



Recruitment Trends Report

August 2026

Table of contents

About Manatal	01
Executive Summary	02
US Tech Hiring Volatility	03
What’s Behind the Young Worker Hiring Crunch	05
Hiring Rat Race: AI Screening vs AI Applications	07
The Most In-Demand Skills of 2026	09
Sources	12
Acknowledgements	13



About Manatal

Manatal AI recruitment software is a next-generation Applicant Tracking System (ATS) designed to simplify and accelerate the entire hiring process. Established with the vision of democratizing access to advanced recruiting technology, Manatal has transformed the recruiting industry by making enterprise-grade AI accessible to teams of all sizes.

At its core is a proprietary AI engine, trained on millions of data points, which delivers industry-leading accuracy in resume parsing, candidate analysis, and profile enrichment. This intelligence empowers recruiters to engage talent more effectively and ensures frictionless collaboration among hiring managers and agencies, from initial sourcing to final onboarding.

Today, Manatal continues to pioneer the market with cutting-edge AI innovations, including the first MCP server integrations with ChatGPT and other AI chatbots, an autonomous AI interviewer, and advanced recommendation algorithms.

Since its launch in 2019, the platform has been adopted by over 10,000 organizations across 140 countries.

LOVED BY 10,000+ TEAMS WORLDWIDE



Executive Summary

As of August 2026, the recruitment space is experiencing volatility on a scale like never before. AI investments, fluctuating demands and unprecedented shifts in jobs and workforces have all impacted the way businesses hire and build teams.

U.S., technology companies have announced approximately 140,000 job cuts while continuing to expand investment in AI infrastructure and specialized technical capabilities. At the same time, employment among younger workers has fallen while hiring demand remains stronger for experienced professionals. This contrasts with the increasing demand in the artificial intelligence space for workers who bring technical skills as well as industry-specific expertise.

In this month's Recruitment Trends report, we will look at the key drivers of these trends that business leaders should be aware of, as well as the directions they should take when navigating their impacts.

The Core Shifts

U.S. tech companies cut approximately 140,000 roles during a period of major AI investment, with hiring priorities increasingly shifting toward specialized AI and engineering talent.

Young worker hiring dropped as companies favored experienced talent and altered early-career onboarding for remote work environments.

AI-related job postings grow 8 times faster than the overall market, increasing demand for AI skills and adaptable talent.

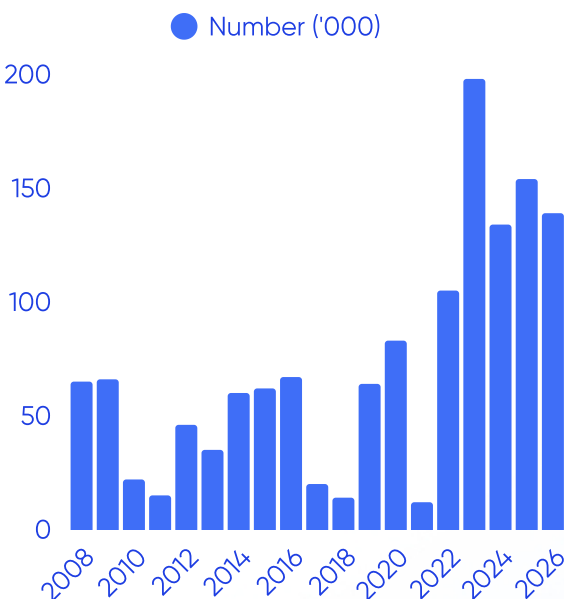
Employers are shifting toward skills-based hiring as AI reshapes roles and increases demand for professionals with both domain expertise and AI capabilities.

US Tech Hiring Volatility

US hiring growth has recently shown very little momentum despite receiving a temporary boost from major hiring drivers, including large-scale AI infrastructure investment and the 2026 FIFA World Cup. This slowdown was visible across key sectors, with leisure and hospitality jobs declining by 61,000 in June 2026, based on Bureau of Labor Statistics data.

Technology companies also announced nearly 140,000 job cuts throughout the year as the sector underwent major workforce restructuring. According to the Financial Times, the industry accounted for a significant share of overall layoffs in the US this year.

