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Coronavirus will likely cause a massive hiring slowdown before the end of the first quarter, recruiting experts predict

Allana Akhtar Mar 12, 2020, 6:40 AM



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Images



Though the US added more than 270,000 jobs in February, staffing firms lost about 20% in value over the last month, according to [Staffing Industry Analysts](#).

Experts say there might be a "delayed reaction" to coronavirus' impact on hiring, and layoffs and hiring freezes will increase if the virus doesn't slow down.

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The coronavirus spread has halted travel, trading, and maybe soon hiring.

Coronavirus, which first spread from China in late December, has infected more than 100,000 people so far and spread to every continent except Antarctica. Although most cases are still in China, the outbreak [upended business around the world](#), leading to a [stock market plunge](#), countless [work-from-home mandates](#), and many colleges and universities switching to remote classes.

In response, [United Airlines](#) announced it would freeze hiring until the virus stops spreading, and firms including [Google and Facebook](#) have limited on-site job interviews. The staffing industry as a whole has plummeted, as stock prices of major firms like [Robert Half](#) and [ManpowerGroup](#) dropped by more than 7% this week.

Shares in the largest staffing firms lost about 20% in value over the last month due to coronavirus, [Staffing Industry Analysts](#) reported.

Half of companies say coronavirus won't impact hiring beyond in-person interviews,

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layoffs — causing a major shakeup in the recruiting and staffing industry.



The US [added 273,000 new jobs](#) in February, even with coronavirus fears rising — but experts said the good times won't last for long.

Job.com, which processes 2.5 million job postings a month, found no change in hiring or open positions in February from coronavirus. But that might be a "delayed reaction," said Arran Stewart, co-founder of Job.com.

"If you speak to me in 6 weeks, I'm pretty confident there's gonna be a slowdown," Stewart told Business Insider. "There's an element of fear and safety and just economic slowdown that will all play [a role as] factors toward the way people hire."

Kevin Grossman, an HR industry veteran and president of Talent Board, said the impact on hiring has so far been moderate and concentrated in Asia. As travel, hospitality, and [retail](#) continue to take hits from less consumer spending, Grossman predicted, hiring will slow and recruiting teams will get laid off.

Still, coronavirus may not cause wide-scale unemployment. Julia Pollak, the lead economist at job marketplace ZipRecruiter, said she expects public sector hiring to make up for lost jobs, citing to the Census 2020 hiring.

"In other words," Pollak told Business Insider, "The job market had serious momentum heading into the crisis, and will get a well-timed lifeboat in the form of Census hiring."

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