

Table of Contents

ABOUT THIS REPORT	3
ABOUT APPLEONE	3
U.S. SPOTLIGHT	4
Canada Spotlight	7
INDUSTRY SPOTLIGHT	.10
Planning for Growth in Pharma	11
A New Boost for Accounting & Finance	13
DE(A)I: ADDRESSING BIAS IN ARTIFICIAL INTELLIGENCE	15
Top Solutions	. 16
Conclusion	. 19
Citations	20

For three and a half years, the world of work has been gripped by uncertainty.

n the United States, the unemployment rate has hovered at or near a 53-year low for months, even as employers grapple with the ongoing impact of inflation and high interest rates. In Canada, where the labor market continues to outperform expectations, a boost in the country's population is shaking up the marketplace for talent.

Times are changing, too. As of January, American offices reached a post-pandemic milestone: on average, 50 percent of workers are back at their desks.² These workers are returning to workplaces that are forever changed — not only by the new normal of hybrid and remote work, but by emerging technologies. Artificial intelligence is here, and it has business leaders around the world sprinting to figure out what to make of it. So far, they are cautiously optimistic. For example, 47 percent of respondents to a recent survey believe that AI will outperform humans in assessing all job applicants through an equal lens, compared to a significantly smaller percentage (15 percent) who think AI would fare worse.³

Underlying it all is a generational shift that promises to upend a half century's worth of norms. Over the next decade, the rest of the baby boomer generation will surpass retirement age. In their place is a generation whose expectations for work are far different than those of their parents and grandparents. They are motivated less by profits and more by social impact. Though they value work as a central component of their identity, they are ultimately searching for jobs that guarantee a healthy work/life balance.⁴ And, perhaps most importantly, they are fewer in numbers than those who they are replacing across many places and industries.⁵

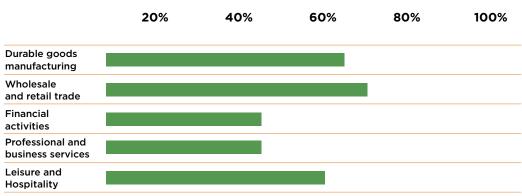




espite ongoing economic uncertainty at home and abroad, the job market in the U.S. continues to fuel anticipation that the U.S. economy might pull off a soft landing. In August, employment increased by 187,000, a cooler-than-expected showing that could foreground a pause in interest rate hikes, bringing relief to consumers and businesses who have been squeezed by the high cost of borrowing.⁶ However, the situation is still fluid; just a few months prior in May, the market delivered a robust 339,000 net jobs, boosted by strong hiring across a number of sectors, including professional and business services, government, health care, and construction.⁷

Labor force shortage by industry

Filled job openings



Source: U.S. Chamber of Commerce Analysis, BLS Data, May 20238



At the same time, workers are still difficult to come by across many industries. According to the latest BLS data, there are 8.8 million job openings in the U.S. compared with 5.8 million unemployed workers. ^{9 10} That means that if every unemployed person found a new job, the country would still be short by nearly four million workers. Job openings remain highest in many of the industries that were hardest hit by the pandemic — including durable goods manufacturing and finance and professional services and hospitality. There is also an elevated demand for STEM talent, including software developers, nurse practitioners, and medical and health services managers, which collectively account for more than 600,000 of the country's projected job openings by 2031. ¹²

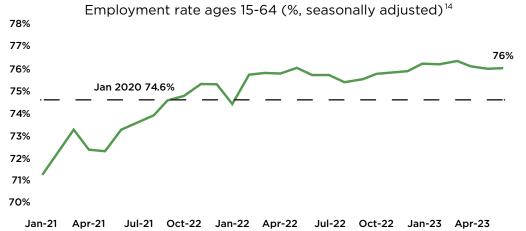




Canada Spotlight

n Canada, where the country's surging population has added additional fuel to an already robust post-pandemic recovery, the job market is responding in kind. In June, Canadian employers added nearly 60,000 jobs, the most since January and nearly three times what economists were forecasting. Meanwhile, the jobless rate ticked up to 5.4 percent from 5.2 percent as more people began searching for work.¹³

Working-age employment rate just off its all-time high





Canada Spotlight

or more than a year, a pattern of strong jobs data has kept the workingage employment rate near its all-time high — and well above prepandemic levels. Yet, an increase in the workingage population is raising the bar for what constitutes a strong showing. Just to keep pace, the economy needs to add 52,000 jobs a month. Recent data, which reveals that job postings in Canada have been declining gradually from their peak in early May 2022, indicates that smaller job gains could be around the corner. Still, postings remained elevated compared to pre-pandemic levels, up 27 percent, and layoff rates remain low as employers are choosing to maintain current staffing levels amid ongoing labor market tightness.¹⁵

