



Advanced RPO

Recruiting Insights and Employment Trends Report

April 2023

A look at the latest economic, business, and
workforce trends impacting recruiting and hiring

Economic Outlook Recruiting Insights Employment Trends Solving Hiring Challenges

“ It’s been said that change is the only constant. In this second quarter of 2023, change remains a predominant recruiting and employment theme. But whether it’s change for the better or worse depends on your industry and your outlook. Read on for insights to help you draw your own conclusion.”

- Pam Verhoff, President and CEO Advanced RPO

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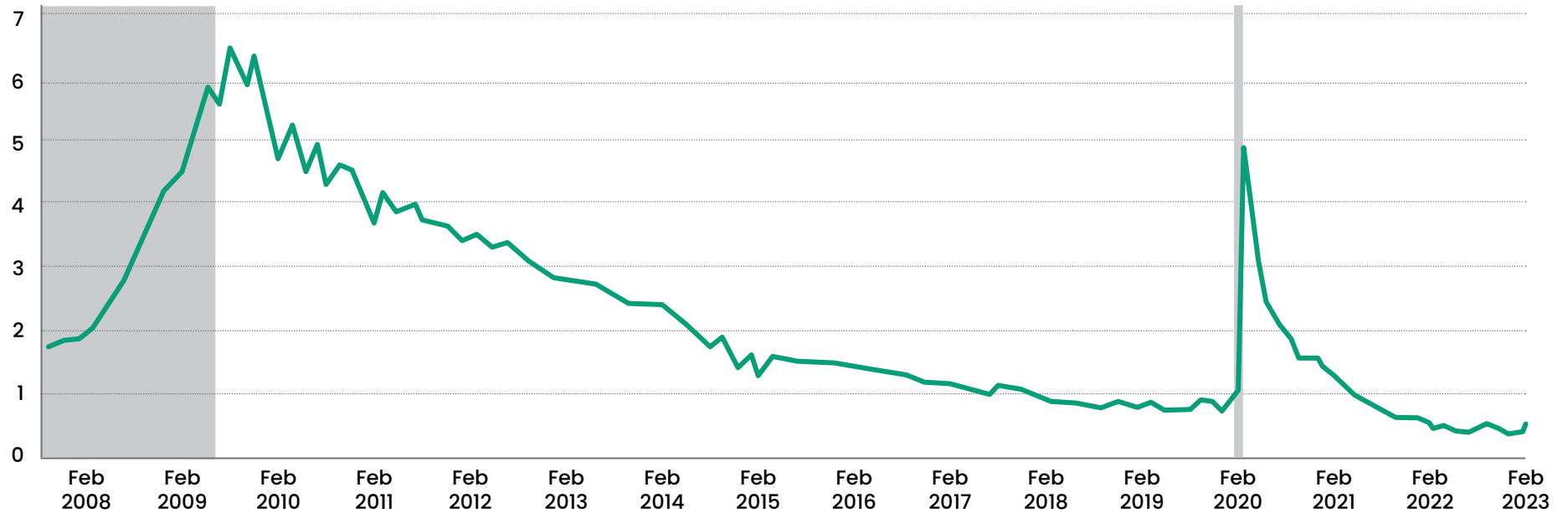
Economic Outlook

Businesses Eye a Soft-er Landing



For most of 2022, a hard recession looked certain. As we sit in Q2 2023, it seems a soft landing might come to pass. Some economists are hopeful, while others still predict a recession within the year. To many, current unemployment figures could signal either scenario.

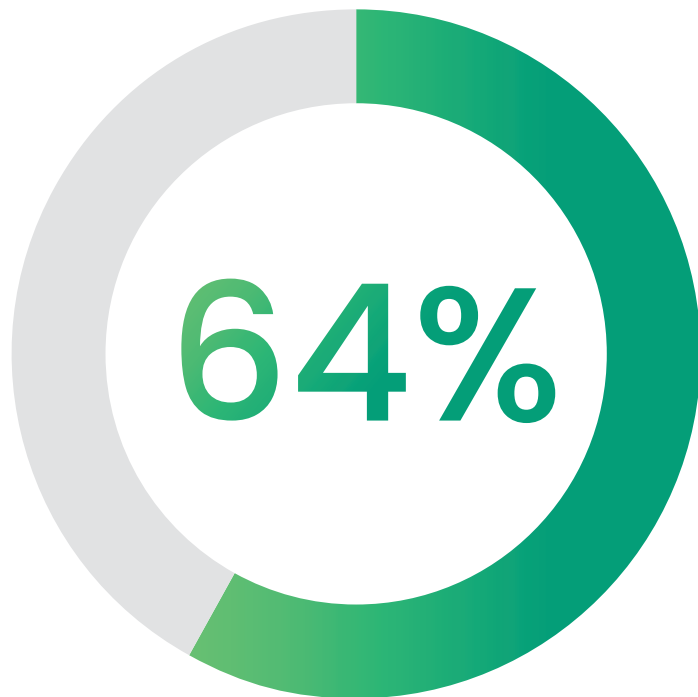
Number of unemployed persons per job opening, seasonally adjusted



What is the Difference

Between a Soft Landing and a Rolling Recession?