Announced tech sector lay-offs, US-based companies



Source: Challenger, Grey & Christmas • 2026 data to July 13

\$725BN

The Big Four “hyperscalers” – Amazon, Alphabet, Meta and Microsoft – expect to deploy a combined \$725bn of capital expenditure this year on data centre infrastructure

\$70BN

Oracle, meanwhile, plans to invest in similar facilities in the service of clients such as OpenAI

This is in contrast to the AI infrastructure investment that is expanding at an unprecedented scale with companies such as Amazon, Alphabet, Meta, Oracle and Microsoft expected to deploy an estimated \$800 billion in capital expenditure this year alone.

US Tech Hiring Volatility

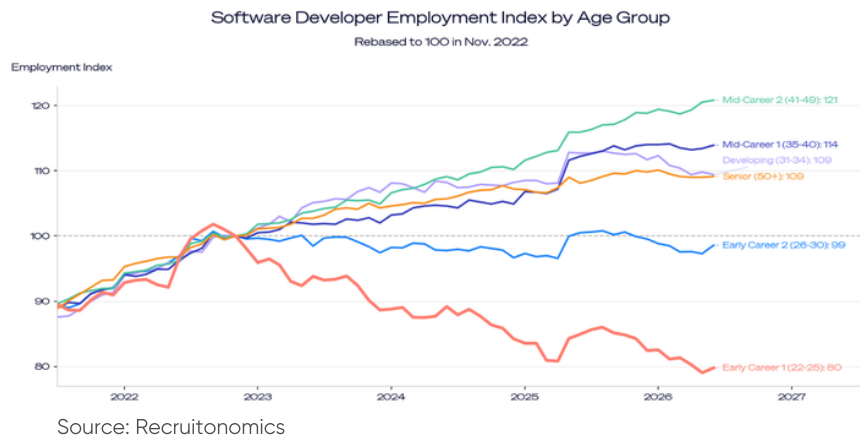
What Leaders Should Do

Hiring leaders must develop specialized talent pipelines to meet the demand for technical expertise. Rather than relying only on active applicants, recruitment teams should proactively engage engineers, data professionals, and infrastructure specialists, including experienced talent impacted by recent restructuring. To remain agile, organizations should transition toward skills-based hiring, evaluating candidates on technical proficiency and transferable capabilities rather than job titles. This strategy should be supported by internal training and workforce planning to help existing employees move into emerging roles.

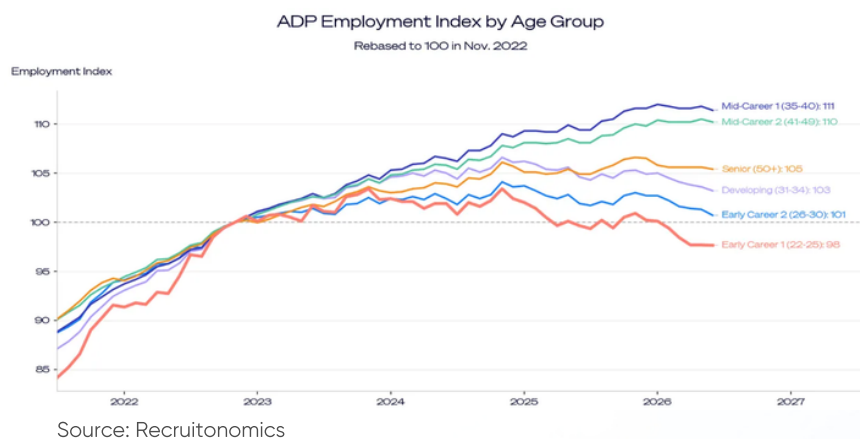
How Manatal Helps

Hiring leaders must develop specialized talent pipelines to meet the demand for technical expertise. Rather than relying only on active applicants, recruitment teams should proactively engage engineers, data professionals, and infrastructure specialists, including experienced talent impacted by recent restructuring. To remain agile, organizations should transition toward skills-based hiring, evaluating candidates on technical proficiency and transferable capabilities rather than job titles. This strategy should be supported by internal training and workforce planning to help existing employees move into emerging roles.

What's Behind the Young Worker Hiring Crunch



Young jobseekers are facing weaker demand for entry-level positions as hiring increasingly favors experienced professionals. ADP employment data reveals this generational divide: employment for workers aged 22–25 has declined since 2023, while mid-career and senior employment has remained stronger. The gap is particularly visible in software development, where early-career roles declined 20% while mid-career employment increased 21%.



