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ManpowerGroup Employment Outlook Survey Q3 2021:

## **Employers report highest hiring intentions since beginning of pandemic as well as a severe lack of skilled staff; talent shortage has significantly worsened over past 15 years**

- Shortage of skilled workers is higher than ever before in the last 15 years.
- German employers report positive hiring plans for July, August and September 2021, reporting a seasonally adjusted Net Employment Outlook of +11%.
- Hiring intentions optimistic across industries and regions

Each quarter, ManpowerGroup surveys more than 42,000 employers in 43 countries about employment prospects for the coming quarter. In addition, ManpowerGroup annually examines trends on the topic of skills shortages.

*Frankfurt, June 8th, 2021* – **Employers have become more optimistic about the recovery of the labor market than any time before since the start of the pandemic; globally, 49% expect to return to pre-pandemic hiring levels by the end of 2022. In Germany, employers seem more uncertain: 56% stated “don’t know” when asked about expected pre-pandemic hiring levels.**

**At the same time, 69% of the surveyed employers worldwide report difficulties in filling vacancies with suitable candidates, compared to Germany with even 82%; only France (88%), Romania (86%) Italy (85%) and Switzerland (83%) report an even more severe talent shortage.**

**The implementation of flexible working models highlights cultural differences between countries: in the context of home office routines, employers in Germany seem more concerned about negative effects on soft factors (58%), such as corporate culture and employee well-being, than on productivity (15%); compared to EMEA where 31% are see a loss in productivity as their major concern.**

### **82% of employers in Germany claim to suffer from talent shortage**

Companies have long been concerned about the «war of talent», trying to attract employees with appealing offers far beyond monetary benefits. In 2021, despite the pandemic, the shortage of skilled workers is higher than ever before in the last 15 years.

Germany indicates an extremely high talent shortage of 82%; in just two years, the scarcity has increased by 10%. EMEA is affected particularly hard with 74%, compared to Americas (63%) and Asia-Pacific (59%).

“Digitization has revolutionized the entire value chain. The pandemic has simply accelerated these trends. At the same time, talents are demanding more flexibility and a new work-life blend.” explains Eric de Jonge, Country Manager ManpowerGroup in Germany. “Employers that are responsive to these new needs and can be flexible, will be the ones able to attract and retain the best talent.”

The skills shortage in Germany affects IT/Data (31%), Operations/Logistics (27%) and Front office / Customer facing roles (22%).

### **Concerns about home office affecting corporate culture and productivity**

In times of flexible working models, ManpowerGroup wanted to learn from employers how home office routines affected businesses and to what extent hybrid workplace models were likely to stay post-COVID.

58% of companies surveyed in Germany fear a negative impact on its corporate culture, on its employees' well-being or on collaboration – compared to 38% worldwide.

In contrast to implications on soft factors, it is surprising that only 15% of employers in Germany seem concerned about a loss of productivity due to home office requirements. Employers across EMEA are more concerned about a decrease in productivity (20%); in South America even 30%, underpinning major differences in labor market cultures.

With the federal government's vaccination campaign making headway and normality in sight, 59% of German employers surveyed believe their employees will return to their workplace within the next six to twelve months. Globally, a return to workplaces is expected by 69%, with 81% in the Americas, 67% in EMEA and 57% in Asia-Pacific.

### **German hiring intentions optimistic across industries and regions**

According to the ManpowerGroup survey on employment prospects, the outlook is more optimistic in all countries surveyed worldwide.

German employers report positive hiring plans for July, August and September 2021, reporting a seasonally adjusted Net Employment Outlook of +11%. Hiring plans improve by 8 percentage points over the previous quarter and by 10 percentage points when compared with this time one year ago.

With job gains expected in all eight German regions, employers anticipate the strongest 3Q 2021 hiring activity in Berlin (+16%) and Munich (+16%).

In all seven German industry sectors, employers expect to increase payrolls during the next three months. Outlooks improve in all seven sectors when compared with both the prior quarter and this time one year ago.

When the seven industry sectors are compared, hiring plans are strongest in the Finance & Business Services sector, where the Outlook of +18% improves by 3 and 13 percentage points from 2Q 2021 and 3Q 2020, respectively.

The Outlook for the Construction sector is also stronger than the national Outlook. Standing at +12%, hiring plans in the sector improve by 6 percentage points when compared with the previous quarter and by 8 percentage points in comparison with last year at this time.

With an Outlook of +10%, Germany's Manufacturing sector employers report their strongest forecast in two years, improving by 6 percentage points quarter-over-quarter and by 13 percentage points when compared with this time one year ago.

The weakest sector hiring plans are reported for the Restaurants & Hotels sector, although the sector's Outlook of +3% improves by 16 and 22 percentage points from 2Q 2021 and 3Q 2020, respectively.

Employers in all eight German regions expect an increase in staffing levels during the third quarter of 2021. Hiring intentions uptick in all eight regions when compared with both the previous quarter and last year at this time.

Globally, employers in 42 of the 43 countries and territories surveyed expect to grow payrolls during the third quarter of 2021, including all 26 EMEA countries. The strongest hiring intentions are expected in the United States (+25%), Taiwan (+24%) and Australia (+17%), while the weakest hiring intentions are reported in Hong Kong (0%), Argentina (+1%), Panama (+1%), and South Africa (+1%).

The ManpowerGroup Employment Outlook Survey is carried out quarterly to understand companies' forecasts of staffing levels in the upcoming quarter. To view complete results for the ManpowerGroup Employment Outlook Survey, visit: [www.manpowergroup.com/meos](http://www.manpowergroup.com/meos). The next survey will be released September 14<sup>th</sup>, 2021 and will report hiring expectations for Q4 2021.

#### **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 over 70 years. We are recognized consistently for our diversity - as a best place to work for Women, Inclusion, Equality and Disability and in 2021 ManpowerGroup was named one of the World's Most Ethical Companies for the 12th year - all confirming our position as the brand of choice for in-demand talent.

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