When inflation normalizes before an expected hard recession can hit, it's referred to as a soft landing. On the other hand, when a hard recession hits and impacts various sectors of the economy differently, or not at all, it's termed a rolling recession.



The U.S. economy has a 64% chance of contracting in 2023, according to the average forecast among economists.

Manufacturing Outlook: Guarded but Hopeful



- At the end of 2022, **more than 62% of manufacturing leaders** believed the U.S. economy would slip into a recession in 2023.
- Even without a recession, **inflation will continue to take a toll** on manufacturers through rising costs, labor constraints, and supply chain disruption.
- Despite economic uncertainty, **manufacturers plan to:** upskill and train existing workforce (64.1%), hire new employees (55.1%), and spend on new structures and existing facilities (38.6%).

Manufacturing Outlook

KEY TAKEAWAY

The economy and the state of the supply chain are acutely impactful for manufacturers. As we near the halfway point of 2023, it will be important to remain both nimble and strategic in balancing recruitment with other operational priorities.

Life Sciences Outlook: Partly Cloudy, Partly Sunny



Cloudy

More than 3 out of 4 life sciences executives expect **inflation and affordability** will have a major impact on their organizations this year.



Sunny

Recent tech layoffs could be **good news for life sciences companies** keen to recruit data scientists and digital tech experts.



Fair overall

Life sciences services companies, especially in clinical research, have maintained strong growth. And, while industry demand for labor typically outpaces supply, federal rate hikes in 1H 2023 will likely temper demand.

Life Sciences Outlook

KEY TAKEAWAY

Tech has become vital to life sciences success. Now is the time to take advantage of the overabundance of skilled experts unemployed in the market. In fact, a tech pro with roots outside the life sciences industry might be your ideal hire.

Energy Outlook: Cautiously Positive



- Uncertainty remains as price volatility is still a concern across all energy verticals.
- Supply and demand continue to drive business results and stock performance.
- 93% of Oil & Gas execs are positive about the industry in 2023, which could help companies overcome the underinvestment seen in recent years.

Energy Outlook

KEY TAKEAWAY

The future will likely look markedly different for newer sectors like renewables vs. mainstays like Oil & Gas, but what remains the same across the board is the impact other nations and economies will have on the economic situation in the U.S.

02

Recruiting Insights

Trend #1: Labor Hoarding

Salary Postings Pushing Wage Growth



Organizations are reluctant to release talent, making the 517,000 jobs added this past January misleading—they likely reflect labor hoarding rather than new hiring. To ensure they can hold on to talent, companies must increase wages for existing employees, which creates an enduring higher wage for the role.



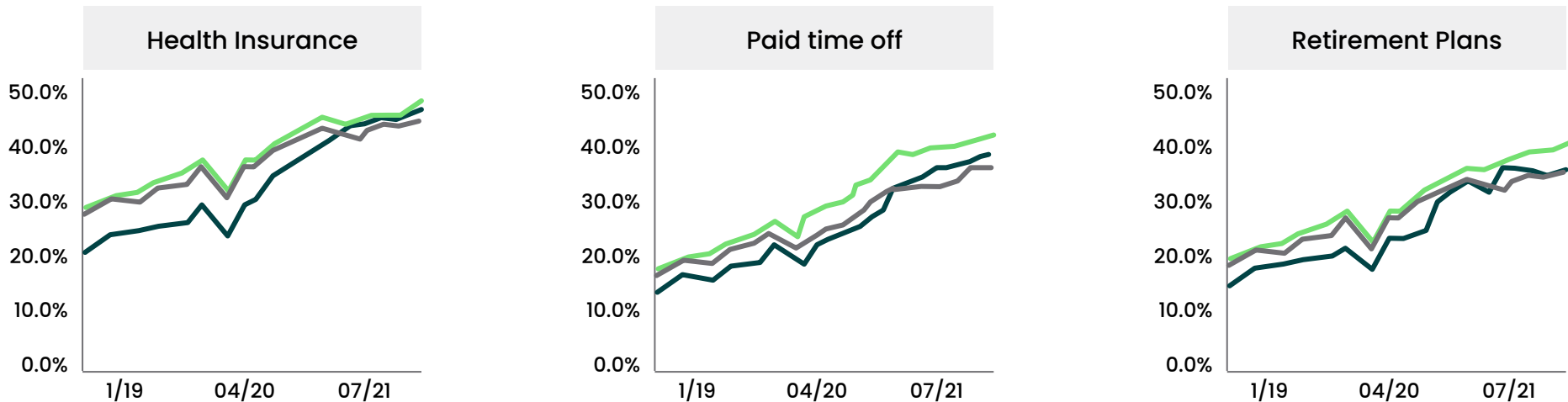
At the same time, companies are accelerating benefits advertising, which can lead underpaid existing employees to demand higher wages. Benefits advertising growth has been fastest in low-wage job postings (less than \$15-an-hour), while **middle-wage postings lead the charge**.

