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EMPLOYERS FACE SPRING HIRING HEADACHE

- *Record Q2 hiring intentions (+31%) curtailed by talent shortage*
- *Q1 London hiring boom levels off*
- *Employers show flexibility tapping into diverse talent pools*

22 March 2022 (London, UK): The hiring spree following the lifting of COVID restrictions shows little sign of easing off this Spring adding to increased employer concern about finding talent, according to the Q2 2022 ManpowerGroup Employment Outlook Survey (MEOS).

Following strong Outlooks for the past three quarters, employers in every sector and across every region in the UK intend to add to their headcount this quarter. Despite this, the previous hiring boom in London is set to cool off with a drop of 11 percentage points in hiring confidence.

ManpowerGroup's research has found that a balance of +31% of UK employers plan to add to their workforce – this is down by two percentage points on Q1, but up by 30 percentage points year-on-year. Demand is being led in the Services, IT and Telecoms, Banking, and Hospitality sectors. The ambitious plans to increase headcount come in the face of rising energy costs, strong pay growth and increasing worries about ongoing talent shortages.

The survey is based on responses from 2,049 UK employers and asks if they intend to hire additional workers, maintain current headcount, or reduce the size of their workforce in the coming quarter (April to June 2022). It is the most comprehensive, forward-looking employment survey of its kind and is used as a key economic indicator by both the Bank of England and the UK Government.

All regions remain positive with employers in the East of the UK the most optimistic with an Outlook of +35%. London employers anticipate a decline in Outlook from +42%, to +31%, bringing the Capital in line with the rest of the UK, which could be put down to a shift in workforce requirements in hospitality, and the rise of hybrid working.

Chris Gray, UK director at ManpowerGroup says: "These near-record hiring plans reveal a flattening of the curve which reflects where the market is right now. Depending on which side of the fence you're on, it can be viewed as an opportunity or a threat. It continues to be a candidate-led market, however if you're looking to fill vacancies, it is a real struggle to find the right talent."

Confronted with a continued talent shortage that doesn't show many signs of easing, Gray discusses what ManpowerGroup is seeing: "Employers are ramping up their investment in workforce strategies with a focus on how they identify, train, upskill and retain talent now



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and in the future. This bodes well in the long term as the UK will need growth of a skilled workforce with the sorts of capabilities that will keep the UK economy buoyant in the future.”

Employers are thinking creatively about their recruitment options. The number of permanent roles continues to rise as does the number of fully remote jobs being advertised in industries which have previously been office based, such as contact centres.

ManpowerGroup data reveals that 14% of employers expect their employees to be remote all the time, which facilitates access to a wider talent pool across of the UK. This will provide some relief for firms, especially now that Proof of Right to Work checks will become fully digitised, making it easier for talent to be accessed.

Data from the ONS shows that those who are economically inactive is up by over 400,000 since the start of the pandemic representing 21.3% of the labour force. This has been driven by those who have taken early retirement, who are long-term sick, or who are studying. Gray comments: “One way employers can ease the headache in hiring is to look at that economically inactive group, such as those aged 50+ who have taken early retirement. Tapping into this market of experienced workers, albeit with some potential training, upskilling and flexible working arrangements, could be the tonic to employers’ hiring headache.”

The pressure on the existing workforce also continues to grow as employers look to fill roles. Gray continues, “Whilst employers are working hard to fill vacancies, they also need to remain invested in those they have in place. Without the right number of people across the business, employees will almost certainly feel more pressure to deliver. To ensure this doesn’t cause a spike in resignations, this needs to be addressed head on.” says Gray.

END

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NOTES TO EDITORS

A ‘Net Employment Outlook’ is calculated by subtracting those employers who plan to reduce staffing levels from those who plan to hire staff. A positive result indicates that more employers plan



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to increase rather than decrease staffing levels; a negative result reflects the opposite. [% increase - % decrease]

For international comparisons and visual library with graphs, visit manpowergroup.com

Commentary is based on seasonally adjusted data where available. Full survey results for each of the 43 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found in the ManpowerGroup Press Room at www.manpowergroup.com/meos. In addition, all tables and graphs from the full report are available to be downloaded for use in publication or broadcast from the ManpowerGroup Web site at:
<http://www.manpowergroup.com/press/meos.cfm>

Note that in Quarter 2 2008, the Survey adopted the TRAMO-SEATS model for seasonal adjustment of data. As a result, you may notice some seasonally adjusted data points change slightly from previous reports. This model is recommended by the Eurostat department of the European Union and the European Central Bank, and is widely used internationally.

About the Survey

The world leader in innovative workforce solutions, ManpowerGroup releases the ManpowerGroup Employment Outlook Survey quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. It is the longest running, most extensive, forward-looking employment survey in the world, polling over 58,000 employers across 43 countries and territories. The survey serves as a bellwether of labour market trends and activities and is regularly used to inform the Bank of England's Inflation Reports, as well as a regular data source for the European Commission, informing its EU Employment Situation and Social Outlook report the *Monthly Monitor*. ManpowerGroup's independent survey data is also sourced by financial analysts and economists around the world to help determine where labour markets are headed.

About ManpowerGroup

ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organisations transform in a fast-changing world of work by sourcing, assessing, developing and managing the talent that enables them to win. We develop innovative solutions for hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people across a wide range of industries and skills. Our expert family of brands – Manpower, Experis and Talent Solutions – creates substantially more value for candidates and clients across more than 75 countries and territories and has done so for over 70 years. We are recognised consistently for our diversity - as a best place to work for Women, Inclusion, Equality and Disability and in 2022 ManpowerGroup was named one of the World's Most Ethical Companies for the 13th year - all confirming our position as the brand of choice for in-demand talent.