all about tax hikes and government spending reductions by as much as \$600 billion, business owners are apprehensive that they may have to pay more taxes, whilst investors are worried that they may face serious financial consequences. Federal Reserve Chairman Ben Bernanke added to the ambiguity of the situation saying that if the fiscal cliff was not resolved economy would slacken, but if it was the economy could perform well in 2013. Economists believe that next to the uncertainty, the fiscal cliff is the biggest reason why employers have been tentative in their hiring. Another reason why they are not hiring is that they are not being pushed enough. Workers are being made to work as hard as ever, business has picked up and work has increased. Fear of being sacked is motivation enough to work without complaint. Even though work has increased significantly there is no corresponding growth in wages or the number of workers. What's more whilst continuing to push their workers to be more productive and work for lesser pay, they not only eliminate the need for addition workers, they also get to blame the government for not hiring.