

UNDER STRICT EMBARGO UNTIL 03.06.21 AT 01.00 (EST)

- Press Release -

ManpowerGroup Global Employment Outlook Survey

Employers report favorable employee hiring plans in the fourth quarter of 2021

Net Employment Outlook in Israel for the coming quarter stands at +11%

The strongest reported in three years

26% of employers in Israel forecast job gains.

68% of employers report recruitment difficulties

- Hiring plans are 3 percentage points stronger when compared with the previous quarter, and improve by 22% compared with this time one year ago – when COVID-19 first had an impact on hiring plans.
- The strongest job market is expected in Jerusalem, with a Net Employment Outlook of +25%,
- The strongest hiring pace is anticipated in the Wholesale & Retail Trade sector, where the Net Employment Outlook is +26%
- The large employers report a Net Employment Outlook of +25%.
- 60% of employers responded that they would be working at the Company facilities full-time
- 65% employers reported that they would allow flexible hours
- 68% of employers in Israel report difficulty hiring, the highest Talent Shortage recorded in 12 years.
- The three most problematic staffing areas are: Operations / Logistics (49%) , Production based on industry/manufacturing (15%), Customer-Facing (9%)

Tel Aviv, Israel, 3.6.21 2021

Israeli employers report favorable hiring intentions

According to the ManpowerGroup employment survey ahead of the third quarter of 2021, Israeli employers report the most upbeat hiring intentions in three years: 26% of employers

forecast increased headcounts, 11% forecast reduced headcounts 60% forecast stability and 3% do not know whether there will be a change in their status.

Therefore, the Net Employment Outlook stands at 11% net.

The Employment Outlook Survey, which has been conducted on a quarterly basis for over 55 years, is based on a representative sample of 555 employers in Israel. The Survey is intended to measure employers' intentions to increase or decrease their payrolls during the next quarter.

The Net Employment Outlook is derived by taking the percentage of employers forecasting an increase in hiring activity and subtracting from this the percentage of employers expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook.

Impact of the Coronavirus pandemic on the employment market and coping strategies for Talent Shortages

In order to help organizations better understand the trends and factors influencing talents in Israel and globally, they were asked additional questions in the survey related to the Talent Shortage and questions related to the effects of the Coronavirus pandemic on the employment market.

Impact of the Coronavirus pandemic

- Half of the employers stated that by January 2022 they would resume recruiting at levels similar to the pre-pandemic era
- 60% of employers responded that the work mode for most of the company employees in the coming two quarters would be full-time on-premise. 31% stated that most of the employees would be working partially on-premise and only 6% reported that they would be working remotely full-time.
- 65% of employers reported that they would be allowing work hour flexibility and 24% stated they would allow a hybrid mode of remote and on-premise work. 20% stated they would allow employees to choose their workplace.

Talent Shortage

- **68% of employers globally report difficulty hiring**, the highest Talent Shortage recorded in 12 years.
- **77% of employers in both large companies and primary industries are having difficulty** filling jobs due to lack of skilled talent.

- **Most difficult roles to fill:**
 1. Operations / Logistics (49%)
 2. Manufacturing / Production (15%)
 3. Customer Facing (9%)
 4. IT / Data (8%)
 5. Sales / Marketing (8%)
 6. Administrative / office auxiliaries (8%)
 7. HR (3%)
 8. Other (11%)
- **Most difficult soft skills to find:**
 - Collaboration & teamwork (20%)
 - Leadership and social influence (13%)
 - Initiative taking (13%)
 - Creativity, originality (12%)
 - Reasoning, problem-solving (11%)
 - Critical thinking & analysis (11%)
 - Accountability, reliability and discipline (11%)
 - Active learning & curiosity (9%)
 - Resilience, stress tolerance and adaptability (7%)

Net Employment Outlook in Israel, Q3, 2021, by geography

Geographic distribution

Workforce gains are anticipated in all six regions during the upcoming quarter. The strongest labor market is forecast in Jerusalem, where the Net Employment Outlook of +25% reflects active hiring plans. Haifa employers report an upbeat Outlook of +17%, and Outlooks of +15% are reported in both the South and Tel Aviv. Employers in the North anticipate respectable job gains with an Outlook of +11%, while the Outlook for the Center stands at +7%.

Hiring intentions strengthen in all six regions in comparison with the previous quarter, most notably by 17 percentage points in the South. Elsewhere, Outlooks improve by 7 and 5 percentage points in the North and Jerusalem, respectively. Tel Aviv employers report an increase of 4 percentage points and the Outlook for the Center is 3 percentage points stronger.

When compared with last year at this time – when COVID-19 first had an impact on hiring sentiment – Outlooks strengthen in all six regions. Sharp increases of 30 and 29 percentage points are reported in Tel Aviv and Jerusalem, respectively. In the South, employers report an improvement of 28 percentage points, while employers report an increase of 25 percentage points in the North. Hiring prospects are 19 percentage points stronger in Haifa, and improve by 10 percentage points in the Center.

Net Employment Outlook in Israel, Q3, 2021 - divided by sector

Employers in all seven industry sectors expect to grow payrolls during the next three months. The strongest hiring pace is anticipated in the Wholesale & Retail Trade sector, where the Net Employment Outlook is +26%. Restaurants & Hotels sector employers also expect solid workforce gains, reporting an Outlook of +23%, while Outlooks stand at +14% and +13% in the Finance & Business Services sector and the Other Production sector, respectively.

A positive hiring climate is forecast for the Manufacturing sector, where the Outlook is +11%, while Outlooks of +9% are reported in the Construction sector and the Other Services sector.