Among sectors that have comprised the greatest job gains is professional services, which encompasses several STEM careers. However, the sector's momentum waned in the second quarter of 2023 as the previous boom gave way to diminished hiring. Fortunately, robust job growth in industries like manufacturing has served as a counterbalance, compensating for this slowdown and demonstrating the resilience of other STEM sectors.¹⁶ With approximately a quarter of all students who hold a bachelor's degree or above graduating with a degree in a STEM field, Canada ranks among the world's STEM leaders, beating out many European countries and the United States.¹⁷ To spur continued growth, the Canadian government offers grants and subsidies to offset payroll costs for recent STEM graduates and supports partnerships between academia and industry that help those with STEM degrees find employment.¹⁸





Planning for Growth in Pharma

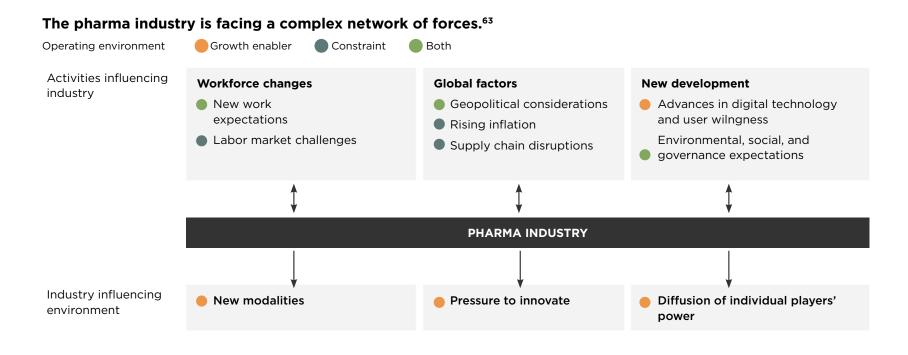
riven by an aging population and rising rates of chronic diseases, the pharmaceuticals industry is poised for rapid growth over the next decade. In the United States alone, the demand for medical scientists, who are responsible for developing treatments to improve overall human health, is projected to grow by more than 17 percent between 2021 and 2031 — more than three times greater than the average for all occupations. That translates to approximately 10,000 job openings per year on average.¹⁹

In the U.S., the demand for medical scientists is projected to grow by more than 17 percent between 2021 and 2031—more than three times greater than the average for all occupations.²⁰

The expertise of those in pharmaceuticals will be crucial in conducting research on various diseases such as Alzheimer's and cancer, as well as addressing issues related to treatment, such as antibiotic resistance. Furthermore, the growing global population and the resulting spread of diseases will require medical scientists to continue their research efforts. This will fuel a growing trend to move clinical trials out of hospitals and medical offices and into pharmacies in order to reach wider, more diverse audiences. In fact, by 2026, more than 60 percent of retail pharmacies are expected to engage in clinical research.²¹ The availability of federal funds for medical research grants will play an important role in determining the scope and number of research projects undertaken.



The Pharma Industry is Facing a Complex Network of Forces



Growth in this critical lifesaving industry depends on several internal and external factors. Like in many industries, pharmaceutical companies are grappling with ongoing labor market tightness, including a 20 percent surge in demand for STEM-related roles within the life sciences sector in the United States. One study estimates that the current pool of pharma digital talent is at least 14 percent below the demand, affecting how companies recruit pharma workers with technical skills. To account for this gap, major pharmaceutical companies are shifting away from an HR-driven recruiting and training model and embracing a renewed focus on reskilling, upskilling, and automation.²²

A New Boost for Accounting & Finance

areers in accounting and finance are the backbone of our society. Yet, in the United States, where they have never been designated part of the STEM curriculum, bipartisan legislation recently introduced in Congress is providing a much-needed boost. The omission is more than a clerical error; the Federal Government is currently prohibited from leveraging STEM funding to support awareness and education about careers in accounting and finance from a young age. The legislation, which dates back to 2021, aims to correct this by officially designating the career path as eligible, while also "increasing access to high-quality accounting courses for students through grade 12 who are members of groups underrepresented in accounting careers."

