



ManpowerGroup™

UK JOBS GROWTH COOLING DOWN AFTER BIGGEST HIRING SPREE IN FORTY YEARS

MANPOWER EMPLOYMENT OUTLOOK SURVEY REVEALS AN HOURGLASS JOBS MARKET, WITH RECORD DEMAND FOR SPECIALIST SKILLS

- **National Outlook of +6% in Q4 2014, a two-point fall from Q3**
- **Manufacturing job creation hits six-year high**
- **Scottish jobs market wobbles ahead of independence vote**

9 SEPTEMBER 2014: Employers are scaling back their recruitment plans in the fourth quarter of 2014, following this year's record hiring spree, according to ManpowerGroup, the world leader in innovative workforce solutions. With an Outlook of +6%, employers across the UK are still intending to take on staff in the coming quarter – but not at the levels we saw earlier in the year.

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. The national Seasonally Adjusted Net Employment Outlook of +6%¹ indicates that the jobs market has softened since the third quarter of 2014 when the Outlook was +8%.

“The UK jobs market has experienced an unprecedented boom so far in 2014, with job creation peaking at its highest level since records began in 1971. This raises questions about whether the phenomenal level of job creation we've seen can be sustained. The fourth quarter's Outlook suggests it can't, with a two point fall in hiring intentions – the sharpest dip we've seen in three years. While the UK economy is in robust health, there are issues that may be making employers more cautious. The Eurozone's recovery is stalling, and the UK faces a period of political uncertainty with the Scottish independence referendum, a General Election and a potential vote on EU membership all on the horizon,” said James Hick, Managing Director of ManpowerGroup Solutions.

Despite the overall slowdown in hiring intentions some areas of unprecedented demand and acute skills shortages are changing the shape of the UK employment market. Hick comments, “While the pace of jobs growth has slowed, we are actually seeing the emergence of an hourglass jobs economy, with an abundance of demand at the top and bottom, while the middle remains squeezed. At the top of the hourglass we are seeing huge demand for skilled IT, finance and engineering candidates and our professional sourcing division has placed a record number of people to address skills shortages in these areas. While salary growth across the UK as a whole remains constrained, these sectors are bucking the trend as high demand is driving up pay.”

Hick continues, “Job creation in manufacturing has hit its highest level in six years, driven by manufacturing hubs such as the West and East Midlands, which top the regional tables this

¹ Unless otherwise stated, all figures reported are based on seasonally adjusted data.

quarter. At the bottom of the hourglass there is also a barrage of demand for unskilled and semi-skilled workers in the service sector.”

Elsewhere in the UK, the previous Outlook indicated that employers in Scotland remained confident about their hiring plans in the run up to the referendum. As the 18th September draws closer, this confidence appears to have taken a tumble with a six point fall in the Scottish Outlook to +3%.

Hick again: “The Scottish jobs market is less buoyant as we edge closer to the referendum. This could be due to the hesitance of employers to take on staff while there is a big question mark hanging over Scotland’s future. However, the decline could also be down to the short-term nature of some of the recent hiring we’ve seen, fulfilling the demands of Scotland’s Summer of Sport. Major events like the Commonwealth Games and the Ryder Cup in Gleneagles have required large numbers of temporary staff to make them run smoothly, especially in distribution and catering. It looks like the booming temporary jobs market may have left Scotland at the same time as the Commonwealth Games baton.”

The picture in the rest of the UK is mixed going into the fourth quarter of 2014. London’s Outlook of +9% represented a strong bounce of eight points as the capital’s employers end 2014 at their most optimistic level of the year. Along with those in the West Midlands, employers in the East Midlands topped the charts with an Outlook of +12%. Also strongly positive is Yorkshire and Humberside, where employers finish an encouraging year with a two point increase in Outlook to +10%. In contrast, the Outlook in the South West fell into negative territory with an Outlook of -4%.

The South East Outlook dipped three points to +7% from +10% in the last quarter, but remains marginally above the UK rate. Along with Scotland, Wales (+1%) and Northern Ireland (+2%) both report hiring intentions below the national average, however the picture in Northern Ireland has improved with a six point jump to a positive Outlook after two quarters languishing in negative territory.

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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 manpower.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 66,000 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) has been the world's workforce expert, creating innovative workforce solutions, for more than 65 years. As workforce experts, we connect more than 600,000 men and women to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands – Manpower®, Experis™, Right Management® and ManpowerGroup™ Solutions – we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2014, ManpowerGroup was named one of the World's Most Ethical Companies for the fourth 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 makes powering the world of work humanly possible: www.manpowergroup.com.

About Manpower UK

Manpower is the global leader in contingent and permanent recruitment workforce solutions. It is part of ManpowerGroup, the world leader in innovative workforce solutions, which creates and delivers high-impact solutions that enable clients to achieve their business goals and enhance their competitiveness.

With a network of 300 offices in cities across the country, Manpower has provided organisations in the UK with a continuum of staffing solutions from the incidental to the strategic for 55 years, working with businesses such as BT, IBM, Royal Mail and Xerox to help them win.

In the Human Age, where talent has replaced access to capital as the key competitive differentiator, Manpower UK leverages its trusted brand to develop a deep talent pool, providing clients with access to the people they need, fast.

Manpower UK creates powerful connections between organisations and the talent they need to enhance their competitiveness and unleash their workforce potential. By creating these powerful connections, we help everybody achieve more than they imagined, and power the world of work.

For more information, see www.manpower.co.uk