Middle-wage job postings lead in benefit advertisement

Both labor hoarding and benefits advertising are catalysts for wage growth.

% of job postings advertising benefit by advertised median wage tier

■ low wage (<\$15)
 ■ middle wage (\$15-\$20.38)
 ■ high wage (\$20.39+)



What is wage growth?

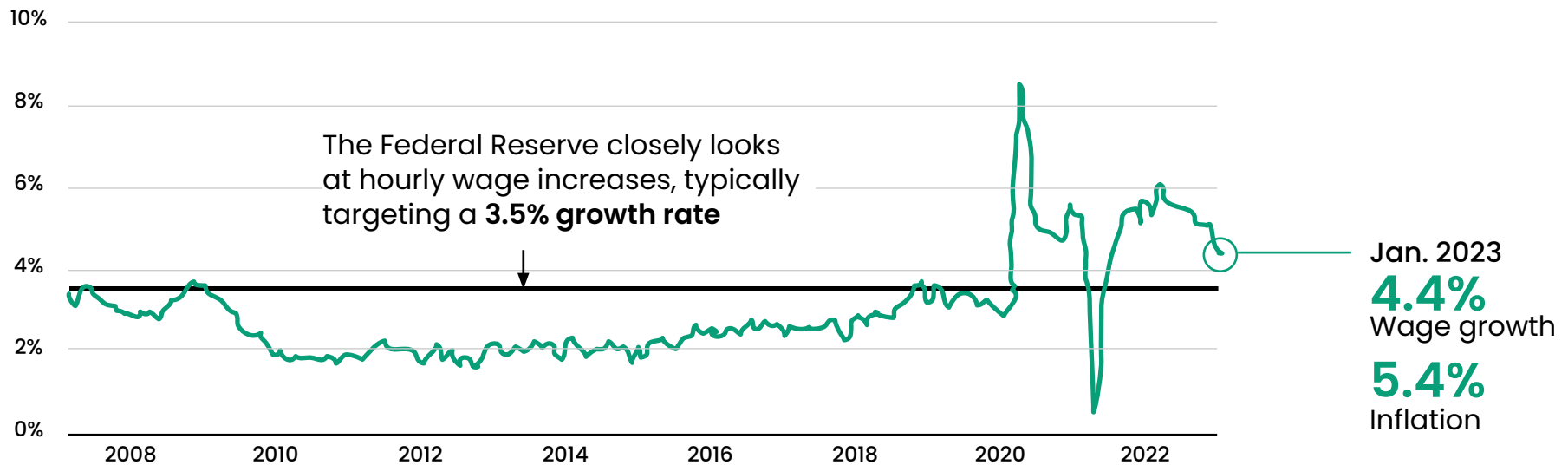
Wage growth is an increase in wages adjusted for inflation.

Wage growth vs. inflation

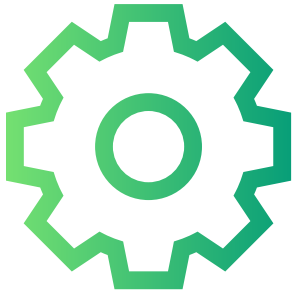
The **Federal Reserve** typically targets 3.5% yearly wage growth to align with 2% inflation. In this economy, however, it's less likely wages will keep pace with inflation.

Wages and inflation

Wage growth slowed to **4.4%**, its lowest point since August 2021 – although it did not keep up with inflation.



Industry-specific Perspectives on Trend #1



MANUFACTURING

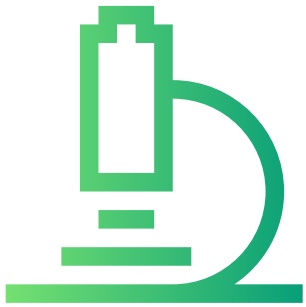
Given historically falling workforce numbers in this industry, labor hoarding and benefits-driven retention is now trending.

- **The % of the U.S. workforce in manufacturing has fallen to less than 9% over the last two decades.**
- **To hold on to workers, employers are increasing salaries and benefits, pushing wages higher: those who retain their jobs are seeing a 6% pay increase; new hires are seeing 6.8%.**



While raising wages to attract and retain workers may be the only viable option right now, do you have a more financially savvy plan in place for when economic pressures release?

