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EMPLOYERS TRYING TO HIRE, BUT WORKERS WANT A BETTER OFFER

- *UK Net Employment Outlook has risen two percentage-points, with +21% of employers intending to hire in Q2*
- *IT sector most optimistic with a hiring intention of +48%, but majority of employers struggle to find talent*
- *ManpowerGroup UK advises businesses to adopt a new approach to skills needs to plug talent gap*

Tuesday 14 March 2023 (London, UK) UK employers report a buoyant labour market with the Net Employment Outlook rising to +21%, up two percentage-points since last quarter and down ten percentage-points on Q2 2022, according to the latest ManpowerGroup Employment Outlook Survey.

In the context of record low unemployment and a historically tight labour market, employers continue to struggle to attract skilled talent, and in demand workers can't find employers that fit their pay and skills needs. ManpowerGroup is advising employers revisit their essential skills requirements and consider what can be learnt on the job.

The ManpowerGroup Employment Outlook Survey is based on responses from 2,020 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 (April to June 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.

"Our survey continues to show strong hiring intentions despite the economic climate, but hiring intentions are not translating into filled vacancies." said Chris Gray, Director at ManpowerGroup UK.

"There is a mismatch between what workers want and what employers are offering. Employers across the country are still keen to take on new talent, and workers want to take on higher paying roles with greater development opportunities. However, they aren't seeing these jobs advertised. Job descriptions are going unread because they aren't offering the skills growth workers want. Employers need to be clear about the progression opportunities and the training they are providing."

Approximately ten million people in the UK currently do not have a job, with 1.2m of those being unemployed and the remaining 8.9 million classed as economically inactive.[\[1\]](#)
"It's time to bring these workers into the fold," continues Gray.

"In a time of economic uncertainty and a cost-of-living crisis, we're seeing that existing employees are reticent to move to new jobs and would rather take on more over-time or a second or third job to make ends meet and continue to develop. We have to be looking to bring those inactive back into the workplace and this requires structural changes to make this a realistic option. Government has an opportunity in this week's Budget to help make

this happen – an improved childcare offer and support for over 50s and long term sick could make a real difference.”

Employers across all sectors plan to increase headcount. The IT sector leads the pack, with a Net Employment Outlook of +48%, an increase of 14 percentage-points on last quarter and up eight percentage-points on Q2 2022. This figure is more than twice the national average Net Employment Outlook. IT is followed by Communication Services (+36%), Transport, Logistics and Automotive (+27%) and Financials & Real Estate (+27%).

Gray explains: “Demand for highly-skilled tech talent continues to grow and we see this across all sectors. This growth is positive for workers, as businesses continue to deliver today while transforming for the workplace of tomorrow. This growth has a knock-on effect as new and different roles emerge, from project and change managers to newly skilled production workers. The opportunities are numerous as British industry works on future-proofing itself. To meet the demand, employers must re-evaluate what is essential and what is desirable in a candidate, and consider whether the role could be filled with a candidate who is 60 to 70 per cent fit for the role, and could be trained for the future.”

East Midlands leads the regions with a Net Employment Outlook of +29%, up 23 percentage-points on last quarter, followed closely by the South West (+26%) and London (+24%).

Gray concludes: “We are encouraged to see demand for workers the length and breadth of the UK – employers in all regions plan to expand headcounts. This is true especially of the East Midlands, which has seen hiring optimism surge since last quarter. Our insights tell us that a great deal of this demand stems from small and medium sized businesses which continue their optimistic streak in the region.”

UK Hiring Plans by Industry, Region, and Employer Size:

- Across sectors we see: Transport, Logistics & Automotive (+27%), Communication Services (+36%), Consumer Goods & Services (+21%), Energy & Utilities (+20%), Financials & Real Estate (+27%), Health Care & Life Sciences (+8%), Industrials & Materials (+20%), Information Technology (+48%), Other / None of the Above (+12%)
- Across regions we see: East Midlands (+29%), East (+19%), London (+24%), North East (+18%), North West (+16%), South East (+19%), South West (+26%), West Midlands (+20%), Yorkshire & Humber (+20%), England (+23%), Northern Ireland (+21%), Scotland (+20%), Wales (+8%)
- Across employee sizes: Micro [1-9 employees] +21%, Small [10-49 employees] +18%, Medium [50-249 employees] +22%, Large [250+ employees] +24%.

[i] <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/february2023>

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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 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 75 years. We are recognized consistently for our diversity – as a best place to work for Women, Inclusion, Equality, and Disability, and in 2023 ManpowerGroup was named one of the World's Most Ethical Companies for the 14th year – all confirming our position as the brand of choice for in-demand talent.

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