



## A Message From our CEO: The Future of Work

### Economic Outlook

The U.S. labor market remained extremely tight throughout 2022. According to [the Bureau of Labor Statistics](#), 4.5 million jobs were added in 2022 and unemployment was at 3.5% for December, which is a significant drop from when it historically peaked at 14.7% in April 2020. The current unemployment rate is expected to increase as the coming 12 months unfold.

### What to Expect in 2023

In recent years, the labor market has been a "candidate-driven market" where job seekers have more job options at their disposal. With phenomena like "The Great Resignation" and "Quiet Quitting", job seekers have been in control when it comes to demanding what they want from employers. Today, other trends like "Quiet Firing" and mass layoffs have left some job seekers hesitant and nervous about leaving their job. Regardless of who is in the driver's seat this year, employers or employees, the labor market is expected to remain steady, but unpredictable.

### 2023 Workforce Trends

If 2022 was the year of resilience, what's in store for 2023? *Agility? Change? Adaptability?* The fierce talent war, chronic skills shortage, a widely oscillating market, climbing inflation, and the accelerating digital transformation will all significantly impact how we work, live, and do business this year and beyond.

### *Talent War Set to Rage*

One of the most significant labor challenges employers will continue to face is the competition to win talent. With the current talent shortage, competition to attract and retain the best talent will be fierce. Organizations will need to be more aggressive and creative in terms of pay and benefits to attract and retain talent. Employers must measure up to the constantly evolving employee expectations and demands. If employers fall behind on the employee experience, workers will quickly seek other alternatives.

### *Skills Shortage*

The term [skills gap](#) refers to the bridge between the skills that companies need from their employees, and those that are actually available from workers. Employers are already

facing a skills shortage or believe they will experience it in the coming years. [PWC data finds](#), "By 2030, the talent shortage and skills gap in the U.S. alone is expected to total a loss of \$8.5 trillion." Employers need to provide ongoing learning and development for their employees. To bridge the gap now, upskilling and reskilling the workforce is critical.

### ***Continued Focus on DEI and Employee Mental Health***

54% of employees believe that mental health is a diversity, equity, and inclusion (DEI) issue and 50% of employees have left a job due to mental health reasons, according to a [report from Mind Share Partners](#). This year, businesses will continue to adjust and focus on their unique DEI objectives. DEI benefits like flexible working hours, support groups/resources, designated mental health days, and more will help create an inclusive culture that promotes better mental health and well-being.

### ***Improvements in Company Culture and Engagement***

An organization's greatest asset is its employees. To successfully compete in the raging talent war, employers need to create a strong, healthy company culture. A toxic work environment has a negative effect on employee engagement and productivity and will cause high turnover. To ensure your employees are happy, productive, and engaged, implement an employee recognition program, celebrate individuals' wins, ask for employee feedback, and promote and encourage healthy work-life balance habits.

### ***Accelerating Digital Transformation***

We are living in a world where technological advancements happen every day, directly impacting how we do business. To evolve and have an edge over competitors, adopt and invest in accelerating the digital transformation of your business. The benefits of [accelerated digital transformation](#) can include enhanced products and services, greater efficiency and scalability, and cost savings. If organizations fail to keep up and embrace new technologies, they will fall behind in today's digital era.

### **What does this mean for JOHNLEONARD?**

We are cautiously optimistic for 2023 given the expectations of a cooled-down labor market and mild recession. We do believe hiring will remain strong and certain industries will experience some level of pre-pandemic normalcy.

This year, organizations will continue to adapt and undergo an incredible amount of change. Retaining and attracting top talent, meeting employee expectations, keeping up with evolving technologies, and preparing themselves for the challenges of a recession will be imperative. Employers may have more power than previously, and this year can be your year to be an employer of choice. Nearly everyone (96%) in a new [Monster poll](#) stated they're currently looking or plan to look for a job in 2023. Regardless of the current state of

the economy, workers are ready for change, and many will make a move if/when they find a better opportunity and the best workplace.

As we have since 1969, **JOHNLEONARD** is here to provide top talent to our client organizations and high-quality opportunities to our client candidates. Additionally, we remain committed to being the go-to provider of the best employer and career trends across the employment sector. We look forward to continuing the tradition of providing the highest level of service to our clients - organizations, temporary representatives, and candidates alike. As always, our Actions Speak Louder Than Words™.

Sincerely,  
*Linda J. Poldoian*  
CEO