Industry-specific Perspectives on Trend #1



LIFE SCIENCES

This industry is experiencing a faster post-pandemic rebound than others, increasing competition for scarce talent and driving up wages in the process.

According to the BioSpace 2023 U.S Life Science Salary Report:

+3.5%

Base salaries increased by 3%

25+%

99% who've changed employers report a salary increase, 27% of those report it to be an increase of 25+%

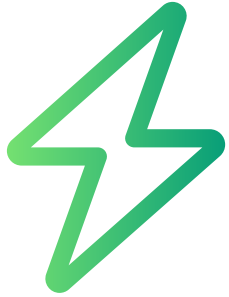
+7%

Bonuses increased by 7% in 2022



Have you been mining college organizations for fresh talent or prioritizing recent grads with degrees in the more in-demand life sciences sectors?

Industry-specific Perspectives on Trend #1



ENERGY

Historically, *energy jobs pay significantly more* than the average wage in the U.S. But this doesn't make the industry immune to current conditions. Inflation concerns are curbing company spending, and high turnover is impacting recruitment.

Recruiting also takes more effort in the energy sector as it requires more high-skilled workers compared to other verticals—*45% of the workforce* requires some degree of tertiary education, from university degrees to vocational certifications.

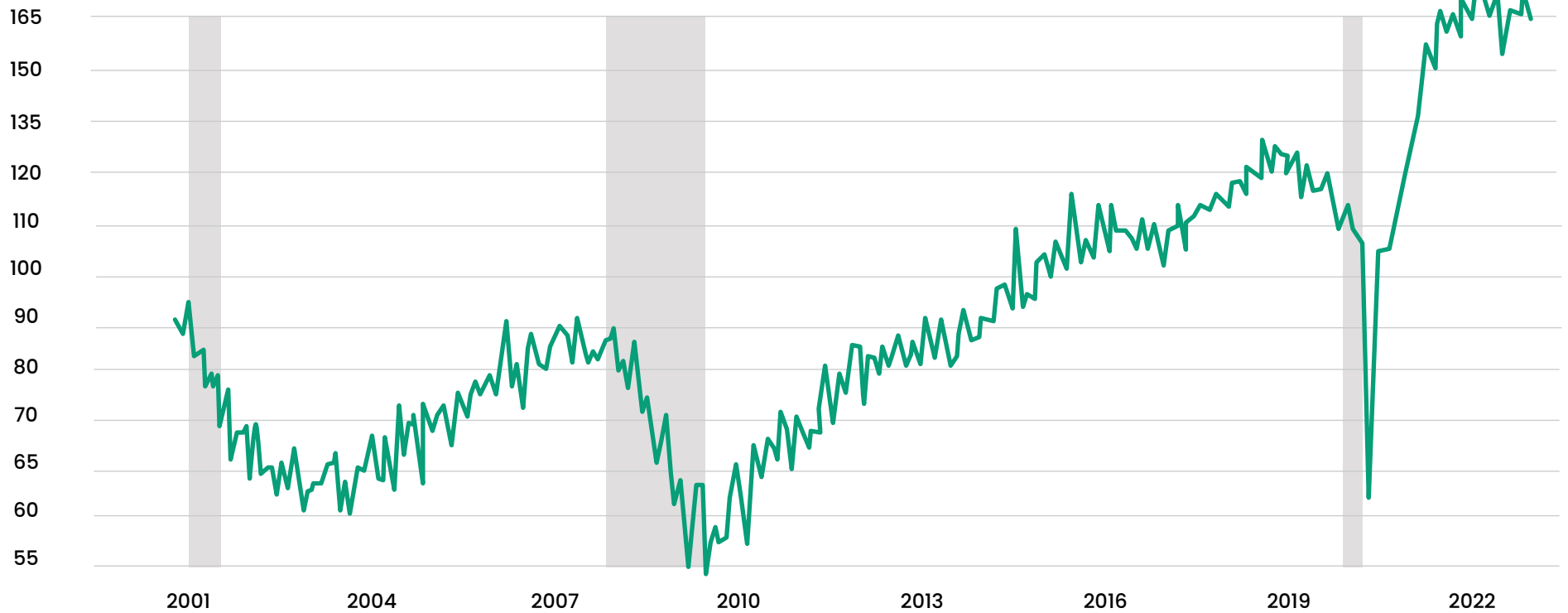


How many of your open roles require extensive degrees or education?

Trend #2: Hire for Skills to Overcome Labor Shortage

By 2030, there will be a global human talent shortage of more than 85 million people. Even today, the ratio of job openings to hires is unbalanced.

