



UK EMPLOYERS DETERMINED TO KEEP HIRING IN BATTLE TO RETAIN TALENT

- UK employers commit to hiring in 2023 with positive Outlook at +19%
- IT sector leads with an Outlook of +34% as tech talent proves hardest to find
 - Hiring plans remain strong in London, at +24%

Thursday 05 January 2023 (London, UK) – In the context of high inflation and an economic downturn, UK employers have signalled they are determined to keep hiring in the New Year with the Net Employment Outlook remaining positive at +19% for Q1 2023, according to the latest ManpowerGroup Employment Outlook Survey.

The ManpowerGroup Employment Outlook Survey is based on responses from 2,030 UK employers and asks if they intend to hire additional workers, maintain current headcount, or reduce the size of their workforce in the coming quarter (January to March 2023). 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 UK Government.

Although UK employers intend to keep hiring at pace to maintain productivity and business as usual, the latest Outlook does mark a decline of five percentage-points on Q4 2022. With a stretched and tightened labour market to contend with, retaining skilled talent will be a key priority for many organisations.

"Talent retention is going to be a battle for most employers this year" says Chris Gray, Director at ManpowerGroup UK. "We're seeing hiring cool for the third quarter running, but the demand for skilled talent is still outstripping supply – meaning employee choice over their working conditions and workplace remains high, resulting in job-hopping for better skills training and benefits."

"This situation can be likened to a leaky bucket – employers have to keep hiring at pace just to maintain position and not lose out amidst an ongoing skills shortage."

Gray continues: *"Where skills are in short supply, productivity is the first thing to fall. We're seeing upskilling become increasingly important to employees, so investment is critical if employers want to retain talent and also boost their employees' productivity."*

The IT sector leads the pack with a Net Employment Outlook of +34%, level with the last quarter, as 80% of IT firms struggle to find talent¹, and 58%² of tech firms reporting IT and data skills are the most difficult to find. Employers across all industries report IT skills are in shortest supply.²

¹ ManpowerGroup 2022 Talent Shortage Survey

² ManpowerGroup 2022 Talent Shortage Survey

However, data collected by ManpowerGroup's IT specialist brand Experis shows 27% of UK adults wish they worked in the IT sector, with 23% saying they would consider taking courses to retrain and move into the industry.

Gray explains: *"Despite prominent news coverage of tech firms laying off staff, the IT industry is still struggling to find skilled talent more than any other sector. Demand for tech skills is outstripping supply, even though the data tells us there is great enthusiasm for working in tech if the skills training is available. Employers need to provide upskilling and reskilling opportunities to attract and retain the best talent."*

The Finance and Real Estate sector is reporting a Net Employment Outlook of +18%, a decline of 22 percentage-points on last quarter and down 26 percentage-points year-on-year. Despite the sharp decline, hiring levels remain very positive as the sector returns to business as usual. However, 80% of employers in the sector are struggling to find skilled talent – the most of any sector.³

"The Finance sector is struggling more than most to retain skilled talent" explains Gray. *"There is a longstanding challenge with reskilling in the sector. Firms are having to hire at higher-than-average rates to bring in new talent because there aren't sufficient reskilling and upskilling opportunities to provide high-value employees with high-demand skills, resulting in attrition. We're especially seeing younger employees leaving the sector because they lack mentor figures and upskilling opportunities."*

The Net Employment Outlook for all UK regions remains positive, with hiring plans above the national average in London with an Outlook of +24%, a decline of four percentage-points on last quarter and down 18 percentage-points year-on-year. Hiring confidence is strongest amongst employers in the North East (+27%) and the weakest in Yorkshire & Humberside (+4%).

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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]

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 41 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

³ Economic and Labour Market Update 2022

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 workforces during the next quarter. It is the longest running, most extensive, forward-looking employment survey in the world, polling 40,700 employers across 41 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 2022 ManpowerGroup was named one of the World's Most Ethical Companies for the 13th year - all confirming our position as the brand of choice for in-demand talent.