While AI adoption has been linked to changes in entry-level hiring demand, research suggests that remote work arrangements may also affect how companies approach training, supervision, and junior hiring. Graduate hiring declines began before the widespread adoption of generative AI, indicating that factors beyond automation also influenced the shift in early-career hiring. Remote work can create additional challenges for onboarding, supervision, and informal mentorship, which may influence how companies evaluate junior hiring needs.

What's Behind the Young Worker Hiring Crunch

What Leaders Should Do

With fewer jobs available for entry-level talent, recruiters are seeing a significantly larger pool of applicants competing for every opening. To manage this high volume, hiring teams should prioritize automated screening based on specific technical competencies rather than university names. Recruiters must implement structured assessments early in the process to filter for critical thinking and problem-solving skills, moving beyond traditional resume review. Additionally, leveraging video introductions can help evaluate communication skills at scale, while setting clear, skill-based benchmarks allows for more objective comparisons. By refining these evaluation frameworks, organizations can efficiently identify top-tier junior talent while maintaining a fair and streamlined candidate experience despite the surge in total application numbers.

How Manatal Helps

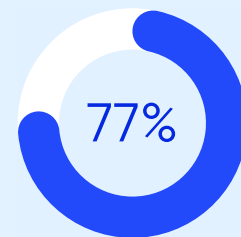
Manatal's AI Recommendations and Candidate Scoring support skills-based hiring by helping recruiters evaluate candidates based on relevant qualifications, experience, and role requirements rather than relying only on traditional job titles. Candidate Assessments and Scorecards allow hiring teams to measure additional capabilities during the selection process, helping identify qualities such as problem-solving ability, adaptability, and role fit that may not be visible through resumes alone. AI Advanced Search helps recruiters discover candidates based on specific skills, experience, and qualifications, making it easier to identify high-potential early-career talent and build stronger future pipelines.

Hiring Rat Race: AI Screening vs AI Applications

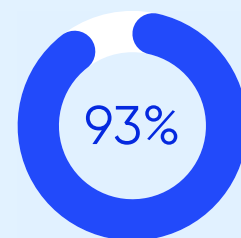
AI-related job postings are growing eight times faster than the overall job market, reflecting how companies are increasingly seeking talent with AI capabilities across different roles. This adoption is reshaping both sides of the recruitment pipeline: jobseekers are also leveraging AI to draft resumes, prep applications, and practice interviews, while recruiters deploy algorithms to screen candidates, schedule calls, and evaluate talent. Nearly three-quarters of jobseekers use AI during the hiring process, while 77% of HR teams utilize AI in recruitment and 93% plan to expand its footprint, according to industry surveys.

To convey this friction, candidate reliance on AI application tools creates unprecedented operational bottlenecks for hiring teams. AI-generated resumes complicate recruitment, inflate irrelevant application volumes, and drag out candidate evaluation timelines, according to 67% of hiring managers surveyed by Forbes.

Automated agents now pit applicant bots against screening algorithms, triggering a widespread recruitment bottleneck. Overall hiring rates dropped 24% as companies restructured workforces to favor experienced mid-career professionals over entry-level roles, according to recruitment market data.



Of HR Teams are already using AI



Are Planning to Increase Adoption



AI jobs are growing
8x
faster than the job market

Hiring Rat Race: AI Screening vs AI Applications

What Leaders Should Do

Recruitment leaders and talent acquisition teams must evolve their strategy to navigate an ecosystem where both candidates and recruiters rely heavily on automation. To process high application volumes without sacrificing quality, organizations should pair AI-powered sourcing and screening with structured human-led assessments. Leaders need to update evaluation criteria to target candidates who combine practical AI literacy with essential human capabilities like critical thinking, communication, and adaptability. Finally, establishing clear ethical guidelines and maintaining transparency throughout the recruitment process ensures fair evaluation, prevents algorithmic bias, and protects the candidate experience.

How Manatal Helps

Manatal's explainable AI candidate scoring and semantic matching empower hiring teams to cut through the noise of AI-generated applications while maintaining complete process transparency. By evaluating candidates against true job intent rather than simple keyword counts, the platform allows recruiters to balance domain experience with emerging AI literacy. Manatal's transparent, requirement-level score breakdowns eliminate black-box screening bias and automate initial filtering giving human recruiters the contextual insights needed to assess critical soft skills like adaptability and critical thinking during structured interviews.

