Hiring Source

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JOB OPENINGS ROSE, LAYOFFS FELL

U.S. job openings climbed in April and layoffs fell in signs that employers' demand for workers remains strong as the economy gradually slows. Employers reported a seasonally adjusted 10.1 million job openings in April, the Labor Department said, up from a revised 9.7 million in March. April's increase reversed three months of declines. Layoffs fell to 1.6 million in April, from 1.8 million in March.

Hiring surged this spring, the latest sign the U.S. economy maintains momentum in the face of rising interest rates and complicating the Federal Reserve's decision over whether to pause rate increases this month. U.S. employers added a seasonally adjusted 339,000 jobs in May and the prior two months' payrolls were revised up by nearly 100,000, the Labor Department said. Workers gained more than 1.5 million jobs in 2023.

The U.S. unemployment rate rose to 3.7% in May, still near historic lows but an uptick from April's 3.4%, the Labor Department said. Average hourly earnings grew a solid 4.3% in May over the prior year, similar to annual gains in March and April.

Even with the spring hiring jump, there were some underlying signs of weakness in the report. Unemployment rates rose for women and Black Americans, both groups that had seen joblessness fall over the past few years.

The average workweek fell to 34.3 hours, the lowest since April 2020 near the start of the pandemic. As a result of fewer hours worked, average weekly earnings advanced at a slower rate than hourly earnings, and gains have cooled since the start of the year.

The labor-force participation rate, the share of Americans who are working or actively seeking jobs, remained flat in May at 62.6% and below the February 2020 pre-pandemic level of 63.3%. That partly reflects the aging U.S. population. Among workers age 25 to 54, the participation rate rose to 83.4%, a level last touched in 2007.

May's job gains were broad-based. Professional and business services, including accounting and engineering firms, added 64,000 jobs. Healthcare, including hospitals and nursing homes, added 52,000 jobs. Government employment increased by 56,000, construction firms added 25,000 jobs, and transportation and warehousing payrolls increased by 24,000. Restaurants and bars added 33,000 jobs in May.

Some sectors such as tech, finance and manufacturing have shown signs of stress. The tech-heavy information sector cut 9,000 jobs in May.

High-profile companies such as Facebook parent Meta Platforms, Goldman Sachs Group and Grant Thornton recently moved to cut jobs. Overall layoffs have remained low, and job openings ticked up in April, the Labor Department said. Workers, especially in tech, have largely been able to find new jobs quickly, although a new position might be less lucrative or at a company with less cachet.

Manufacturers slightly reduced employment in May. Retail payrolls have been little changed since February, even as job gains have been widespread throughout the economy.

TECH DOES A REBOOT ON RETURN TO OFFICE

Tech companies that led the way in embracing remote work early in the pandemic are increasingly leading their workers right back to the office—whether they like it or not.

Alphabet-owned Google, Lyft, Facebook parent Meta Platforms and Salesforce have all recently walked back remote-work policies they originally set forth, or gotten serious about enforcing existing policies, after deciding that working in the office is more efficient and cost-effective.

As recently as early 2022, tech companies still had to worry that pushing too hard on office requirements could mean losing employees to competitors offering a remote-first model. This year, the number of layoffs in the industry has grown to more than 200,000, according to layoffs.fyi, a site that crowdsources lists of laid-off workers.

While surveys show workers still give priority to flexibility, their job prospects aren't what they once were, tipping the scale back to employers and emboldening them to start pressing for facetime.

Last month, 600,000 U.S. workers faced newly effective return-to-office mandates, according to JLL. The tech industry accounted for about one-third of those and another 85,000 will join them by September. In some cases, the return dates for mandates that were announced last year have finally arrived. Other directives are about-faces as companies struggle with an economic downturn, multiple rounds of layoffs, and internal research about how their workers perform in different settings.

Some companies are trying incentives but many are telling, not asking, workers to return—and adding punitive measures if they don't show up. The reversal is creating tension for some who have adjusted to the flexibility they gained during the pandemic and arranged their lives accordingly.

