Hiring Remains Strong, But Costly

75% of Companies Expected to Bump Employee Pay

Latest Results from The Harris Poll

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OKLAHOMA CITY, Feb. 8, 2023—Expectations for wage increases have steadily risen over the past few years with 2023 marking their highest level yet. Seventy-five percent of hiring managers predict employees at their companies will receive a bump in pay this year, up from 58% in 2020.

This is according to a survey from The Harris Poll commissioned by Express Employment Professionals.

Anticipated wage increases were strong at 69% in 2021 and 70% in 2022. This comes at a time when U.S. hiring managers say recruiting over the next year appears encouraging as three quarters (75%) say they feel positively, including feelings of optimism (43%), hopefulness (38%) and confidence (36%).

Expectations for Wage Increases

58% 2020 69% 2021 70% 2022 75% 2023

Source: The survey was conducted online within the United States by The Harris Poll on behalf of Express Employment Professionals between Dec. 1 and Dec. 15, 2022, among 1,002 U.S. hiring decision-makers.

Three in five (60%) hiring managers say their company plans to increase the number of employees in the first half of 2023 on par with the first and second halves of 2022. Around a third (31%) report their company plans to either stay around the same number of employees or make no change.

Companies with more than 10 employees are the most likely to increase their employee count in the first half of this year. The breakdown of anticipated growth by company size is as follows:

- 2-9 employees: 42%
- 10-49 employees: 60%
- 50-99 employees: 66%
- 100-499 employees: 71%
- 500+ employees: 65%

This continued push to hire is great news for American job seekers. In a recent Express study conducted among more than 2,000 Americans ages 18 and older, close to half (46%) are seeking employment—either actively looking for a new job or browsing job opportunities once in a while.

Reasons for Expansion

For companies that report plans to increase their number of employees in the first half of this year, many say this increase is due, in part, to the need to manage increased volumes of work (49%). The need to fill positions that are open due to employee turnover (48%), fill newly created positions (44%) and handle expansion into other categories or markets (34%) are also motivating factors for hiring at their companies.

Despite the need for many companies to hire due to the increased workloads, some simply do not have the capacity to do so.

Around half of hiring managers (51%) say they need more employees to manage their workload but do not have the capacity to hire. Interestingly, larger companies with more than 50 employees are more likely than those with 2-9 employees to cite the need for additional workload relief but lack the ability to hire at this time (54% vs. 42%).

Constraining Factors

For companies that lack the bandwidth to onboard additional employees, more than 2 in 5 (43%) say it is a result of their company adjusting their recruiting/hiring strategy. Others are waiting to see if the workload will level out before hiring additional employees (42%).

Around 3 in 10 say their company does not have enough money in the budget this year (29%) or their upper management has not approved the hiring of additional staff (29%). These

sentiments are on par with what U.S. hiring managers reported in the first half of 2022.

Beyond the inability to hire, a few companies are actually planning to reduce their employee count in 2023. Nearly 1 in 10 (7%) hiring managers say their company plans to decrease the number of employees in the first half of 2023. While a small proportion of companies plan to do so, the main reason for this is to reduce costs (75%).

"Balancing overall business costs with necessary hires is critical, and it seems like many employers are taking a wait-and-see approach with market conditions before increasing their headcount," Express Employment International CEO Bill Stoller said. "But overall, this is great news for job seekers. The majority of businesses need workers, so for those on the sidelines, now is a great time to find the right opportunity."

Survey Methodology
The Job Insights survey was conducted online within the United States by The Harris Poll on behalf of Express Employment Professionals between Dec. 1 and Dec. 15, 2022, among 1,002 U.S. hiring decision-makers (defined as adults ages 18+ in the U.S. who are employed full-time or self-employed, work at companies with more than one employee, and have full/significant involvement in hiring decisions at their company). Data were weighted where necessary by company size to bring them into line with their actual proportions in the population. Respondents for this survey were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within + 3.2 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest.

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If you would like to arrange for an interview with Bill Stoller to discuss this topic, please contact Sheena Hollander, Director of Corporate Communications and PR, at (405) 717-5966.

About Bill Stoller
William H. "Bill" Stoller is chairman and chief executive officer of Express Employment International. Founded in Oklahoma City, Oklahoma, the international staffing franchisor supports the Express Employment Professionals franchise and related brands. The Express franchise brand is an industry-leading, international staffing company with franchise locations in the U.S., Canada, South Africa, Australia, and New Zealand.

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At Express Employment Professionals, we're in the business of people. From job seekers to client companies, Express helps people thrive and businesses grow. Our international network of franchises offers localized staffing solutions to the communities they serve across the U.S., Canada, South Africa, Australia, and New Zealand, employing 586,000 people globally in 2021

and 10 million since its inception. For more information, visit ExpressPros.com, and find more employment insights at ExpressPros.com/AmericaEmployed.