Ratio of job openings to hires, all private sector jobs:



January 2023

What is the labor shortage?

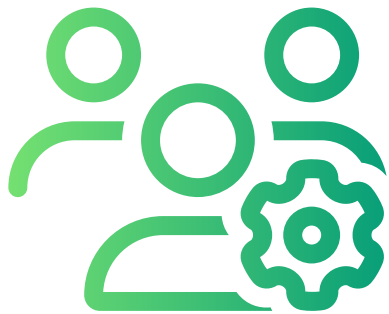
It's a shortage of workforce participation by those eligible to be part of it.

Why is there still a worker shortage in the U.S.?

There are more job openings than available workers to fill them. Many who left the workforce during the pandemic have yet to return.

How do you source candidates during a worker shortage?

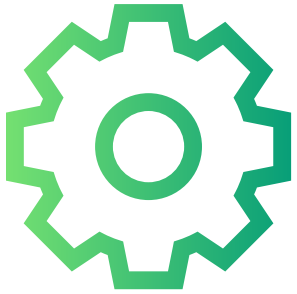
A talent shortage doesn't have to mean a skills shortage. You can improve candidate recruiting today by employing a skills-first hiring approach.



Skills are the new job currency

- **Job skills sets have changed by 25% since 2015.** By 2027, it's expected to double.
- **40% of hirers on LinkedIn use skills to fill open roles.**
- **92.5% of companies see a reduction in mis-hire rate.**
- **Employees without college degrees stay in roles 34% longer.**

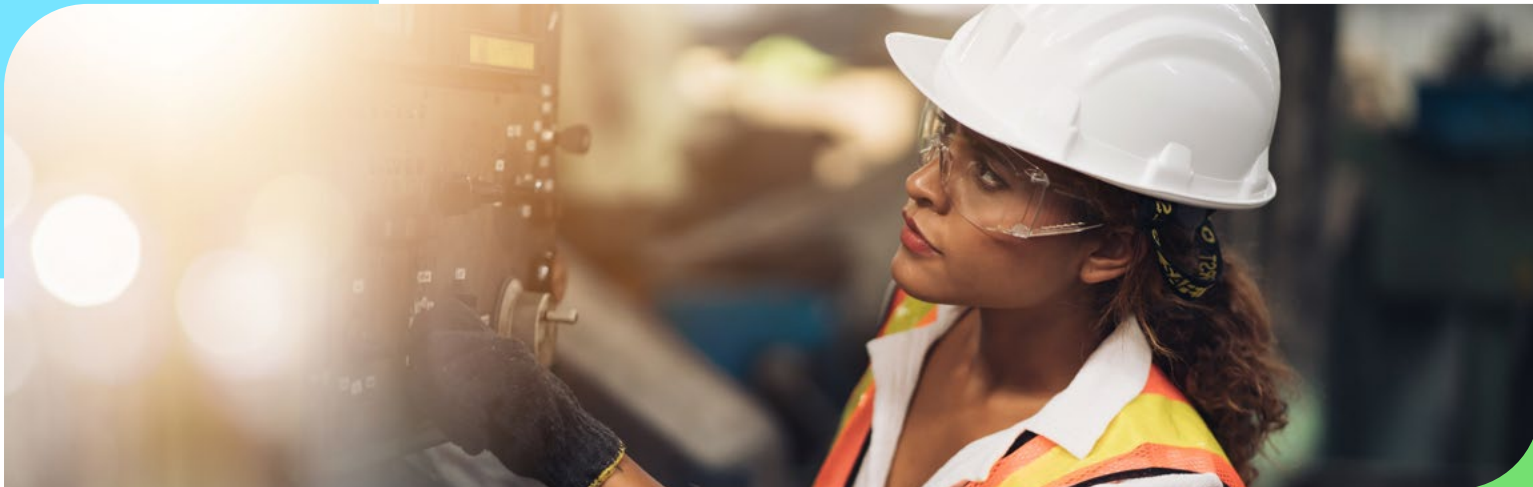
Industry-specific Perspectives on Trend #2



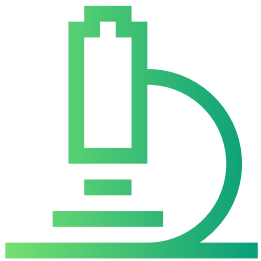
MANUFACTURING

Manufacturing Faces a Reckoning in Resourcing Talent

- The number of job openings in the manufacturing industry could rise to **2.1 million** by 2030.
- Over 70% of manufacturers say **finding and keeping the right talent** is a top challenge.
- According to Deloitte, “Despite a record level of new hires, job openings in the industry are still hovering near all-time highs. Voluntary separations continue to outnumber layoffs and discharges, indicating substantial workforce churn.”



