Hiring Source

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## JOB OPENINGS FALL TO NEARLY TWO-YEAR LOW

**U.S. job openings dropped to their lowest level in nearly two years in March and layoffs rose sharply, in signs that demand for workers is cooling a year after the Federal Reserve began lifting interest rates to combat inflation.**

Layoffs rose to a seasonally adjusted 1.8 million in March from the prior month, up from a revised 1.6 million in February, the Labor Department said. The increase was led by job losses in construction, leisure and hospitality and healthcare industries—sectors that have driven job growth in recent months as tech, finance and other white-collar industries cooled.

Employers also reported a seasonally adjusted 9.6 million job openings in March, the Labor Department said, a decrease from a revised 10 million openings in February.

Openings reached their lowest level in March since April 2021 and are down from the record 12 million recorded last March. But they remain well above levels before the pandemic and exceed the 5.8 million unemployed people looking for work in March.

Layoffs are approaching prepandemic levels as companies unveil high-profile job cuts, including Facebook parent Meta Platforms, Google parent Alphabet and Microsoft.

Fed Chair Jerome Powell has highlighted the imbalance between job openings and available workers as a driver of rapid price increases, as strong labor demand can push up wages and flow through to higher prices.

Other employment measures show that the labor market remained solid but eased gradually in March. Employers added 236,000 jobs that month—strong by historical standards, but the smallest monthly gain in more than two years. The unemployment rate was 3.5%, near a 53-year low.

U.S. economic growth cooled in the first quarter, with consumer spending and factory activity slowing recently. Wage growth and inflation remain elevated.

Layoffs fell in retail and warehousing industries in March, offsetting the overall increase, while manufacturing layoffs increased slightly, the Labor Department said.

## APRIL'S STRONG HIRING OFFSET LAYOFFS IN SOME SECTORS

### Employers across the economy cranked out jobs last month, despite Amazon, Disney, General Motors and other high-profile companies recently cutting staff.

Overall, April employment held up in the tech, finance, construction and manufacturing industries, the Labor Department said. Hiring expanded in other fields such as restaurants and hospitals that have led the hiring boom.

Both trends supported 253,000 new jobs last month, the best gain since January in a hot labor market that has stood up against high inflation, rising interest rates and banking turmoil. The unemployment rate fell to 3.4% in April, matching the lowest reading since 1969.

Tech companies have announced a string of layoffs, including Facebook parent Meta Platforms, Google parent Alphabet and Microsoft. Those cuts have been offset by hiring elsewhere in the industry.

Payrolls grew modestly in April from the prior month in tech-related sectors such as computer-systems design and services, Labor Department data show.

The number of Americans working in construction rose to a seasonally adjusted 7.9 million people in April, a record high. Building backlogs for residential and commercial properties have buttressed employment in the construction industry, often one of the first sectors to shed workers in a downturn.

Manufacturing and retail employers added jobs in April, after cutting them the prior month. Hiring has cooled in these industries as consumers shifted some of their spending to services from goods.

In-person services such as restaurants and healthcare—larger parts of the labor market that have driven employment growth in recent months—had some of the biggest gains last month. Those industries continue to fill openings after being hit hard during the pandemic. Leisure and hospitality businesses, which include restaurants and bars, are still 400,000 jobs, or 2.4%, below their prepandemic level in February 2020.

Employers hired more accountants, bankers and other white-collar employees in April than in the prior two months.

Temporary-help jobs fell in April for the third straight month, logging one of the few declines in April's job market.

While drops in temporary employment have preceded every recession in the past 25 years, some economists say it may not be worrisome now given robust demand continues for full-time jobs.

## HIRING, WAGES BUCK HEADWINDS

### Americans landed jobs and their wages increased in April, showing the labor market remained resilient amid banking turmoil, rising interest rates and high inflation.

Employers added 253,000 jobs in April, the best gain since January, the Labor Department said. Job growth was revised lower in February and March. The unemployment rate fell to 3.4% last month, matching the lowest reading since 1969.

Low joblessness kept upward pressure on wages, which grew 4.4% in April from a year earlier, up slightly from a 4.3% annual increase in March. Average hourly wages rose 0.5% from a month earlier to $33.36.

