



UK BUSINESSES ATTEMPT TO INCENTIVISE RECRUITS WITH TRAINING OVER WAGE INCREASE

- *77% of UK employers struggling to recruit due to a lack of skilled talent*
- *Almost half (44%) of businesses offering training and upskilling in a bid to fill roles*
- *Only 29% of businesses are increasing wages as a hiring incentive*

London, 28 October 2021: As employers face an ongoing battle to fill roles, ManpowerGroup has revealed that almost half of UK businesses look to training and mentoring as a hiring incentive, over increasing wages. This comes as 77% of employers struggle to recruit due to a lack of skilled talent, according to ManpowerGroup's recent data.

In a bid to fill roles, businesses are offering both financial and non-financial incentives, including:

- Offering training, skills development or mentoring (44%)
- Offering more flexible work schedules (42%)
- Offering more flexible working locations (33%)
- Increasing wages (29%)
- Offering more non-financial benefits e.g. holidays (19%)
- Offering incentives such as joining bonuses (18%)
- Lowering job skills or experience requirements (16%)

Chris Gray, Director, ManpowerGroup UK said, "Many UK employers are turning to non-financial incentives, such as additional annual leave, hybrid working options and enhanced training opportunities. A third of UK businesses intend to offer flexible work locations as a hiring incentive, despite only a quarter of middle managers feeling positive about continued remote working. This disconnect is something that employers will have to contend with in a talent scarce market."

"Workplace demand has changed dramatically over the course of the last two years - the top three most applied for jobs in last month were in insurance, design & creative and graduate and trainee roles - the majority of which can be performed partly remotely. A harsh departure from the same period in 2019, when media, pharmaceutical and travel & tourism sectors topped the list of most sought-after roles."

Gray continues, "Although training and upskilling are being offered by almost half of UK businesses, 24% have admitted that money is a barrier to these plans. And despite the government's calls for the UK to become a 'high-skill, high wage' economy, more needs to be done to support businesses to deliver against these plans."

Following yesterday's budget announcement that the National Living Wage will increase from £8.91 per hour to £9.50, from 1 April and the public sector pay freeze will end for 2.6 million workers. "The UK must avoid a salary spiral where wages continue to rise but is not met by an equal increase in productivity. Training is a long-term solution and one that will bring about an upskilled workforce of the future, in line with government ambitions."

Workforce demographics have changed as a result of the pandemic and organisations need to be sure they're in the right position to make the most of all skilled individuals in the market. Statistics from the Centre for Ageing Better show that the number of over 50s in work has declined by 181,000 since the start of the pandemic, and the 50-64 unemployment rate has increased from 2.8% to 3.4%ⁱ.

ManpowerGroup's findings also revealed that 22% of UK employers surveyed plan to focus their upskilling efforts on older workers (50+). This age group was largest proportion of workers on furlough when the scheme came to an end last month. Given that 50-64 year olds represent over 10 millionⁱⁱ workers, this could be a potentially huge untapped resource of experienced workers available to the UK.

At the other end of the spectrum, younger workers are also high on the agenda as we see new entrants to the market in Q4; 37% of businesses said that students or recent graduates are the group they plan to upskill or reskill most.

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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

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.

The methodology used to collect the data for the Employment Outlook changed for Q4 2021. Respondents in prior quarters were contacted via telephone. With the shift to remote working and much higher reliance on the internet, survey responses are now being collected online. Respondents are members of double opt-in online panels and are incentivised to complete the survey. The question asked and the respondent profile remains unchanged. Size of organisation and sector are standardised across all countries to allow international comparisons.

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 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 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 recognized consistently for our diversity - as a best place to work for Women, Inclusion, Equality and Disability and in 2021 ManpowerGroup was named one of the World's Most Ethical Companies for the 12th year - all confirming our position as the brand of choice for in-demand talent.

ⁱ <https://ageing-better.org.uk/news/fears-for-over-50s-prospects-after-furlough-ends>

ⁱⁱ <https://www.statista.com/statistics/281208/population-of-the-england-by-age-group/>