Some people prefer working from an office, being alongside their colleagues and having more of a separation between work and home. Others prefer remote work arrangements. They cite a range of reasons, from long commutes and caregiver responsibilities to an aversion to open floor plans that can make it harder to concentrate.

And tech workers aren't the only ones facing stricter rules surrounding time in the office. At insurance company Farmers Group, some employees bought houses in areas outside commuting distance because they were originally told they could be remote. Their new CEO recently reversed that decision, prompting more than 2,000 comments on the company's internal social-media platform.

The debate about the optimal amount of in-office work, while playing out across industries, is particularly acute in tech because the sector was an early booster of the remote-work trend and then ended up under greater pressure than many to right-size workforces.

Google, which requires most workers to be in the office three days a week, sent a companywide email last week telling workers that office attendance would begin to factor into performance reviews. The company also told employees that teams would be sending emails to those who are consistently absent and it would encourage remote employees who live near an office to consider switching to a hybrid schedule.

The Alphabet Workers Union, which represents a relatively small number of Google workers, objected to the policy, saying that Google employees have maintained quality performance while working in flexible arrangements and that in some offices, such as New York City, they don't have enough desks or conference rooms.

"WORK FROM ANYWHERE" WEEKS ROLL OUT

This year pricey airfare isn't the only obstacle for those looking for a change of scene – stricter return-to-office rules have curbed the freedom many white-collar workers enjoyed before being called back to their desks.

One solution that's cropped up: Hybrid work schedules, but with a set amount of time allotted – usually two to four weeks – for employees to enjoy the fully remote life.

So-called "work from anywhere" (WFA) weeks are still relatively uncommon, according to Rob Sadow, chief executive officer of Scoop Technologies, a firm that tracks remote work policies at over 4,000 companies.

But recently, a handful of big-name companies have adopted the policy, from top financial services firms like American Express, Visa and Mastercard and tech giants like Alphabet's Google to small start-ups, progressive employers like Patagonia and even the government-sponsored mortgage lender Freddie Mac.

Employees typically have the option to use their WFA weeks when it's most convenient for them throughout the year.

Some firms take a more structured approach: While the bank hasn't made it an official policy, Citigroup last year allowed its employees to work remotely the last two weeks of August and December. Some organizations, like Freddie Mac, specify that the weeks are to be used nonconsecutively.

"Anecdotally, the companies we have heard implement 'work from anywhere' weeks often do it at the same time as implementing increased requirements to be in the office" to reduce employee pushback," Sadow said.

These arrangements are meant to provide freedom of movement – especially around major holidays and the busy summer travel season – while maintaining broader return-to-office mandates.

And in a labor market that's remained surprisingly tight even as corporate budgets are slashed, employers see WFA weeks as a cost-effective way to attract and retain their best people.

"For workers with parents, family and friends in distant regions or distant countries, this could mean a whole month together," said Prithwiraj Choudhury, a Harvard Business School professor who studies remote work. "I think it's a great idea."

For Mastercard, offering four WFA weeks emerged as a low-cost way – alongside other sweeteners like meeting-free days and flexible Fridays – for the company to differentiate itself as an employer.

"If it worked then, it works now," Mastercard's chief people officer, Michael Fraccaro, said of working remotely, sometimes from far-flung locales, during the pandemic. Fraccaro himself uses the benefit, which rolled out last year, combining two weeks of PTO with two weeks of WFA to spend more time with his elderly parents in Australia. "It's part of a portfolio of benefits," Fraccaro said.

Beyond financial benefits like 401(k)s, "one of the things people are looking for is time." Of course, the perk comes with practical considerations: Employees need to adjust their hours to different time zones. "We did kind of make it up," she said, highlighting that the plan shows appreciation for workers and their time.

"We demonstrated work-from-home can be productive, but we also demonstrated too much work-from-home can be counterproductive, at least for our agency," she said. "It's accommodating of modern life."