The Most In-Demand Skills of 2026

Upwork Research Institute data reveals a growing demand for hybrid talent, with AI-related job postings increasing 109% year over year as employers seek professionals who combine AI knowledge with industry expertise. This growth reflects a shift, where professionals apply AI capabilities alongside existing technical and business knowledge.

AI-related skills are expanding across creative, technical, and data-focused fields. The Upwork Research Institute's 2026 skills data shows strong growth in AI video generation and editing (+329%), AI system integration (+178%), and AI data annotation and labeling (+154%). Other fast-growing AI skills include AI image editing (+95%) and AI chatbot development (+71%), showing how AI capabilities are becoming embedded across different types of work.

Upwork's Top 10 Most In-Demand Skills by Category for 2026

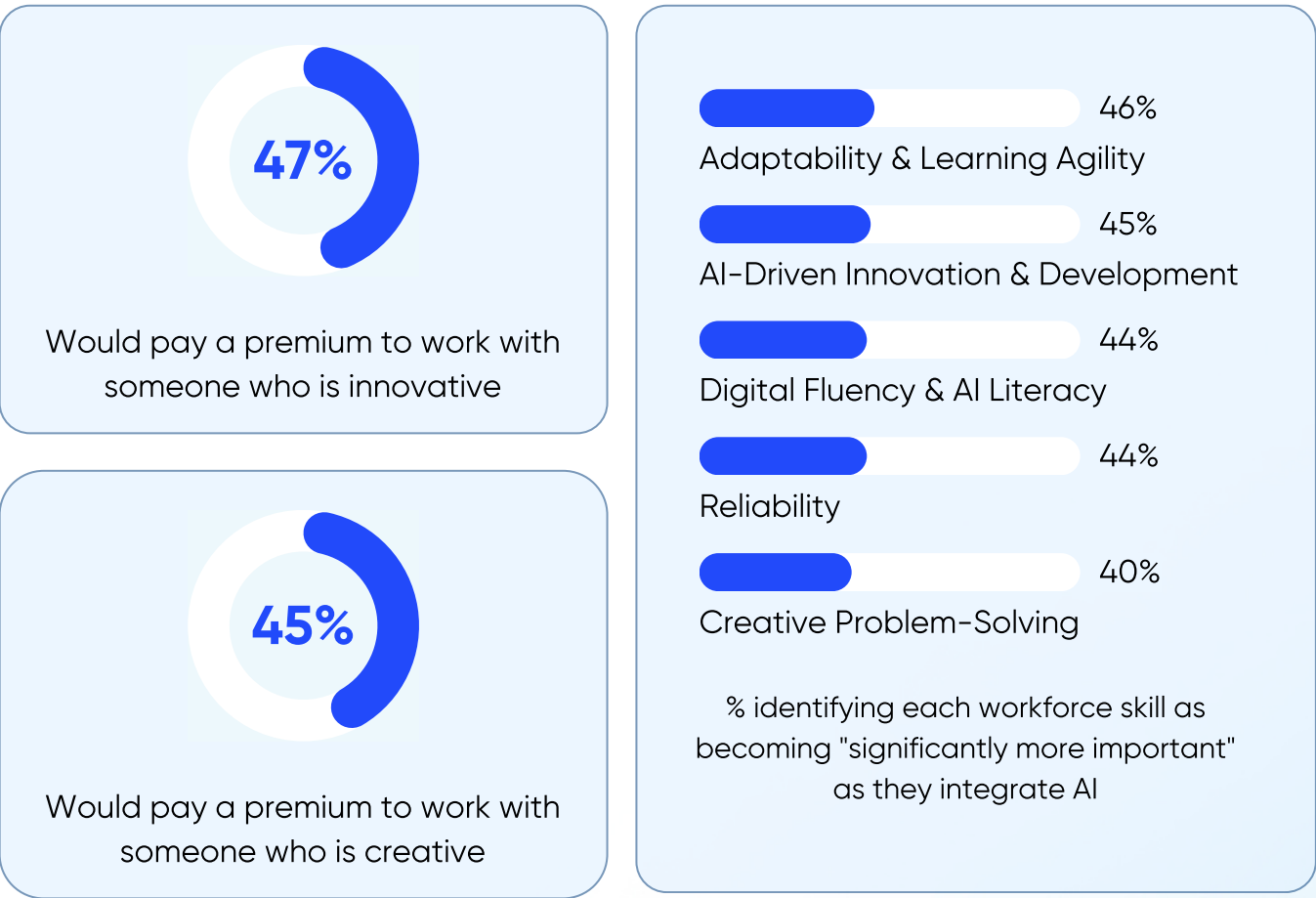
Accounting & Consulting - Accounting - Bookkeeping - Recruiting & Talent Sourcing - Management Consulting - HR Administration - Instructional Design - Tax Preparation - Financial Analysis & Modeling - Business Analysis & Strategy - Financial Management	Coding & Web Development - Full Stack Development - Web Design - Front-End Development - Mobile App Development - Back-End Development - E-commerce Website Development - UX/UI Design - Scripting & Automation - Manual Testing - CMS Development	Customer Service & Admin Support - General Virtual Assistance - Data Entry - Digital Project Management - General Research Services - Executive Virtual Assistance - Market Research - Medical Virtual Assistance - E-commerce Management - Other Virtual Assistance - Manual Transcription
Data Science & Analytics - Data Analytics - Data Extraction - Machine Learning - Data Visualization - Data Mining - Data Processing - Data Engineering - AI Data Annotation & Labeling - Deep Learning - Experimentation & Testing	Design & Creative - Graphic Design - Video Editing - Presentation Design - Video Production - Image Editing - Product & Industrial Design 3D Animation - UX Design - Illustration - Brand Identity Design	Sales & Marketing - Social Media Marketing - SEO - Sales & Business Development - Lead Generation - Search Engine Marketing - Marketing Strategy - Email Marketing - Marketing Automation - Telemarketing - Campaign Management

