

Slower market and growing skills shortage

Market Report September 2023

In a world characterized by constant change, it is of utmost importance to understand and analyze the global landscape to predict its consequences on society and the job market. Currently, we are living in a time of economic challenges, shifts in society and a growing skill shortage that impact the labor market.

We have analyzed the factors and trends impacting society and the labor market and share data illustrating how we perceive these influences on the consulting market.

During the last few months, we have continued to see a slower market affected by inflation, high interest rates and an ongoing war in Europe. We can see that companies continue to be more cost-conscious and there are fewer job postings on the open market as well as an increase in available professionals. Even though the market is slower than before there is still a demand for skills and hiring experts and we have also seen an increase in prices during the second quarter of 2023.

Altogether, the average hourly rates for professionals increased by 2.7 percent compared with the second quarter of 2022.

Between the first and second quarter of 2023 we have seen an even more drastic increase.

Project manager job postings a good indicator for the market

Our experience in monitoring project manager job postings has proven to be a valuable indicator of the upcoming demand and inquiry volume. Over time, we have consistently observed a strong correlation between the number of project manager job listings and the level of market activity. As companies and organizations seek to expand their operations, launch new initiatives, or execute strategic projects, the need for skilled project managers becomes evident through the increased frequency of job postings.

Tracking these trends allows us to anticipate potential surges in demand and inquiries, enabling us to proactively adapt our services and resources to cater to the evolving needs of our clients. By being attuned to these indicators you can stay ahead of the curve and position yourself and your offers in an ever-changing business landscape. Just like we adapt our services to offer the best possible support to our clients.



Common reasons for decrease in project manager job postings

1

Reduced demand for project managers: During periods of economic uncertainty and lower investments, companies might be cautious about starting new projects, leading to a decline in demand for project managers.

2

Internal resource changes and use of temporary staff: To cut costs and maintain flexibility, companies may opt for temporary staff or internal employees to take up project manager roles instead of hiring external project managers.

3

Increased utilization of internal project managers: Companies might strengthen their internal resources to enhance control and reduce dependence on external resources during uncertain economic and political conditions.

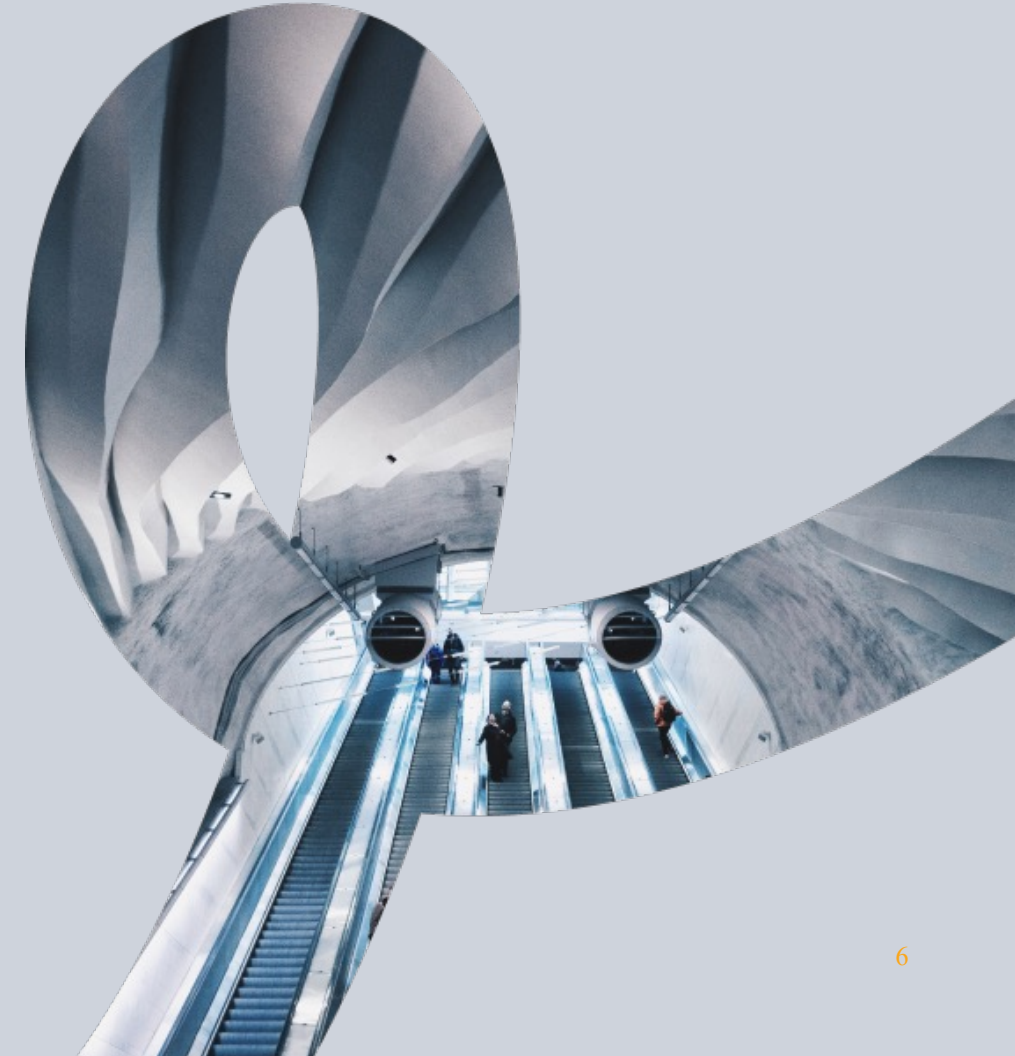
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Changes in industry trends: General uncertainty can drive alterations in industry trends and preferences, subsequently affecting the need for project managers in specific sectors or areas.

