

EMPLOYERS IN SOUTH EAST STRUGGLE TO RECRUIT AMID SKILL SHORTAGE

MANPOWERGROUP EMPLOYMENT OUTLOOK SURVEY REVEALS REGION'S EMPLOYMENT OUTLOOK IS THE WEAKEST IN OVER A YEAR

- **Outlook of +3% for the region, down seven points from the previous quarter**
- **Employers feel need to act quickly to secure qualified candidates**
- **Decline in EU workers particularly impacting the engineering sector**

12 DECEMBER 2017: Hiring confidence in the South East has fallen seven points from the previous quarter, chiming with the fall in the national Outlook which is now at its weakest level in five years. While uncertainty about the direction and outcome of Brexit negotiations continues, employers in the South East are also struggling to hire qualified candidates, particularly specialists in the engineering field, according to ManpowerGroup, the world's workforce experts.

The Manpower Employment Outlook Survey is based on responses from 2,102 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 statistic by both the Bank of England and the UK government.

Simon Edwards, Operations Director for Manpower UK, said: "The South East frequently outperforms the national average on hiring confidence, but we have started to see employers really struggle to fill roles. The skills shortage for technical roles is nothing new, but it has been intensified by qualified prospective candidates from European countries choosing to work elsewhere, rather than the UK where they risk an uncertain future."

"Employers in the region are having to adapt to this new hiring landscape. They are using more creative, digital methods to attract prospective candidates and are being increasingly flexible during the recruitment process. They have to act quickly when they find suitable candidates and we have also been helping with relocation guidance to widen the pool of potential candidates."

Nationally, employers have recorded a slump in optimism with a national Outlook of +4%, the lowest level since 2012. Downbeat hiring intentions in sectors such as Finance and Business Services and the Public Sector have both weighed heavily on the national picture this quarter.

James Hick, Managing Director for ManpowerGroup Solutions: "The national Outlook hasn't dipped below +5% since the final quarter of 2012, yet this quarter we are seeing the worrying double whammy of a fall in confidence nationwide and flatlining hiring in London. This makes for a pretty bleak midwinter considering it comes at a time when Brexit talks are

on a knife-edge. It will no doubt prompt fears that our high-flying jobs market might be cooling off.”

However, Brexit fears have actually boosted the transport sector by 10 points, to +12%, as employers “stockpile” permanent employees to avoid the pressure of a Brexit exodus on an aging workforce.

Hick continues: “The Transport sector is a key outlier in the dreary national picture. With online purchases accounting for £2 in every £5 of spending over the festive period, there is an immediate pressing need for professional drivers. This quarter the driver shortage is more acute than ever, thanks to a shrinking pool of talent. Combined with the skyrocketing demand, it is driving up pay significantly – many companies are having to pay premiums of up to 20% on their standard rates for drivers. With so many EU workers employed in driving and logistics roles, employers are already mindful of the cliff edge scenario of exiting EU workers that may accompany Brexit. We are therefore seeing companies in the transport sector “stockpiling” drivers by signing them up for permanent contracts ahead of May 2019.”

Elsewhere in the regions, the concentration of Transport and Haulage jobs in the “golden triangle” of Northampton, Milton Keynes and Daventry has helped propel the West Midlands and East Midlands to the top of the regional table with Outlooks of +12% and +11% respectively. This positivity radiates to Yorkshire and the Humber, which has built on a positive 2017 and is up one point to +8%. Looking further north, the North East and North West have seen contrasting fortunes this quarter. The North East is up four points to +6%, its most optimistic level since Q1, 2017. However, the North West is down to +3%, a two-point quarterly fall.

Hiring pessimism is particularly acute in London, where the Outlook has fallen three percentage points to 0%. Conversely, Wales is riding high on +7%, its best start to a year since 2013 and four-point quarterly rise. Despite a one point fall from last quarter, Scotland is slightly above the national outlook on +5%. After a strong end to 2017, the outlook in Northern Ireland has fallen three points so the region will begin 2018 in line with the national average of +4%.

For further information, please contact:

Brunswick – SERENA BALACHANDRA 020 7404 5959

Email: manpower@brunswickgroup.com

Twitter: [#MEOSUK](https://twitter.com/MEOSUK)

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

Commentary is based on seasonally adjusted data where available. Full survey results for each of the 42 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 Manpower 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 nearly 59,000 employers in 42 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 organizations 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 over 400,000 clients and connect 3+ million people to meaningful, sustainable work 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 nearly 70 years. In 2017, ManpowerGroup was named one of the World's Most Ethical Companies for the seventh consecutive year and one of Fortune's Most Admired Companies, 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