FINDING NEW RULES OF SUCCESS IN A POST-CAREER WORLD

Ever since a poor, bedraggled Benjamin Franklin strode into Philadelphia in the opening of his "Autobiography," then strutted out decades later a wealthy celebrity, Americans have been telling a singular story of success: rags to riches, up by your bootstraps, bigger office, higher floor, larger salary, better view.

But that national myth has always focused too exclusively on one type of hero and one metric of achievement. From Horatio Alger to Dale Carnegie to Stephen Covey, the American ideal of success has been built almost entirely around ambition, wealth and status.

By contrast, the dynamic workforce of today—younger, more female, more diverse—is eager to rewrite the American success story in its own image. They are flouting old norms to achieve success on their own terms.

Unprecedented numbers of Americans are walking away from their jobs, rethinking their routines and breaking away from traditional expectations. Fifty million Americans quit a job in the last year, and another third of the workforce is renegotiating where, when and how they work. Three-quarters of Americans in a recent survey said that they plan to look for new work this year.

Over the last few years I've crisscrossed the country, trying to understand the roots of these shifting standards and what they mean for workers and the organizations that hope to recruit and retain them. I've collected 400 extensive life stories of Americans in all 50 states, interviewing everyone from CEOs and mom-and-pop proprietors to schoolteachers and line workers. I concentrated on the broad middle class, steering away from the poorest of the poor and the richest of the rich.

What I discovered is a subtle but profound shift: Today's workers are increasingly rejecting the script that has long defined the American Dream. They rebuff the notion that each of us must follow a linear career—lock into a dream early, always climb higher, never stop until you reach the top. They resist having their lives summarized by a résumé.

Many Americans still define career goals and try to achieve them, of course, but far more people experience an endless barrage of interruptions. My data show that the average worker goes through a moment of disruption, reevaluation or reinvention every two and a half years—what I call a "workquake."

Just under half of these inflection points begin in the workplace; they involve a conflict with a boss, changing employers or renegotiating your current role. But the majority are motivated by events outside of the workplace. Something happens with our families, our health or our mindsets that causes us to rethink our employment. In the balance of power between work and life, life is playing a greater role.

This shift hints at a larger change: Today's workers are focused as much on the quality of their lives as on the quality of their jobs. Gallup found that millennials and members of Gen Z, who now make up half the workforce, place their greatest emphasis on well-being at work. Deloitte heard from the same group that work/life balance was their number one priority. High salary and other financial benefits came in well behind, with only one in four mentioning it.

My conversations crystallized the extent of these changes. Fewer Americans are searching merely for work these days; more are searching for work with meaning. Some still emphasize wealth and status, but others stress service, self-expression or personal fulfillment. For almost everyone, their personal script evolves and morphs over time.

With so much fluidity, the challenge is how to determine at any given moment what metrics of success matter most to you. Is now the time to give priority to generating wealth, spending time with family or giving back? Faced with a stream of choices, many of us get writer's block trying to write our own story of success.

What we lack is a new set of standards to guide us. I'd propose three.

1. Success is digging, not climbing.

Much of our discourse about work focuses primarily on how to get a job. The problem with this approach is that it usually works: You find a job, you maintain the appearance of success. But you won't necessarily be fulfilled, because you won't have taken the time to identify what actually makes you happy, and soon enough you'll be back where you started.

The people who are most fulfilled at work don't start with *how*; they start with *who* they want to be, *what* they want to be doing and *why* they want to be doing it. In other words, they don't just climb, they also dig. They perform what I call a "meaning audit," doing personal archaeology to unearth the lessons of work they inherited from their parents, the values they admired in their role models and the dreams they've been nursing since childhood.

2. Success is meaning, not means

In my conversations, I asked everyone to identify the biggest turning point in their work lives and whether it led to a step forward, a step backward or a lateral step. The overwhelming majority said a step forward. Of those people, 50% said they made less money afterward; 41%, more money; 9%, the same. Put another way: Among those who said their work transition improved their lives, six in 10 made the same or less money than before.

