

What We're Hearing & Seeing in the Market

Q3 Trends

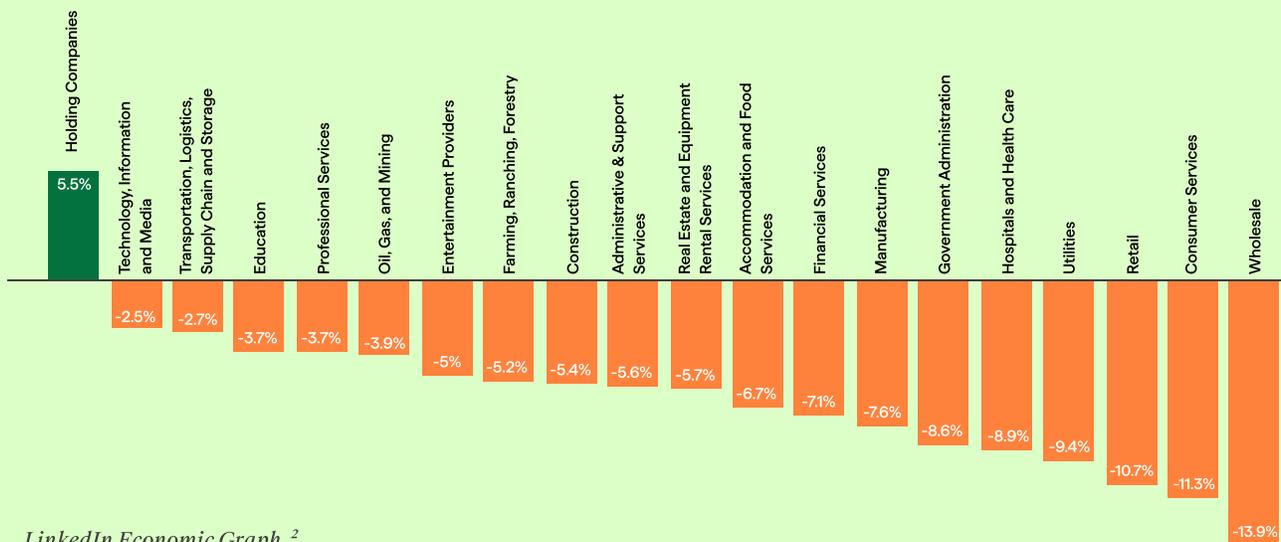
- Q3 number of active jobs was relatively stagnant compared to Q2 2023 but down **-6% YoY**.⁵
- **58%** of industries saw an increase in labor demand in Q3 with Transportation and Warehousing seeing the most growth at **39% QoQ**.⁵

September 2023 Monthly Trends

- Hiring in September declined **-3.6% MoM** and **-23% YoY**.⁴
- 19 of 20 tracked industries saw a hiring decline in September compared to August (compared to 11 of 20 the previous month).⁴

Hiring declines persist across almost all industries compared to last month

U.S. month-over-month change in LinkedIn Hiring Rate, Aug 2023



LinkedIn Economic Graph²

- Job seeker intensity in the US is **18% higher** than this time last year (as measured by applications submitted by applicant).⁴
- **US workers are losing confidence in their current companies** and positions compared to the beginning of the year with respect to holding their jobs, improving financial positions, and career progression.

Employer Trends

- Companies are **focused on planning headcount for 2024 now**, with many proactively opening searches to support growth ahead of the hiring rush that typically comes in Q1.¹
- **Investments in culture** are aimed at building employee engagement and building back feelings of stability following 12+ months of macro instability.¹
- Hiring managers are **investing in employee career growth**, with a trend toward internal promotions over outside hires.¹

Leveraging AI

Companies are focused on improving employee productivity and efficiency with an eye towards how AI fits into the company.¹

- **47%** of US executives believe that “using generative AI will increase productivity”⁴
- **44%** plan to increase their use of AI at their organization in the next year⁴
- **40%** think that using generative AI will help unlock more growth/revenue opportunities in the next year⁴

According to research from LinkedIn’s Economic Graph Research Institute, **84% of US members are in jobs that could leverage GAI (generative artificial intelligence) to automate at least a quarter of repetitive tasks and increase productivity.** While GAI will reduce the time professionals spend on some skills, such as writing or data analysis, its influence isn’t limited to reducing routine work. GAI will also drive up demand for other skills, especially people and specialized skills.⁴

Overall, employers and workers view GAI not as a competition for headcount but as an opportunity to lighten workloads and focus professionals on the most important parts of their job.⁴

- **Companies are offering less flexibility**, with remote and hybrid job postings stagnating and decreasing.²
- **“Soft/People Skills” are more critical than ever.** Since November 2022, the fastest-growing skills in demand by employers are **flexibility (+158%), professional ethics (+120%), social perceptiveness (+118%) and self-management/autonomy (+83%).**⁴
- **Movement towards hiring for breadth over depth** (indexing towards start-up over big company expertise) with a reduction in pure management layers and increasing senior ICs. Leadership hires are required to be functional experts that can get into the weeds.¹

Candidate Trends

- Loss in confidence of their current employers is resulting in more passive talent looking for new opportunities - seeking more personal fulfillment and opportunities for growth at new employers. ¹
- Given the macro-environment the past 2 years, there is a **continued heightened sensitivity in joining early stage companies** (anything pre series B) with a slight lean towards corporate opportunities rather than anything venture or PE-backed with all other things being equal. ¹
- Pandemic **migration trends are reversing** with migration to big cities speeding up while migration to secondary cities slows down. ²

What Matters to Candidates?

- **Employees value strong culture and leadership** - even more than compensation for some. ¹
- Middle management candidates are **moving toward taking on individual contributor roles** with less of an interest in having direct reports or being a player-coach. ¹
- Candidates want **more flexible work offerings** with higher application rates to remote and hybrid opportunities. ²

Information and Communication Overload

Employees are struggling with information and meeting overload impacting innovation and productivity. **A recent Microsoft survey found that 57% of respondents' time is spent communicating in meeting/email/chat while only 43% is spent creating.** ³

Sources:

1. Hunt Club Search Team
2. LinkedIn Economic Graph, September 2023: <https://economicgraph.linkedin.com/blog/september-2023-update-labor-markets-continue-to-lose-steam-but-no-signs-of-an-imminent-recession-yet>
3. Microsoft Work Trend Index Annual Report, May 2023: <https://www.microsoft.com/en-us/worklab/work-trend-index/will-ai-fix-work>
4. LinkedIn Future of Work Report, August 2023: <https://economicgraph.linkedin.com/content/dam/me/economicgraph/en-us/PDF/future-of-work-report-ai-august-2023.pdf>
5. LinkUp Q3 Economic Indicator Report, October 2023: <https://www.linkup.com/insights/blog/q3-2023-economic-indicator-report-released>