80 percent of hiring managers at public companies and 70 percent of those at private companies indicate they have to "work hard" to attract and retain accounting and finance talent.²⁴



Industry Spotlight

If passed, the change will mark an important milestone in the push by industry leaders to attract more skilled workers to the field. Both the United States and Canada are facing a shortage of accountants, partly due to the impact of the Great Resignation and the exodus of many CPAs from the industry. There has also been a decline in the number of accounting graduates from American higher education institutions, with decreases of 2.8 percent and 8.4 percent at the bachelor's and master's levels, respectively, at the end of the 2020 academic year.²⁵ This is having a real impact across the business world, with more than 80 percent of hiring managers at public companies and 70 percent of those at private companies indicating they have to "work hard" to attract and retain accounting and finance talent.²⁶

The implications of a talent shortage are significant, increasing the possibility of waste, fraud, and abuse at companies of all sizes because of key financial controls that have been relaxed or overlooked. To get ahead, companies are taking a "work smarter" approach, educating their teams on tools like artificial intelligence and machine learning to help streamline essential accounting tasks. Meanwhile, organizations like the American Institute of Certified Public Accountants (AICPA) are focused on increasing enrollment in accounting and finance programs in an attempt to build a deeper pipeline of workers, reaching out to high school students and supporting efforts to diversify the industry.²⁷



DE(A)I: Addressing Bias in Artificial Intelligence

he AI revolution has arrived. While it brings tremendous potential for companies of all shapes and sizes, it comes with the risks of misuse, including unauthorized data collection, surveillance, monopolistic practices, and biased information influencing decisions. To uphold fundamental human rights and promote equity, a growing push is emphasizing the importance of responsible AI (RAI). While data reveals that 84 percent of organizations view RAI as a "top management issue," less than a quarter of organizations have implemented an RAI program, indicating there's plenty of ground to be gained when developing AI centered on ethics, transparency, and accountability.

The adoption of RAI principles is especially important for those in the business of employing people. Because AI is influenced by human interaction, it is susceptible to the same bias that is present in our society today. Developers have spent decades trying to achieve fairness in AI, including preprocessing data, altering outputs to account for bias, and even incorporating definitions of fairness into AI training processes. Still, many of the popular AI tools on the market are undergoing beta testing. Therefore, recruiters should view AI as just one resource in a portfolio of systems that must be balanced to ensure equity in hiring. Addressing the issue of bias in AI is both our leadership responsibility and that of developers to further integrate DEI principles during the design and testing of AI tools.





acing ongoing economic uncertainty and social change, companies are in need of cutting-edge ideas to power a strategic approach to recruiting STEM talent. To help, AppleOne has compiled five leading solutions that apply to companies of any size or scope.



Appeal to every generation's workers

In the U.S., Gen Z — which comprises people born between 1996 and 2010 — will account for roughly 30 percent of the workforce by 2030.²⁸ Against the backdrop of an aging working population, the success of the global economy will be staked on how effectively companies are able to tap into the next generation of workers. Companies would be wise to adopt policies that appeal not only to current workers, but to Gen Z, which research shows is highly motivated by opportunities to learn new skills, attain a better work/life balance, and make a broader impact on society.²⁹



Diversify and deepen your talent pool

Companies around the world have pledged to prioritize diversity. It's a winning strategy for employers that are looking to tap into a deeper pool of talent amid continued labor market tightness. According to one study, companies that hire so-called "diverse workers" — people from diverse backgrounds who are often cut out of traditional hiring processes — were 36 percent less likely to face talent and skills shortages compared to companies that stick with traditional candidates.³⁰



Plan ahead by building talent communities

In the never-ending search for quality workers, more companies are turning to talent communities. The premise is straightforward: companies that incorporate strategic workforce planning during economic uncertainty will be better positioned to come out ahead. By bringing together groups of candidates who are interested in working for a company but are not yet ready to commit, employers can keep a pipeline of candidates engaged until the time is right for both parties. This cuts down on costly search processes that are too often driven by tight timelines and pressing needs.



Harness the power of technology

Today there are over 450 technologies that assist with the attraction and management of both external and full-time talent. That's why it's important to partner with trusted workforce solutions providers like the ActOne Group of Companies, which makes the selection and integration of these tools easy. Our team works at the cutting edge of emerging technologies like artificial intelligence and can help businesses of any size and scope understand the complete range of benefits and risks — from opportunities for capacity building to considerations around security and ethics.



Don't give up on company culture

From 'Great Resignation' to 'quiet quitting', the historically tight labor market has delivered a dictionary's worth of new phrases that underscore a common theme: culture counts. Even as economic conditions eventually settle, employers must remain steadfast in their commitment to constantly improving company culture. Research shows that leaders have made progress in recent years; yet, only 2 in 10 employees feel connected to their company's culture.³¹ In order to stay competitive, employers should double down on proven strategies, fostering an environment that embraces open communication, allows ideas to flourish, and, above all, places the worker at the center of important decisions.

