

UNDER STRICT EMBARGO:

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MOST UK EMPLOYERS EXPECT RETURN TO PRE-COVID HIRING LEVELS BY EARLY 2021

- **UK employment Outlook for Q3 2020 falls to -12%, least optimistic ever**
- **Many employers expect hiring to return to pre-Covid-19 levels within the next 12 months**
- **Hiring intentions are down across every major sector**

LONDON, 9 JUNE 2020: While businesses across the country have started the process of coming out of the Covid-19 lockdown, employers are reporting the weakest Outlook since records began in 1992, according to the latest ManpowerGroup Employment Outlook Survey. Hiring intentions for the third quarter of 2020 are down to -12%, with a sharp drop across all major sectors. However, employers remain cautiously optimistic that this will be temporary with over half (57%) of employers expecting to return to pre-Covid-19 hiring levels by this time next year.

The ManpowerGroup Employment Outlook Survey is based on responses from 1,056 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.

The research reveals the huge impact of Covid-19 on UK businesses. Nearly half of employers report that 50% or more of their normal business activities have been suspended. The difference across sectors is stark: while 40% of companies in the Financial and Business Services sector have seen significant levels of disruption, that rises to 72% in Retail and Hospitality. Mark Cahill, Managing Director, ManpowerGroup UK says: "While there's no getting away from the challenges that lie ahead, the data underlines the resilience of UK employers.

Cahill continues: "It is worth reiterating that around three quarters of employers we spoke to expect to retain current staffing levels in the coming quarter and just over half expect to return to pre-Covid-19 hiring levels during the beginning of next year. The level of disruption is unprecedented and many will be looking closely at what happens next with how Covid-19 progresses, how consumers respond and what all this means for their own operations."

The turbulence in every sector has put an even greater emphasis on speed and agility. Cahill again: "Many employers have shown tremendous adaptability during these difficult times and often it's the social distancing requirements rather than a fall in demand that is driving change. The Manufacturing sector Outlook may be down to -15%, but big manufacturers still need to hire for key roles in order to keep factories running. By shifting their training programmes online, a number of our larger clients have transformed the way they onboard new recruits. This ensures that new hires can hit the ground running from Day 1. And it's not just training –

businesses organisations of all sizes, including global businesses which would often have long lead times, whose products such as face masks have been in high demand throughout the crisis, have accelerated their internal processes, reducing lead times for contracts from months to weeks or even days.”

Cahill again: “The uniquely difficult circumstances will mean that some of us will do roles that have never existed before and others will never do the same role again. In the past few weeks we have seen thousands of requests globally for roles that have never existed before, such as contact tracers and temperature checkers. Covid-19 has also brought industry competitors closer together: in our own industry, employment services, we are collaborating with other leading HR providers as well as government and business groups to help employers around the world get back to work in the new normal”.

There are only a few of bright spots among the sectors in terms of hiring intentions for Q3 2020. The public sector is still positive (+2%), and Agriculture is the cream of the crop, rising by nine percentage points to +11%. However, some of this optimism is driven by the staff shortfall caused by the quarantine restrictions on travel. Cahill adds: “The public sector - particularly our care homes - and the UK’s agriculture industry are some of the sectors that are most reliant on migrant workers. UK farms need around 90,000 seasonal workers for the April to October harvest. It has been impossible to ignore the huge advertising campaign ‘Pick for Britain’ in the newspapers and TV backed by Waitrose, ITV and the UK Government demonstrating the scale of the problem. The significant positive hiring intentions in the sector illustrates how employers are desperate to fill this shortfall.”

All other sectors saw significant drops in outlook.

	Net Employment Outlook Q3 2020	Percentage of employers reporting at least 50% of business suspended
Transport & Communications	-22%	72%
Finance & Business Services	-16%	40%
Manufacturing	-15%	60%
Construction	-13%	66%
Hotels & Retail	-12%	72%
Mining	-2%	52%

For further information, please contact:

Brunswick – Nick Cosgrove / Daniel Holgersson 020 7404 5959

Email: manpower@brunswickgroup.com

Twitter: [#MEOSUK](https://twitter.com/MEOSUK)

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.

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. See how ManpowerGroup is powering the future of work: www.manpowergroup.com