Key challenges in Europe

Besides economic struggles, and the situation with the ongoing war, there are some other major challenges when it comes to the labor market in the coming years. According to World Economic Forum's Future of jobs report 2023, the key challenges in Europe are:

- Aging population
- Skills shortage
- Talent attraction
- EU legislation



Aging population

Aging population has an impact on the economy.

In 2030 over 25 percent of the population in the European Union will be over the age of 65 years. Russia and China follow that trend with one quarter of the population being over 60 in 2030, according to ESPAS.

The ageing society for sure has an impact on the economy of different states. Both in terms of rising medical costs and the loss of income taxes when a smaller group is supporting a larger group.



Skills Shortage

Green transition and digitalization are drivers for new skills.

The skill shortage is growing by the minute around the world. Two big drivers are the green transition and digitalization. Innovative technology requires new skills, and the transition and re-skilling takes time. Different industry segments are affected in various ways. And we see diverse needs for different segments.

When it comes to engineering consulting market that today employs 39,6 million workers globally a staggering 48 percent of the jobs are at risk of automation by 2027 according to WEF. The top skills required are not surprisingly AI and machine learning specialists. When it comes to the energy and utilities segment the top skills in demand until 2027 is renewable energy engineers. 33 percent of the jobs risk being exposed to automation according to WEF.



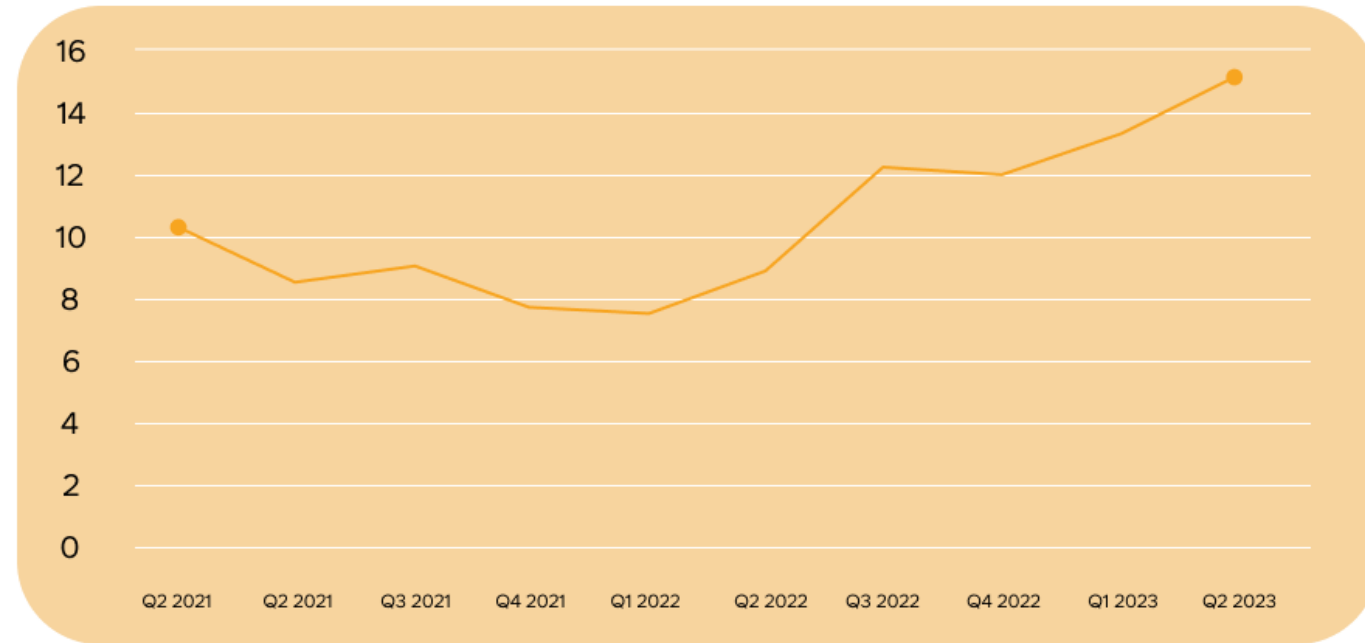
*Source World Economic Forum

Talent Attraction

More professionals looking for assignments.

Even if there is a skills shortage in some industries and roles, we have noticed a significant increase in the number of applicants for project assignments, signaling a surge in competition for available opportunities. This rise in applicant numbers coincides with a growing trend of increased unemployment among the contingent workforce, both partners and professionals.

The market is currently experiencing a general decrease in demand, leading to fewer available projects and a more competitive landscape for consultants. These developments have prompted us to carefully assess market dynamics and adapt our strategies to effectively address the evolving challenges and opportunities within the industry.



Increase in applications per assignment

EU - Legislation

New legislations are under discussion.

The labor market is in constant change, and this requires laws and legislation to keep up either by updating existing laws or passing new ones. This is crucial both on a national level as well as on the EU level. Right now, there are a few pieces of legislation that are worth mentioning. One area that will effect the Future of work is new rules regarding rights for platform workers. The EU wants new rules in place to improve the working conditions and social rights of people working in the gig economy.

Today over 28 million people in the EU work through one (or more) of these digital labor platforms today. In 2025, this number is expected to reach 43 million people. An other legislations that are in process is the AI-Act.



Skills in demand

Most applied skills

Project Management
Agile
Python
Java
Stakeholder Management
C#
Javascript
React
AWS
SQL

Most requested skills

Agile
Java
Technical Consultant
Python
Project Management
Jira
SQL
Javascript
Azure
Project Leading



Get in touch with us and let us know what we can do for you:

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