



Job seekers wait their turn Wednesday at the Career Expo job fair in Portland, Ore. They may be in luck: a report said employers are likely to be hiring. RICK BOWMER/AP

Slowing productivity might boost hiring

By Martin Crutsinger
The Associated Press

WASHINGTON — U.S. firms will have to keep hiring steadily to meet their customers' rising demands. That's the message that emerged from a report Wednesday that employers are finding it harder to squeeze more output from their existing staff. It also helps explain why ADP, a payroll provider, estimated Wednesday that companies added 216,000 workers last month.

Those findings reinforced confidence that 2012 will mark a turning point for the long-suffering job market and the economy. Applications for unemployment benefits have tumbled. Consumer confidence is at its highest point in a year.

And the stock market has been on a tear since the year began. Feeding on themselves, those trends tend to fuel further economic growth.

The brighter signs come two days before the U.S. issues the February employment report. It's expected to show a third straight month of strong hiring.

Business executives are sensing the shift. A survey released Wednesday by Duke University's Fuqua School of Business found that confidence among U.S. chief financial officers has risen to its highest point in a year. As a result, the survey found that companies expect to increase hiring for full-time jobs by 2.1 percent over the next year, up from 1.5 percent in a survey in

December.

"This rebound is encouraging because increases in chief financial officer optimism have historically preceded improvements in the overall economy," said John Graham, a finance professor who directed the survey.

The survey was released the same day that the government reported a paltry gain in worker productivity at the end of 2011. The 0.9 percent annualized increase was half the growth rate of the July-September quarter. Similarly, for the year, U.S. worker productivity grew at its slowest pace in nearly 25 years. Productivity measures output per hour of work. Slower productivity can squeeze corporate profits.