Over the past year, inflation hit historic highs, economic growth slowed, the Federal Reserve rapidly raised interest rates and stress emerged in the banking sector. Many economists anticipated that those challenges would trigger the labor market to crack. So far, it hasn't. April's monthly payrolls increase was slightly below the average monthly gain of 290,000 over the prior six months. Employment in February and March was revised down by a total of 149,000.

After mass layoffs in early 2020 during pandemic lockdowns, hiring surged in the middle of that year. Job gains have moderated since, but have trended above the pace in the year before the pandemic began.

The report showed job gains in most industries, even ones such as construction that are particularly sensitive to interest-rate increases. Businesses in professional and business services, healthcare, and leisure and hospitality bulked up with workers in April. Temporary-help agencies cut jobs.

Annual wage growth has cooled from a recent peak of 5.9% in March 2022, but remains well above 2019 pay raises of roughly 3%. Employers in construction, leisure and hospitality and mining posted among the fastest wage gains in April from a year earlier.

Rising wages and low unemployment are fueling consumer spending, the economy's main driver. Consumers were a bright spot in the first quarter as broader economic growth cooled from late last year due to a slowdown in business investment and a weak housing market.

## RAISES THIS YEAR ARE POISED TO DISAPPOINT

### Workers have high expectations for raises this year. Their bosses have different ideas.

The rising cost of living is prompting many employees to push for a hefty pay increase, and recent wage gains across the economy have ratcheted up hopes they'll get one. But recession worries and higher interest rates have companies boosting efficiency while containing costs, including for labor, corporate bosses and compensation consultants say.

Businesses are still handing out substantial pay increases, though less than what they projected last fall, according to a new survey of nearly 1,000 major employers by benefits-advisory firm Mercer.

On average, employers are giving annual merit raises of 3.8% and total compensation increases of 4.1% in 2023—still the highest-reported raises in the survey since the 2008 financial crisis. The companies also said they were being more cautious in doling out off-cycle raises and bonuses this year, a departure from 2022 and 2021, when employers were scrambling to address labor shortages and keep talent. Additional levels of approval are now required for raises at some companies, while others are limiting unbudgeted raises to a smaller number of employees, said Lauren Mason, senior principal in Mercer's career practice.

Meanwhile, a majority of U.S. employees say they are confident they'll get a pay raise this year and, on average, expect one of 6.7%, according to a recent survey of 2,000 workers by the research arm of payroll provider ADP. Last year, workers received an average 6.5% increase, ADP data show.

Wage and benefit growth appear to be holding steady across the broader economy, according to the most recent Labor Department figures.

Among the larger employers that Mercer surveys, base-pay raises have slowed, as the job market shows signs of cooling and a range of companies embark on layoffs. Increases in employee base pay rose an average 3.4% between October and March, down from 4.7% in between January and September of last year, according to Mercer.

Companies, particularly in tech and other industries going through downturns, have been scaling back on merit and off-cycle raises in recent months, compensation experts say. Pay disputes are coming to a head in some industries. On May 2nd, the unions representing thousands of television and movie writers went on strike after contract negotiations broke down over compensation and other issues. Pay and promotions outrank remote-work policies as workers' greatest source of dissatisfaction, according to a recent survey by research company Morning Consult of more than 3,500 U.S. workers. Among those considering leaving their jobs, 46% said it was because they felt underpaid.

## WHY WEEKENDS AREN'T THE SAME

### Once relished as the reward after five days of hard work, weekends are dwindling as employees move fluidly between work and personal time all of the time.

When the pandemic began, many professionals stuck at home opened their laptops on Saturday mornings. They just never stopped: Saturdays and Sundays are starting to resemble Monday through Friday, with hours of emailing and stretches of catch-up time. Some find the spillover of work into the weekend to be invasive, with kids' soccer games to date nights to religious services to attend. But employees acknowledge that work-filled weekends are the trade-off for hybrid office time and flexible schedules that allow for midmorning gym workouts, afternoon school pickups, dog walks and grocery-store runs.