Industry-specific Perspectives on Trend #2



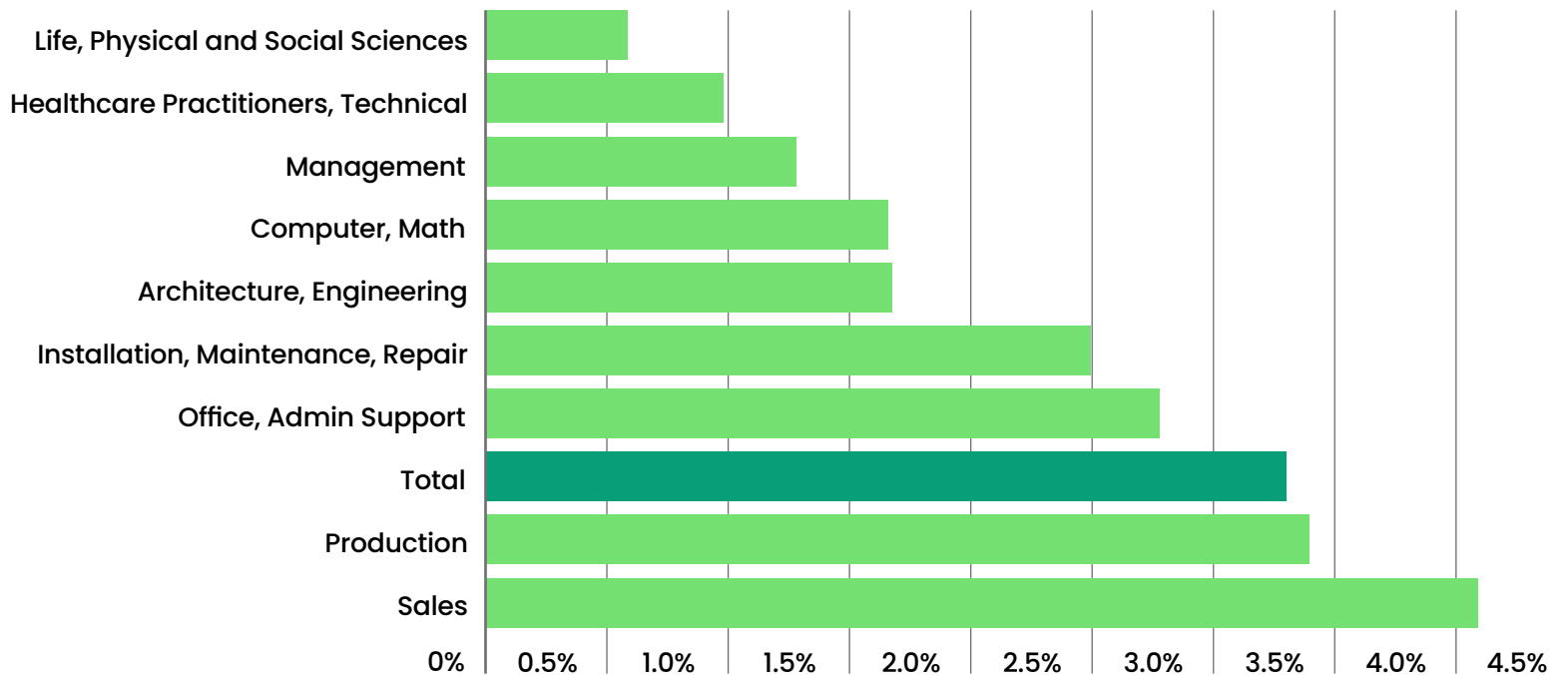
LIFE SCIENCES

Life Sciences Talent Booming, Competition Fierce

The number of professionals working in life sciences research grew **79% between 2001-2021**. And double the number of people compared to just 15 years ago are graduating with life sciences degrees.

Despite this, all roles are experiencing talent shortages, especially **scientific and professional roles**.

