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Hiring freezes and layoffs are happening everywhere. Here's what you should do next if your company hits pause on hires.

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Abstract

None available.

Full Text

- Several tech companies have introduced hiring freezes to brace for a potential economic slowdown.
- Hiring pauses can be concerning for those already employed by a business.
- Insider spoke to specialist tech recruiters to find out what to do if your company enters a hiring freeze.

Hiring freezes are spreading across the tech sector.

"It's like almost every second day you're hearing about a new company or big tech company announcing hiring freezes," Nikita Gupta, founder of resume review company FAANGPath, told Insider.

Companies such as Uber and Meta have announced they are putting the brakes on recruiting as the threat of recession looms.

"The war for talent has been really hot," Chris Abbass, CEO of tech recruiting platform, Talentful said. "But now people are probably going to see a drop in demand."

Although these pauses are primarily a problem for job seekers, hiring freezes can also cause current employees to worry about their job security.

Insider spoke to specialist tech recruiters to find out what to do if your company enters a hiring freeze.

1. Don't assume the worst

Hiring freezes are not just another way of announcing layoffs.

In times of economic slowdowns, a hiring pause is not "necessarily a bad thing," according to Abbass. "It could be your company just being very sensible."

Favorable economic conditions in the last year have allowed a lot of companies to invest and expand.

"There's a lot of companies, especially in the last 12 to 18 months, that have been growing incredibly fast because the economy has been booming," he said. "Now that the market is going towards a downturn, that's putting a lot of pressure on those companies and they're having to adapt really quickly — which means hiring freezes."

"It's not always layoffs," FAANGPath's Gupta said. "If a company has said officially that they are doing a hiring freeze, this generally means that they are not going to hire more people but there can be multiple reasons behind it."

2. Check on your company's growth

Understanding how recession-proof your company is can put you in a better position during a hiring freeze.

Talentful's Abbass recommends looking closely at a company's growth and revenue. "Ask yourself, was that company growing before the pandemic? Have they had a steady pace of growth over the last three years?"

"If so, that probably tells you that they can withstand some hard times," he added.

Some industries are more affected by economic downturns than others.

"If there's a downturn, ask yourself if people still need it, or is it a luxury? For example, there's been a lot of layoffs in instant delivery," he said. "When people are short on cash they're not going to spend a premium to get something delivered in 10 minutes."

Some roles are also less likely to be affected by hiring freezes. "There are always more secure roles," Gupta said. "Obviously developers are always in need and engineers are always in need."

3. Find out what your company is prioritizing

Companies that implement hiring freezes will be looking at their business costs.

If you think your company might be heading towards a round of redundancies, you'll want to mark yourself out as important.

"When companies do make layoffs, they look at the areas that they don't need, but then they also tend to keep the high performers across the company," Abbass said.

"They need criteria on why they're making the redundancies and to have a logical process. Normally the first place that companies start is a performance ranking based on the employee's performance."

Abbass recommended having a frank conversation with your manager about what being a high performer means and which of your goals contribute to the company's key priorities.

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