



UNDER STRICT EMBARGO:

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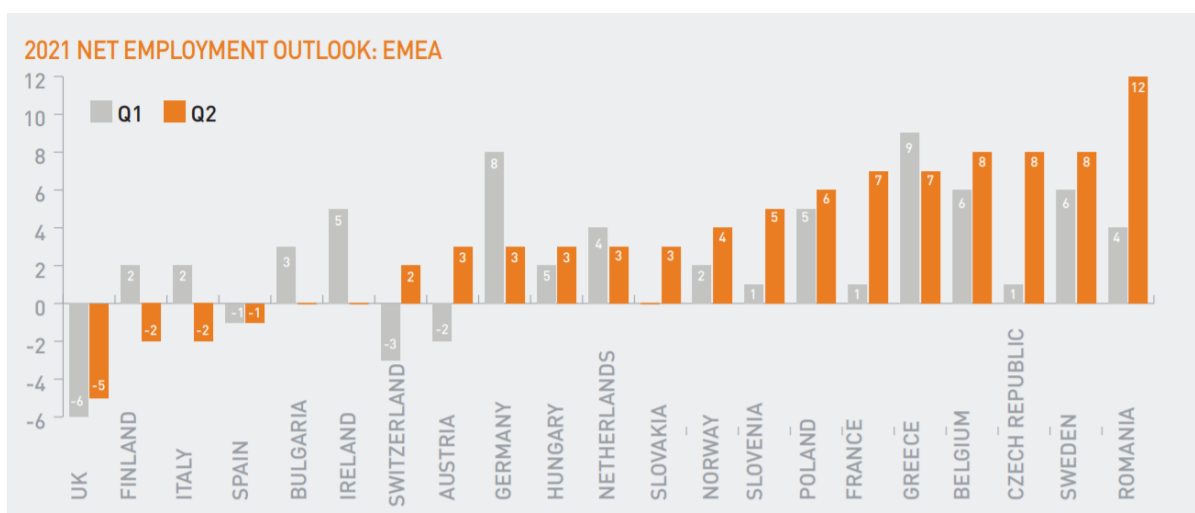
## JAB SUCCESS YET TO BOOST UK JOBS MARKET

- UK still the least optimistic country in Europe despite leading the vaccine rollout
- However, a sense of optimism has returned to Britain's largest employers
- Finance and business services sees post-Brexit hiring slump

**LONDON, 9 March 2021:** The UK's rapid vaccine roll-out is yet to translate into a bounce in hiring levels, according to the latest ManpowerGroup Employment Outlook Survey. The UK's jobs Outlook saw a one-point improvement on the quarter to -5%, remaining the least optimistic in Europe. But in the wake of large-scale job losses at some of the country's best-known businesses, optimism is now surging among the UK's biggest employers.

The ManpowerGroup Employment Outlook Survey is based on responses from 1,515 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.

Chris Gray, Director, ManpowerGroup UK says: "The UK may be leading the way on the COVID vaccine roll-out, but it's still the comparative sick man of Europe when it comes to hiring optimism. This has been the weakest twelve months for the UK's jobs Outlook in 30 years – much worse than the 2008-9 crisis. However, with unemployment expected to peak at 6.5% next year, far lower than 11.9% previously predicted, the hope remains that hiring confidence will snap back as the economy reopens. But the current message is clear: most employers are cautiously observing the impact of the vaccine roll-out and the longer-term effects of Brexit before taking major decisions on recruitment."



Both these factors appear to be weighing heavy on Britain's critical finance and business services sector. It is down eight points to -5% and has dropped 14 points in the last year. Gray again: "While the disruption caused by the pandemic is one factor depressing the sector's jobs Outlook, concern about regulatory equivalence with the EU post-Brexit is reaching boiling point. We've already seen Amsterdam overtake London in terms of share trading volume, and industry holdouts have taken matters into their own hands, shifting their recruitment focus to other European markets. City stalwarts like the independent investment bank Numis are proceeding with establishing their first European offices outside the UK."

The shift in recruitment focus to the rest of Europe compounds the lacklustre picture in London continuing into Q2 with the capital on -7%, still lower than at any time during the Great Recession. However, Gray remains optimistic: "While several financial services firms are moving some of their business out of the country, the inverse is also happening; over a thousand European financial services firms are planning to establish offices to continue to participate in the UK's world leading markets. We also found that 41% of organisations hope to get employees back into workplaces permanently after the pandemic, so hubs like London will remain vital.

While most sectors continue to languish in negative territory, the most positive data relates to Britain's largest employers; after three negative quarters, a sense of real optimism has returned, and they have an Outlook of +15%. In contrast, micro, small and mid-sized employers remain in the doldrums, on -5%, -7% and -1% respectively. For the first time in 12 years, large employers are the only segment looking to hire in the next quarter.

Gray continues: "For the past 12 months many employers in the UK have rapidly accelerated digitisation. According to our data, large employers stand out in this regard – they plan to digitise more and are also hiring most while conversely, smaller organisations are more likely to have put digitisation plans on hold due to the pandemic and reduced hiring plans. In fact, 84% of UK employers that are automating plan to increase or maintain their headcount<sup>1</sup>. We are seeing the emergence of a K-shaped recovery where some companies and industries are bouncing back faster and better while others are at risk of falling further behind. At the same time, the gap is widening between high- and low-skilled labour. It is more vital than ever that organisations close their skills gap by building talent through upskilling and reskilling their workforce to meet the rapid changes in demands and in the way we work."

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<sup>1</sup> ManpowerGroup. (2021) 'Skills Revolution Reboot 2021' Available at: [https://www.manpowergroup.co.uk/wp-content/uploads/2021/02/MPG\\_Skills\\_Revolution\\_Reboot\\_2021.pdf](https://www.manpowergroup.co.uk/wp-content/uploads/2021/02/MPG_Skills_Revolution_Reboot_2021.pdf)

## 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](http://manpowergroup.co.uk/meos), or by calling the Press Office on 0207 404 5959/ [manpower@brunswickgroup.com](mailto:manpower@brunswickgroup.com)

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 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](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 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 substantial 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 2020 ManpowerGroup was named one of the World's Most Ethical Companies for the eleventh year - all confirming our position as the brand of choice for in-demand talent.