Unemployment rates by U.S. occupational category



Industry-specific Perspectives on Trend #2



ENERGY

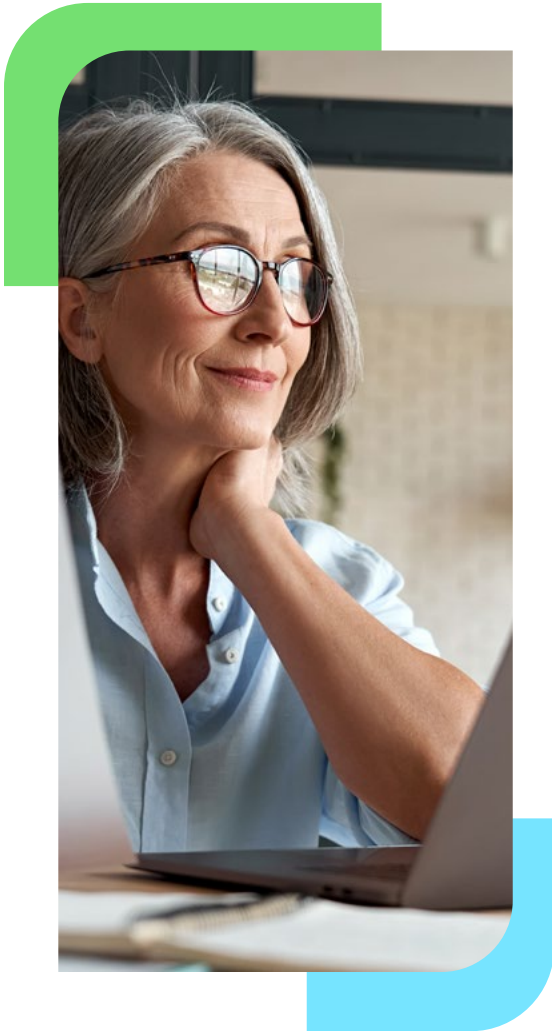
For Energy, Creative Resourcing is the Key

Many sub-specialties, like renewables, are relatively new compared to other industries. This calls for a willingness to consider talent outside of the industry with transferable skillsets. Also, keep in mind these realities:

- **Lack of flexible work options limits your talent pool.**
- **Energy talent is less likely to make big moves in the current economic climate.**
- **The desire for a meaningful career is making renewables a popular industry destination.**



Trend #3: Embracing Boomers to Avoid a Hiring Bust



According to SHRM, **“A shortage of skilled workers coupled with an uncertain financial outlook in retirement is bringing Baby Boomers back into the workforce.”**

Those on the younger end of the retirement spectrum are most likely to be job candidates: more than six in 10 people between the ages of 55 and 64 are employed or looking for jobs.

Avoid age discrimination

According to [AARP research](#), **62% of adults aged 50+ in the labor force think older workers face discrimination**, and among them 93% believe age discrimination is common.

Age discrimination is first and foremost illegal. It’s also detrimental to overcoming the worker shortage. By embracing the experience candidates of all ages can offer, especially older Gen X and all Boomers, you can better staff the roles you’re struggling to fill.

3

steps to overcoming ageism in recruiting

1

Embrace inclusive language in job postings.

Avoid placing a cap on required years of experience, or don't list years at all. Focus on skills, not education or degrees (which can give away age), and make it clear that training is an option.

2

Provide recruiter training around unconscious age bias.

Give recruiters tools to ensure they can successfully communicate with candidates across all generations.

3

Be mindful of complicated applications.

Make sure candidates are able to easily use a computer to apply, without the need for apps or mobile devices (which can be hard to read). And provide application options that don't require technology at all.

03

Spotlight On: Pay Equity

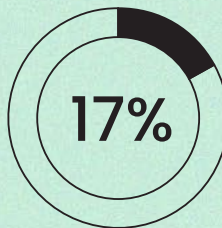
A spotlight on the top employment trend making waves this quarter

It Pays to Embrace Pay Equity

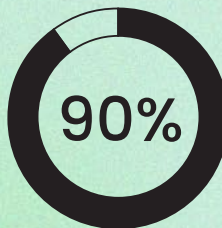
Offering fair wages to every employee is the right thing to do—and more than ever is what job seekers are looking for. Pay equity sets you apart from the competition, helps you attract and retain top talent, and makes you a go-to employer. But there’s still much work to be done to achieve equity.

3

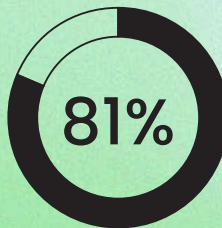
**stats about
pay equity**



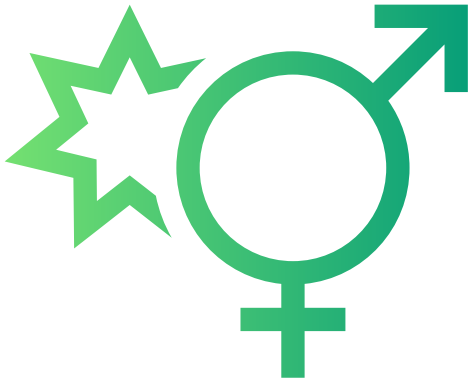
In 2022, women earned 17% less than men on average.



90% of HR pros agree pay equity is a competitive advantage.



81% say compensation is their top employment criteria.



What is pay equity?

Pay equity is paying employees with similar job functions equally, regardless of other factors. In other words, “equal pay for equal work.”