A new study of 134,260 employees across more than 900 organizations by the workforce-analytics software firm ActivTrak found that people now work an average of 6.6 hours on the weekend, up 5% from 2021. One of the biggest leaps in weekend work came from computer hardware industry workers, whose weekend workload increased 31% to 11.5 hours, according to the study.

Microsoft Corp.'s Work Trend Index published last March found that weekend work was 14% higher than it was in 2020. Microsoft measures average time spent on its Teams app and can see that a significant amount of work is happening during a second shift at night and now on weekends, too.

Old notions of what work looks like—seated at a desk for eight or nine hours, or under fluorescent lights or in a conference room—are being challenged from all sides, she added. That afternoon jog, for instance, might produce a flurry of great ideas and renewed productivity.

Employees are still adjusting to working hybrid schedules as bosses call people back to offices. A hybrid-work mind-set requires switching between tasks that require focused attention and personal time that's more dispersed. Those who choose to work across six or seven days instead of five would be wise to stay focused on the benefits of that trade-off: a summer walk on a Wednesday afternoon or after-school play time with the kids, said professionals who are working longer weeks.

Companies and workers walk a thin line in pursuit of the elusive work-life balance. Managers are paying close attention to employee productivity in a jittery economy where bosses are demanding more as people feel stretched. Workers are more protective than ever of their personal lives. In a recent poll of more than 1,000 employees by the performance-management software company 15Five, 22% of employees and 21% of HR leaders said that if they could change one thing about today's work environment, they wanted personal downtime respected.

Research also shows that the traditional weekend of two whole days off work has real value. Employees who take advantage of weekend detachment were more likely to feel happier and more energetic at the start of the following workweek, according to a recent study by Portland State University.

## HERE'S THE COUNTERINTUITIVE QUESTION SMART CANDIDATES ASK DURING AN INTERVIEW

**If you could change one thing about this company, what would it be?**

That might seem like a weird question to ask during a job interview, especially since job candidates are usually expected to project pure enthusiasm about working at the company. But if you're being interviewed for a job, it's a very, very smart question to ask, because the answer can give you great insight into an organization before you start working there. And if you're a hiring manager conducting an interview and a candidate asks this question, it's smart to put some thought into your answer.

That suggested question comes from Jordan Gibbs, a former recruiter for Lyft who was laid off in November and spent the next two months video-blogging her unemployment and job hunt on TikTok. As a recruitment expert, she brought her professional insights to the job hunt, and the resulting videos have gone viral. After 42 interviews, she's now a recruiter at Bloomberg and seems to love her new job.

Why ask an interviewer what they could change if they could? When candidates ask this question in an open-ended way, they'll get one of two types of answers, Gibbs explained in an interview with CNBC.com. They may get an answer about the company's products or services, she said. That's fine--no matter how good a company's products might be, there's always some room for improvement.

**Will the candidate fit the company culture?**

Asking that question could also reveal a lot about the company itself, according to Gibbs. "If the answer is, 'I wish the team was more connected,' that's a culture fit question and a red flag," she explained. It makes sense to be leery as well if the answer is somehow critical of employees, such as, "I wish the people who work here took their jobs more seriously." The same goes if the answer criticizes higher-ups, such as, "I wish there was more transparency about how business decisions get made."

Hiring someone is a big commitment from an employer, and starting a new job can also be a big commitment from an employee, especially if they have multiple offers to choose from. It's better for everyone involved if they can find out before someone signs on that the candidate won't be a good fit for the company or for the job.

There's a second question Gibbs likes to ask later on in the process, when she's been called back for further interviews and knows she's being seriously considered: "What do you foresee would be the biggest challenge for me coming into the company?" Like Gibbs' other favorite question, this one could seem surprisingly negative. But if someone is considering you for a job, they've likely already put some thought into what your potential weaknesses or challenges might be. This question gives the candidate a chance to address those concerns and impress the employer further, for example by talking about how eager they are to learn the new skills that the job will require, or how they've been successful at quickly learning new things in their past jobs.

It always helps to remember that, even in these days of economic uncertainty and layoffs, job interviews work both ways. The candidate is learning about the company, and whether they'd be a good fit, just as much as the hiring manager is learning about the candidate. It's well worth asking any question that will help both make the right decision.

## SOURCES

Wall Street Journal; Inc. Magazine