Source: Upwork, In-Demand Skills 2026: A Market View of Skills Demand in an AI Economy

The Most In-Demand Skills of 2026

Businesses are also expanding how they access specialized AI expertise, with 77% of business leaders reporting increased demand for specialized contract or freelance talent, according to the Upwork Research Institute. At the same time, companies continue to value human capabilities alongside technical skills, with 47% willing to pay a premium for innovative talent and 45% for creative talent.

Business Leaders Value Human Skillsets Alongside AI



n = 1,300 business leaders across two surveys conducted in July- August and December, 2025

Source: Upwork Research Institute, 2026

The Most In-Demand Skills of 2026

What Leaders Should Do

Recruitment and HR leaders must level themselves with emerging skill requirements as AI reshapes hiring demand. Instead of relying only on traditional job titles and credentials, hiring teams should build a stronger understanding of the technical and hybrid skills becoming valuable across roles, then assess whether candidates can effectively apply these skills in real-world situations. This requires stronger evaluation methods, including skills-based assessments, practical work simulations, and AI-related evaluations that measure actual capabilities beyond resume keywords. Leaders should also expand sourcing models to include specialized contract, freelance, and flexible talent pipelines to access niche expertise while building long-term workforce capabilities. Alongside external hiring, companies should invest in internal upskilling initiatives to help existing employees develop the skills needed as job requirements continue to evolve.

How Manatal Helps

Manatal's AI candidate profile enrichment helps hiring teams identify emerging technical capabilities by automatically pulling public data from over 20 platforms, including GitHub, Medium, and professional social networks. Instead of relying solely on traditional resume keywords, recruiters can instantly surface verified portfolios, code repositories, and work samples to identify specialized, high growth skills like AI system integration or AI video generation. By automating this initial skill identification across both full-time candidates and flexible talent pools, Manatal reduces manual screening friction giving hiring managers more time to assess critical human traits like adaptability, creativity, and learning agility during live interviews.

Sources

- [In-Demand Skills 2026: A Market View of Skills Demand in an AI Economy.](#)
- [Hiring Is Now AI Vs AI. What Happens When Humans Are Engineered Out?](#)
- [US tech groups cut 140,000 jobs despite AI spending boom](#)
- [Remote Work or AI? What's Really Driving the Job Crunch for Young Workers](#)
- [The World Cup Hiring Boom That Wasn't](#)

Acknowledgements

We want to sincerely thank everyone who played a role in putting together this report. Your hard work, dedication, and expertise have been invaluable in providing these important insights.

Contributors

Concept and Coordination

Harris Siddiqui

Researchers

Harris Siddiqui

Content and Visualization

Harris Siddiqui, Marylane Garcia

Visual Design

Esther Sui

Visit us at:
manatal.com

Get in touch:
contact@manatal.com

Thank You

www.manatal.com