Others have reached similar conclusions about the place of money for today's job seekers. In a 2017 paper, researchers Jing Hu and Jacob Hirsch of the University of Toronto's Rotman School of Management found that if workers consider a job meaningful, they're willing to accept salaries that are 32% lower than for work that isn't. A 2018 study by Shawn Achor and colleagues published in Harvard Business Review found that nine out of 10 workers were willing to give up a quarter of their entire life earnings in exchange for work that's meaningful.

To be sure, millions of Americans still view money, wealth and net worth as primary sources of meaning. Depending on your upbringing, such material success might represent freedom, security or self-worth. And, of course, many forms of work we might find meaningful don't necessarily meet our practical needs at a given moment.

The difference between the past and today is twofold. First, if our main job leaves us unfulfilled, we might layer in other types of work for meaning, including a side job or what I call a "hope job"—the work so many of us do, like writing a screenplay or selling pickles at the farmers market, in the hope that it will lead to something in the future.

Second, we might choose to give priority to earning money during certain periods of our lives while giving greater weight at other times to creativity, public service or caring for loved ones.

3. Success is story, not status

The final new rule of success may be the most consequential: Success is not fixed; it's ever-changing. It's not a destination; it's a narrative. Freed from the myth of the corporate ladder and confronting multiple opportunities to rethink our work stories, many of us are making choices that serve our varied needs at different times in our lives. When there is no single definition of success, there is no penalty for choosing your own definition of success.

EMPLOYEES WELL BEING IS GETTING WORSE, NOT BETTER

The Great Resignation may not yet be over.

More people say stress at work is hurting their mental, physical, social, or financial well-being—so much so that they're ready to quit their jobs, according to a survey by consulting firm Deloitte and HR research and advisory firm Workplace Intelligence. As many as 60% of employees and 75% of the C-suite say they're seriously considering quitting their jobs for new ones that would better support their well-being. That compares to last year, with 57% of employees and 69% of the C-suite ready to quit.

Yet there's a difference in how top leaders and employees perceive the problem. Three in four employees said they believed their health worsened over the past year—but 75% of C-suite executives believed their workforce's health improved. 84% of the C-suite surveyed said their companies have made public well-being commitments, but only 39% of employees agreed. Similarly, there's a disconnect between leaders and employees when it comes to human wellness—supporting employees, the world, the environment, local communities, and purpose over profit. Eighty-nine percent of top leaders say they think they're doing a good job of advancing human sustainability, while just 41% of employees agree.

Well-being has emerged as a top trend this year, as companies attempt to attract and retain employees following the disruption and trauma of the COVID-19 pandemic, the Great Resignation, quiet quitting, and the uncertainties about the economy. People are drowning in work and managers say they're not able to truly support their team's balance.

Today's economy is highly unusual. Companies are hiring and simultaneously cutting hours as the economy slows. In years past, reducing working hours spelled bad news for the economy. But it's hard to imagine a recession without significant job losses, according to a June report by Moody's. Evidence shows hiring is steady, job openings are plentiful, and layoffs—though they have picked up—are still low by historical standards, according to the report.

Fewer people are doing more work. Eight in 10 of the 3,150 people surveyed said they're dealing with a heavy workload and stressful job, and most said they would prefer to live in a country that embraced a well-being economy. In fact, three-quarters would accept lower pay to do so.

As many as 70% of managers say obstacles like rigid company policies that have an unsupportive workplace culture prevent them from doing more to support their team members. Only 42% feel completely empowered to help the company achieve its well being commitments. The good news: Executives surveyed generally agree they should be more accountable to well-being at work over the next few years. As many as 78% of top leaders said their company's leaders should step down if they can't maintain an acceptable level of workforce well-being, and 72% believe executives' bonuses should be tied to workforce well-being metrics.

THE CHANGING RULES OF WEED ON THE JOB

More Americans are using marijuana. Their employers are trying to decide how much that matters.

One in six American adults now says they smoke marijuana, a share that has eclipsed the number of cigarette smokers, according to recent Gallup data, and expanding legalization of the drug has led more companies to scrap employee drug-testing. Instead, many are leaning on managers to spot signs that workers are impaired on the job and determine what to do when they are.