Hiring intentions strengthen in five of the seven industry sectors in comparison with the prior quarter. The most notable improvement of 24 percentage points is reported for the Restaurants & Hotels sector. Elsewhere, Outlooks increase by 14 and 13 percentage points in the Wholesale & Retail Trade sector and the Other Production sector, respectively, while Other Services sector employers report an improvement of 5 percentage points. However, hiring prospects are 6 percentage points weaker in two sectors – the Construction sector and the Finance & Business Services sector.

In a comparison with the third quarter of 2020 – when COVID-19 first had an impact on hiring prospects – Outlooks strengthen in all seven industry sectors. A steep increase of 35 percentage points is reported in the Restaurants & Hotels sector, and hiring plans improve by 32 and 30 percentage points in the Wholesale & Retail Trade sector and the Finance & Business Services sector, respectively. Hiring intentions strengthen by 29 percentage points in the Manufacturing sector, while Construction sector employers report an increase of 17 percentage points.

Net Employment Outlook in Israel, Q3, 2021 - divided by organization size

Job gains are expected in all four organization size categories during the upcoming quarter, most notably by Large employers who report a Net Employment Outlook of +25%. Steady payroll growth is expected in the Micro- and Medium-size categories, where Outlooks stand at +16% and +12%, respectively, while the Outlook for Small firms is +7%.

Micro employers report a considerable improvement of 17 percentage points when compared with the previous quarter, while the Outlook for Large firms is 10 percentage points stronger. Elsewhere, Small employers report relatively stable hiring intentions, but the Outlook for Medium employers decreases by 4 percentage points.

When compared with this time last year – when COVID-19 first had an impact on hiring intentions – Outlooks strengthen in all four organization size categories. Sharp increases of 33 and 31 percentage points are reported by Medium- and Large-size employers respectively. Micro employers report an increase of 20 percentage points, while the Outlook for Small firms is 11 percentage points stronger.

*Participating employers are categorized into one of four organization sizes: Micro businesses have less than 10 employees; Small businesses have 10-49 employees; Medium businesses have 50-249 employees; and Large businesses have 250 or more employees.

Global Employment Outlook, 3rd quarter 2021

ManpowerGroup interviewed over 42,000 employers in 43 countries and territories on hiring prospects* in the third quarter of 2021.

Employers anticipate payroll gains in 42 of the 43 countries and territories surveyed by ManpowerGroup for the July to September period, while flat hiring activity is expected in one.

In a comparison with the second quarter of 2021, employers report stronger hiring plans in 31 of the 43 countries and territories, while Outlooks weaken in eight, with no change reported in four. When compared with this time one year ago – when COVID-19 first had an impact on hiring sentiment – employers in 42 of the 43 countries and territories report improved hiring prospects, with no change in one. In the coming quarter, the strongest labor markets are forecast in the U.S., Taiwan, Australia, Greece, Ireland and Singapore, while the weakest hiring intentions are reported in Hong Kong, Argentina, Panama and South Africa.

Employers in all 26 Europe, Middle East & Africa (EMEA) region countries expect to add to payrolls during the upcoming quarter. When compared with the prior quarter, Outlooks strengthen in 22 EMEA countries, while weakening in two. In a comparison with the same period last year, hiring plans strengthen in all 26 EMEA countries. The strongest hiring activity is expected in Greece, Ireland, and Croatia, while employers in South Africa, the Czech Republic and Spain forecast the weakest hiring pace.

Workforce gains are anticipated in six of the seven Asia Pacific countries and territories during the July to September period, while flat hiring prospects are reported in the seventh – Hong Kong. In a comparison with the previous quarter, Outlooks improve in three countries and territories, but also weaken in three. Hiring sentiment strengthens in six Asia Pacific countries and territories when compared with this time one year ago, while remaining unchanged in one. The strongest hiring plans for the next three months are reported in Taiwan and Australia, while the weakest labor market is expected in Hong Kong.

In the Americas region, employers in all 10 countries surveyed expect to grow payrolls during the third quarter of 2021. Hiring intentions strengthen in six Americas countries when compared with the previous quarter, but weaken in three. In a comparison with last year at this time, employers report stronger hiring prospects in all 10 countries. The strongest hiring pace is anticipated in the U.S., while cautiously optimistic hiring plans are reported in Costa Rica, Guatemala and Mexico. The weakest labor markets are anticipated in Argentina and Panama.

* Commentary is based on seasonally adjusted data where available. Data is not seasonally adjusted for Croatia.

About ManpowerGroup

ManpowerGroup is the world leader in advanced workforce solutions in the human resources sector. The Company assists organizations and companies in coping with the changing labor market through recruitment services, employment services, assessment, development and management of talent and outsourced services in the field of Human Resources.

ManpowerGroup has been operating in Israel for 50 years under the leadership of the Group's chairman Amnon Reder. It provides solutions for over 10,000 customers through an up-to-date database of over a million candidates with dozens of branches nationwide.

Thanks to the vast knowledge, the resources and modern tools provided by ManpowerGroup Global, and after years of specialization and establishing contacts throughout the domestic market, ManpowerGroup Israel has successfully coped with the changing employment conditions throughout the various work spaces. It has been equally successful in meeting the challenges of the "Human Age" over the past decades.

The Group's services are provided through three brands:

- Manpower - specializes in managing people and knowledge in the fields of human resources, labor recruitment and placement in all sectors including senior and executive levels, long-term care services and translation and localization services.
- Talent Solutions - specializes in outsourcing, management and running of manpower-related, management- and logistics-related projects of various sizes, career consulting and support, outplacement processes
- Experis - specializes in technology, IT, and cyber security services, training, employment and recruitment into the high-tech and technology worlds

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