Pay equity regulations

Regulations related to pay equity can differ by state or country. This Pay Equity 101 overview provides a good reference starting point for understanding what pay equity is and how it applies.

Want greater insight into whether your practices are equitable?

Conducting an analysis is a good place to start.

- 1 Establish what fair pay means for your company.** Consider the roles you staff, the regulations that apply to your operations, and what internal parties must be consulted (like legal and HR).
- 2 Determine your measurement baseline.** Set the goal you’d like to attain, then decide which criteria (like race, sex, etc.) will inform your analysis of current pay gaps.
- 3 Create a plan to address inequities.** Depending on what you uncover, this could range from minor pay corrections to major policy overhauls or rebranding campaigns.
- 4 Monitor and adjust as needed.** Regulations, role responsibilities, and economic conditions constantly change. Re-evaluate at least annually to pinpoint adjustments.

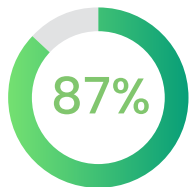
04

Solving Hiring Challenges

“Economic conditions aside, workforce recruiting has never been more competitive or advanced. Navigating the nuances of benchmarks, best practices, and process improvements takes dedicated, expert resources and a partner with the ability to transform your hiring approach.”

– Tim Oyer, Vice President, Advanced RPO

Whether addressing wage growth, overcoming worker shortages, or tackling other hiring challenges in 2023, working with an RPO can help you more strategically transform talent acquisition.



87% of recruiting pros say Talent Acquisition has become a more strategic function over the past year.



Employers with an RPO relationship longer than 24 months are **2x more likely** to be focused on hiring strategy and business alignment.

Addressing the Tandem Impact of Wage Growth + Inflation

Wage growth plus added inflation makes it that much harder to compete for talent on an even playing field. Candidates expect high salaries, and existing workers expect a salary match. You cannot risk offending either group, but must somehow gain a competitive edge.



Look to Total Compensation Packages

These encompass base salary + benefits, commissions, bonuses, and other perks. In a competitive market, benefits and salary are key differentiators. **Think about this:**

- ✓ **Have you assessed your compensation structure in the last 12 months?**
- ✓ **Are you above the median pay rate for the roles you're filling?**
- ✓ **Aside from wages, do you offer benefits similar to your competitors?**

➤ Recommended resource: [recruitment scorecard](#)

Become More Attractive to Scarce Labor

With more job openings than workers to fill them, competition is fierce. How your company is perceived, and its reputation among current and prospective employees, impacts hiring success.



58% say a bad [employer] review has stopped them from applying for a role.



Before applying for a job, 91% of job seekers use some sort of research tool to learn more about an employer's brand.



69% of candidates are more likely to apply to a company if the employer brand is actively managed.

Embrace Employer Branding

Research by Talent Board reveals company values were the most important type of content that candidates looked for last year. Employer branding is your value proposition to prospective and current employees, and it matters. It speaks to your mission and culture, and can be the difference between attracting or repelling workers. **Think about this:**



- Can you clearly articulate your company's employee value proposition (EVP)?**
- If you showed current employees your EVP, would they agree with it?**
- Do you know what your rating is on Indeed and Glassdoor?**

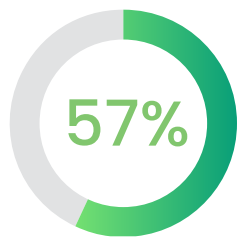
Accelerating Recruitment to Match Growth

A not-for-profit HMO insurance company needed to expand its workforce by 75+ employees ASAP. Many companies face similar challenges today, with many experiencing a post-2020 boon that means overcoming worker shortages and inflationary pressures to staff accordingly.

Comprehensive discovery to uncover the solution

Through a detailed discovery process, the Advanced RPO team uncovered two important opportunities to help drive recruiting success:

- 
Updating recruiting profiles to better meet hiring manager and HR objectives (and better attract the skills the company sought)
- 
Leveraging years of recruitment data to establish new recruitment performance goals



Making a Measurable Difference

Advanced RPO has helped this company reshape its hiring strategy to attract top talent and has improved time-to-fill year-over-year and by **57%**.

➤ Get the **full story** to see the big picture.

We know that finding and hiring the right talent is hard.

At Advanced RPO, we make it easier for you.

We are the powerful recruiting engine behind growing organizations. We partner with businesses to create recruiting scalability and workforce agility through our flexible end-to-end, hybrid and project RPO solutions. Our tenured team of experts has perfected our high-touch, technology-enabled approach that results in seamless, consistent processes and experiences, a stronger employer brand and impactful relationships with high-quality hires.

For more information, visit:
advancedrpo.com
312-263-0400

94.1%

Industry-leading Net Promoter Score (NPS)

95+%

Hiring Manager Satisfaction

98.5%

Candidate Satisfaction