For one thing, some companies say being high at work isn't necessarily a fireable offense.

"It used to be, you test positive: 'See you later,'" says Eric Mack, a partner with employment-law firm Littler Mendelson, who says he has trained employees at more than a dozen companies to spot the signs of drug-related impairment in the past two years.

"Managers are really on the front lines of making these determinations, and it's very difficult to do," says Mack, who notes telltale signs include slurred speech, fumbling with equipment or otherwise acting erratically. He also advises companies to make sure more than one person observes that a co-worker isn't themselves.

Approaching workers who appear under the influence is a delicate proposition, says Lisa Ahart, senior vice president of U.S. human resources for Toray Industries America, a synthetic fibers, textiles and chemicals manufacturer. Toray employs 3,000 people in nine states with varying laws on marijuana use.

Workers flagged for appearing under the influence have sometimes turned out to have a medical issue such as diabetes, Ahart says.

Toray bosses are trained not to assume, or to ask someone whether they're taking pills or drinking. Instead, the company advises managers to look for behaviors they can document and to broach the issue with questions like, "I noticed you are slurring, stumbling—are you feeling OK?" she says.

Employees found to be high on the job might be warned, offered counseling or—depending on the jurisdiction and the nature of the performance issue—fired, she adds. The company recently ordered a drug test for an employee in Virginia, where marijuana possession is legal, after the worker drove a forklift into an overhead door. The worker was fired after testing positive, given the safety violation involved.

Workers in some types of businesses, including those regulated by the U.S. Defense and Transportation departments and the Nuclear Regulatory Commission, are subject to random or routine federal drug-testing, which can detect marijuana use sometimes weeks after the fact.

Toray doesn't fall into that camp. Across its locations, the company can conduct pre-employment drug screenings, or test if there is a reasonable suspicion that a worker is high on the job, Ahart says.

The mix of workplace safety and pot legalization is "one of the things that sometimes keeps me up at night," she says.

Lunchtime pot breaks

Workplace changes, including the rise of hybrid and remote work, have made it easier for some employees to use drugs on the clock without their bosses knowing. With rising social acceptance, meanwhile, some professionals say they feel comfortable openly discussing and even using at work.

Companies face challenges finding enough people to hire, and drug screening makes that even harder, says Natasha Jones, director of operations at HD Screening and Laboratory in Lithia Springs, Ga.

Companies that aren't subject to government drug-testing requirements are increasingly loath to test, she says. Around 35% of marijuana tests her lab conducts for prehire screenings come back positive, she says, up from around 20% in 2021, often forcing employers to rule out candidates they might have otherwise hired.

Data from Quest Diagnostics, one of the country's largest drug-testing laboratories, shows a rise in worker marijuana use, too. Among the six million general workforce tests it conducted for marijuana last year, 4.3% came back positive, the highest rate in nearly three decades. In drug tests given to workers after accidents on the job, marijuana positive test rates have tripled over the past decade, according to Quest.

Confusion over drug rules

The swift legalization of recreational cannabis—now legal in nearly half of all U.S. states—has resulted in confusion among employees, some industry officials say.

In trucking, even drivers who have been explicitly told they aren't allowed to smoke marijuana outside of work are sometimes unclear on the rules, says Dan Horvath, vice president of safety policy at the American Trucking Associations, a trade group.

Many truckers live in states where marijuana is legal, but their jobs subject them to federal regulations barring them from using the drug. A recent survey by the American Transportation Research Institute found around a quarter of trucking companies have had misunderstandings with workers about the complete ban on marijuana.

Eric Waxman, human-resources director for CRP Industries, an automotive-parts supplier and distributor employing 180 workers in New Jersey and South Carolina, says his company bans drug impairment at work. Waxman notes there are other ways someone can be impaired on the job, such as a lack of sleep. Waxman says that in a recent conversation with a plant manager there, both agreed that if they ever tested workers, it would jeopardize their ability to run the business. "We'd have an empty facility," he says.

SOURCES

Wall Street Journal; Bloomberg; Deloitte