



ManpowerGroup™

HIRING CONFIDENCE FALLS TO SEVEN-YEAR LOW

- **Q1 2020 Outlook is lower than any time since 2012 but skills shortages continue**
- **London dips to first negative Outlook in a decade**
- **West Midlands and the manufacturing sector buck the trend with more optimistic hiring sentiment**

LONDON, 10 DECEMBER 2019: UK employers are reporting their weakest hiring confidence in seven years, according to new research from ManpowerGroup. Hiring intentions for the first quarter of 2020 are down three percentage points to +2%, the lowest they have been since 2012. Declining confidence in nearly every sector and region paints a sluggish picture for the start of 2020, with only a few bright spots standing out.

The ManpowerGroup Employment Outlook Survey is based on responses from 2,101 UK employers. It asks whether employers intend to hire additional workers or reduce the size of their workforce in the coming quarter. 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.

Chris Gray, director of ManpowerGroup UK says: “Signs of a slowing global economy, a General Election and a lack of clarity about Brexit are all weighing heavily on the minds of employers leading to many hiring plans being put on ice. Employers want certainty before they can make investment decisions and firm up hiring plans.”

Gray continues: “Employers are hitting the pause button after many years of strong hiring. The challenge is how employers ramp up their hiring plans in the future – the labour market continues to be very tight with employers continuing to report a shortage of skills such as engineers, IT staff, trades people, customer service representatives and medical professionals – irrespective of sector or location. We see little sign of skills shortages easing in the foreseeable future. Our advice is that employers must keep planning – thinking about their strategies for attraction, retention, training and succession planning to best prepare for the future.”

One of the most eye-catching figures this quarter is the abrupt fall of employer hiring confidence in London to -1%, a five-percentage point quarterly decrease and the capital’s first negative Outlook since 2010. This can perhaps be linked to the four-point decrease in the Finance and Business Services sector, which is now at +2%.

Chris Gray adds: “Previous ManpowerGroup data has shown that where London leads, the country often follows. Like the UK as a whole, London’s economy is heavily reliant on the services sector. We have already seen a wave of job cuts at professional services firms across

the City in the past year, including KPMG and EY. The concern is that a poor showing in the capital is foretaste of what's to come through the rest of 2020."

In contrast, this quarter's best performer is the West Midlands, with a two-percentage point increase to an upbeat +13%. With an economy already growing faster than anywhere else outside London since 2012¹, the West Midlands bucks the national trend with a further increase in employer hiring intentions. The manufacturing sector, which is heavily represented in the West Midlands, is also up this quarter with a one-point increase to +4%.

Gray adds: "Perhaps not surprisingly, employers in the West Midlands are hiring. We're seeing an increase in investment in skills in the automotive sector and its supply chain focussed particularly on electric vehicles and new technologies. One factor here is the "Greta Thunberg effect" which is speeding up the demand for electric cars. The challenge will be filling the gaps - many employers are reporting difficulties with finding skilled staff and wage inflation is also driving up costs."

Elsewhere in the regions and nations, the East Midlands, a bastion of positivity for many years, sees employer hiring confidence decrease considerably by 15 percentage points to -2%, its lowest level in over a decade. Along with London and the East Midlands, three other regions are in negative territory, suggesting a contraction in hiring: Wales -1%, Yorkshire and the Humber -1% and the North East -4%. The South East and the South West remain in positive territory, but the Outlook has weakened by three and eight percentage points, respectively. Lastly, Northern Ireland is down at 0, a four-point fall on the quarter, while England as a whole recorded a six-point fall to +1%, its weakest level of optimism since 2012.

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

Commentary and full details on every sector and region can be found in the survey report at manpowergroup.co.uk/meos, or by calling the Press Office on 0207 404 5959/ manpower@brunswickgroup.com

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

¹ ONS - GDP, UK regions and countries: October to December 2018

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 organisations 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®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for over 70 years. In 2019, ManpowerGroup was named one of the World's Most Ethical Companies for the tenth year and one of Fortune's Most Admired Companies for the seventeenth year, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup is powering the future of work: www.manpowergroup.com