



GLIMMER OF HOPE IN Q4 JOBS OUTLOOK

- **UK jobs Outlook for Q4 2020 at -8%, up 4 points from last quarter's 28-year low**
- **Early signs of twin-track recovery as construction, finance and manufacturing all rise sharply while retail and hospitality are unmoved**
- **Two-thirds of employers to overhaul workplace policies on remote working, flexi-time and new skills.**

LONDON, 8 September 2020: COVID-19 continues to weigh heavy on the UK employment market but there are clear signs of improvement in the final quarter of 2020, according to the latest ManpowerGroup Employment Outlook Survey. While the Q4 UK Employment Outlook is -8% – a near-historic low – new data reveals a 4-point lift compared to the previous quarter. As lockdown eases and employers embrace new ways of working, the uptick is driven by stronger hiring intentions in utilities and agriculture as well positive momentum in several other key sectors.

The ManpowerGroup Employment Outlook Survey is based on responses from 1,258 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.

Mark Cahill, Managing Director, ManpowerGroup UK says: “The headline number illustrates just how tough the labour market is currently. This is still the second weakest Outlook we’ve seen since 1992. But the four-point national increase from last quarter, along with a positive trend in several key sectors, is cause for some cautious optimism. Despite the end of the furlough scheme in October and signs of a resurgence in the virus in some areas, employers expect the UK jobs Outlook to be tentatively heading in the right direction as 2020 ends.”

The main bright spots among the sectors for Q4 are utilities (+4%) and agriculture (+8%) – the only sectors in positive territory. Elsewhere there are indications of progress. While still low compared to historic norms, finance and business services saw a nine-point upswing to -7% this quarter – its biggest quarterly bounce since 2005. Manufacturing and construction are up sharply, from -14% last quarter to -7% in Q4. In contrast, two key sectors stand out for their continued weak performance. Transport, storage and comms is languishing on -17%, up slightly from -21% in Q3, but still very downbeat. Retail, wholesale and hospitality remains on -10%, an equal all-time low.

Cahill continues: “A twin-track recovery is emerging, with some sectors in the fast lane and better-placed to bounce back while others face a more testing end to the year. The contrast with sectors such as construction and hard-hit industries like hospitality are clear. Many big building and infrastructure projects are now pushing hard to make up for lost time, and construction firms have had several months to refine their social distancing procedures while maintaining productivity. There’s still very strong demand for skilled trades: electricians, carpenters, engineers. The hope is that the rise in staycations and strong uptake of the Eat Out to Help Out scheme will provide a late-summer shot in the arm for hospitality, but there’s no doubt that the last quarter of 2020 will remain difficult.”

The research also provides clear signs of how COVID-19 is structurally changing the way Britain works. Over two thirds (68%) of UK employers are overhauling workplace policies and putting a greater emphasis



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on upskilling employees to adapt to the challenging environment. Thirty-five percent (35%) of employers say they are planning to offer more flexitime and 43% will offer either partial or indefinite remote-working arrangements in response to the COVID-19 pandemic. Similarly, 36% of employers are planning to offer more opportunities to learn and develop new skills.

Cahill again: “The lockdown has supercharged the ‘Working From Home’ trend in many sectors, as businesses and their employees have experienced the value of more workplace flexibility. However, there are big challenges associated with this new way of working, particularly around maintaining productivity and internal communication, and some employees need upskilling and reskilling to meet the demands of this transformed workplace. Even so, it’s perhaps surprising that 65% of employers are not considering more flexitime, given the added domestic pressures many employees are still under. Despite the complexity flexitime can create, we’d urge all employers to be as adaptable as possible in the current climate.”

“And of course, there is also large portion of the population where working from home is just not a possibility, particularly among the youngest and oldest workers, and those in manual jobs. While many public and private sector initiatives are helping people get back to work, there is still a significant amount of work to do to make sure no one is left behind in the new ‘distance economy’.”