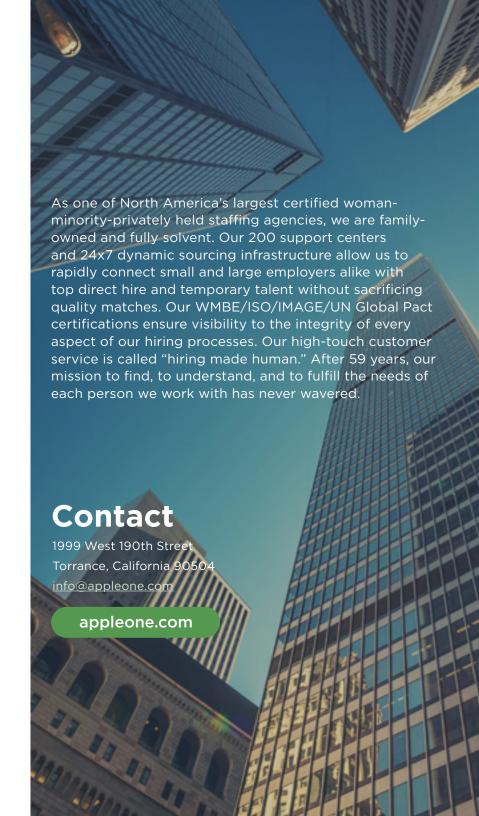


Conclusion

orkforce planning is a cornerstone of success in business. Yet, in the first half of a decade that's already borne witness to a global pandemic, geopolitical turmoil, technological revolution, and a generational shift, planning for the future can feel like a daunting task. Against this backdrop, it's never been more important to have a partner you can trust at your side.

AppleOne is that partner. Part of the ActOne Group of Companies, we are a full-service employment company that focuses on connecting quality candidates to our clients. Our Hiring Advisors take the time to understand our job seekers' career progression and achievements to connect them with the right client opportunities. With a focus on temporary, temporary-to-hire, direct placement, and independent consultant services, our Career Centers are ready to serve you.

Changing times call for a change in approach, and at AppleOne, we're with you every step of the way as you navigate today's complex, changing marketplace.



Citations

- The Employment Situation June 2023, Bureau of Labor Statistics, July 7, 2023
- 2. America's offices are now half-full. They may not get much fuller. The Washington Post, February 4, 2023
- Al in Hiring and Evaluating Workers: What Americans Think, Pew Research Center, April 20, 2023
- 4. 2023 Gen Z and Millennial Survey, Deloitte, May 17, 2023
- Germany Is Running Out of Workers, Putting Growth in Jeopardy, Bloomberg, June 6, 2023
- The Employment Situation August 2023, Bureau of Labor Statistics, September 1, 2023
- The Employment Situation May 2023, Bureau of Labor Statistics, June 2, 2023
- Understanding America's Labor Shortage: The Most
 Impacted Industries, U.S. Chamber of Commerce, June 09,
 2023
- Job Openings and Labor Turnover Summary, Bureau of Labor Statistics, August 29, 2023
- The Employment Situation September 2023, Bureau of Labor Statistics
- Understanding America's Labor Shortage: The Most
 Impacted Industries, U.S. Chamber of Commerce, June 09,
 2023
- 12. Best STEM Jobs, US News & World Report, January 10, 2023
- Canada posts strong job gains in June, raising odds of rate hike, Reuters, July 7, 2023

- Canadian Labour Market Update: Second Quarter 2023, Indeed, July 25, 2023
- Canadian Labour Market Update: Second Quarter 2023, Indeed, July 25, 2023
- Canadian Labour Market Update: Second Quarter 2023, Indeed, July 25, 2023
- Percentage of degrees at the bachelor's level and above awarded in science and mathematics, information technologies, and engineering, by field of study, level of degree, and country, National Center for Education Statistics, 2019
- The Government of Canada and STEM, The Government of Canada, August 13, 2021
- Occupational Outlook Handbook: Medical Scientists, Bureau of Labor Statistics, January 9, 2023
- Occupational Outlook Handbook: Medical Scientists, Bureau of Labor Statistics, January 9, 2023
- 21. <u>Life Sciences Trends 2023: Clinical Research Trials At Your</u>
 <u>Local Pharmacy, Forbes, February 20, 2023</u>
- 22. Emerging from disruption: The future of pharma operations strategy, McKinsey & Company, October 10, 2022
- Legislation introduced in Senate to recognize accounting as a STEM field in K-12 education, Journal of Accountancy, April 12, 2022
- 24. A new working relationship: Aligning organizations with the workforce of the future, Deloitte, August 11, 2022

- 25. 2021 Trends, AICPA, March 24, 2022
- A new working relationship: Aligning organizations with the workforce of the future, Deloitte, August 11, 2022
- A shortage of accountants is pushing the industry to reboot its image to win over young talent: 'You have to sell them'. Business Insider, February 2, 2023
- 28. Employment Projections, Bureau of Labor Statistics,
 September 8, 2022
- 29. 2023 Gen Z and Millennial Survey, Deloitte, May 17, 2023
- Workforce Solutions Market Overview, Edition 5, AgileOne,
 2023
- 31. Culture Transformation, Gallup, February 21, 2023