

PRESS RELEASE

## **EMPLOYER MOOD BUOYANT AMIDST TALENT TUG OF WAR**

- *UK Net Employment Outlook rises to +29%, as employers intend to keep hiring in Q3*
- *British Employers remain resilient in the face of economic headwinds; with Communication, Finance & Tech sectors driving demand*
- *A talent tug of war between employers and employees sees changing attitudes to employment face up to growing concerns around productivity*

**Tuesday 13 June 2023 (London, UK)** Employer hiring confidence has grown in almost every sector, rising by eight percentage-points to +29% since last quarter, according to the latest ManpowerGroup Employment Outlook Survey.

The ManpowerGroup Employment Outlook Survey is based on responses from 2,013 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 (July to September 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.

The optimistic UK Net Employment Outlook follows a global trend and indicates the country's businesses are remaining competitive in challenging economic circumstances. The Outlook is only five percentage-points lower than this time last year, when overall jobs vacancies were at record high levels. Despite the positive uplift, many employers are still having great difficulties in sourcing the right talent amidst rising costs.

"The intention to hire remains very positive for most businesses," says Chris Gray, Director, ManpowerGroup UK. "Especially if you consider how this year began with concerns of a recession, and where we are in terms of inflation and the cost-of-living. We should lean toward the opportunities this positive Outlook indicates, as we're still seeing concentrated demand in our real-time data for very specific skills across all sectors."

Gray continues: "The intent to hire is promising in many areas but it comes partly due to the high number of reoccurring unfilled vacancies proving hard to fill due to niche skills scarcity. It also contrasts with the realities that high-volume employers are experiencing where speed to hire is more of a challenge. Ongoing talent supply issues are restricting UK business' ambitions to grow, aligning what British employers need with the shortage occupation list will bolster our global competitive standing."

Some industries that have been in the spotlight lately because of mass layoffs, are unexpectedly seeing some of the biggest increases in terms of hiring Outlook. They include Financial and Real Estate which has had a 14% boost on the quarter with the Outlook now at +40%.

Like many other sectors, Finance and Real Estate is undergoing major transformation as legacy skills meet high-growth, new disciplines such as fintech and cryptocurrencies. Its younger subsectors, underpinned by tech, are driving new hiring opportunities even as traditionally high-volume employment fields such as bricks and mortar services see a slowdown.

The sector with the strongest hiring intent this month – despite recent reports of mass layoffs from businesses including BT and Vodafone - is Communication Services, with a Net Employment Outlook of +52%, an increase of 16 percentage-points on last quarter and 34 percent on Q3 2022. It is followed by IT (+43%) which although still an exceptionally strong Outlook, has seen a decline on the quarter of five percentage-points, and nine year-on-year.

Gray adds: “News of layoffs in parallel with record highs in our data is a trend we’re seeing the world over and is not unique to the UK. And stems from increasing demand in certain areas conflicting with transformation related wind downs in others. Although easier said than done, businesses that can do, should consider reskilling their workforce to support the shifts underway in their organisation, rather than turning to layoffs.”

Across all sectors, contrasting needs of businesses and employees are the focus of a power play for talent as changing attitudes to employment meet with growing concerns around productivity.

“Employers and employees are in a talent tug of war as businesses grapple for presence and productivity while workers hold tight to their needs for flexibility and freedom. This battle is playing out against a background of rising costs and technological change. Workers are demanding wage increases to stay aligned with inflation and reward skills adaptations that are being driven by technology. Employers are under extra pressure to meet such expectations, because of the tight labour market and need to remain competitive” says Gray.

In our real-time vacancy data follows the Net Employment Outlook trend, where by vacancies are down on the year but up month on month throughout 2023. We find applications per vacancy have risen 2% in April with an average of 13 applications per vacancy, with vacancies throughout the UK remaining high but steadily declining each month.

Gray concludes: “Since the pandemic we’ve seen small businesses continue to suffer from pandemic paranoia and are more cautious in their hiring intentions as a result. Larger, especially international, organisations also have the added benefit that they can take a more long-term approach to hiring and potentially take into account how other markets are faring – acting as a barometer of what might be to come. We would hope to see small business confidence improve over the course of the rest of the year as they feel the positive trickle down of more positivity in the economy.”

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

- Across sectors we see: Transport, Logistics & Automotive (+16%), Communication Services (+52%), Consumer Goods & Services (+25%), Energy & Utilities (+38%), Financials & Real Estate (+40%), Health Care & Life Sciences (+21%), Industrials & Materials (+24%), Information Technology (+43%)
- Across regions we see: East Midlands (+27%), East (+23%), London (+29%), North East (+24%), North West (+30%), South East (+27%), South West (+22%), West Midlands (+31%), Yorkshire & Humber (+22%), Northern Ireland (+52%), Scotland (+23%), Wales (+31%)
- Across employee sizes: Micro [1-9 employees] +9%, Small [10-49 employees] +31%, Medium [50-249 employees] +27%, Large [250+ employees] +30%.

**ENDS**

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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](http://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](http://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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