



ManpowerGroup™

UK JOBS MARKET 2014: THE YEAR OF THE SWAN

MANPOWER EMPLOYMENT OUTLOOK SURVEY REVEALS UK JOBS MARKET LOOKS STEADY ON THE SURFACE BUT PADDLING FURIOUSLY BELOW

- **Gas and Electricity firms looking to hire following a hike in prices**
- **Regional hiring intentions finally outpacing London**
- **National Outlook of +5% for the first quarter of 2014**

10 DECEMBER 2013: The UK's Employment Outlook is looking steady as we head into the new year, according to ManpowerGroup, the world leader in innovative workforce solutions. With an Outlook of +5%, employers across the UK intend to take on staff in the first three months of 2014 as the economic recovery gathers momentum. But the apparent calm on the surface belies a far more turbulent jobs market below the waterline.

The Manpower Employment Outlook Survey is based on responses from 2,100 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 statistic by both the Bank of England and the UK government. The national Seasonally Adjusted Net Employment Outlook of +5%¹ indicates that the jobs market is marginally down on the final quarter of 2013 when the Outlook was +6%.

“Going into 2014, the UK jobs market has the characteristics of a swan: it’s making steady, serene progress on the surface but a very different picture emerges beneath the water where it is paddling away furiously. Continued pressure on pay, underemployment and a lack of the necessary skills among candidates means it’s still an employer’s market and employees are yet to feel the effects of the economic recovery in their pockets. These issues don’t look like they will ease up much in the near future.”

“We’ve had several quarters of optimism and that looks set to continue into the new year. Of course that’s good news, but let’s not get carried away – it’s still the slowest post-recession fall in unemployment the UK has seen in half a century. The optimistic signs we’re seeing elsewhere in the economy just aren’t translating into a boom in hiring intentions, and many employers are taking a real ‘safety first’ approach,” said ManpowerGroup UK Managing Director, Mark Cahill.

The Utilities sector continues to show strong signs of hiring (+9%) as it has done throughout the downturn. Cahill continues: “We’ve seen plenty of criticism for the energy companies for hiking gas and electricity bills. However we’ve noticed the big energy companies are now looking to take on thousands of extra staff to deal with a rising demand in calls. Customers are ringing up the gas and electricity firms in greater numbers, perhaps to question their bill or even to switch provider. The effect of this greater volume of calls is that the Utility companies now need to hire to meet this demand.”

The regional perspective for the first quarter of 2014 is particularly interesting. London was a jobs powerhouse throughout 2013, peaking at +11% only six months ago. This time, hiring intentions

¹ Unless otherwise stated, all figures reported are based on seasonally adjusted data.

have slumped well below the national average in the capital, to just +1%. And it is the regions making up the shortfall: for the first time in six years every region of the UK is showing a positive outlook. Mark Cahill again: “Take Yorkshire and Humberside, which is showing a big rise in hiring intentions (+9%) compared with last quarter. We’ve seen big businesses hiring locally, such as the German supermarket chain Aldi which is creating 400 jobs at their new distribution centre in South Yorkshire to support their continued growth.”

The ManpowerGroup survey shows that Manufacturing has grown from +3% last quarter to +6% this time round, its strongest outlook in more than two years. Another sector performing well is Transport on +7%, with the rise of internet shopping making jobs in home delivery a popular choice particularly for part time workers.

Evidence of the two-paced jobs market is clear in Finance and Business Services, the most buoyant sector this time round with a score of +11%. Whilst big names like Barclays have announced 1700 job cuts at branches, at the same time there’s been a surge in the search for employees in this sector with IT skills. Data Governance Consultants and Cloud security experts are hugely in demand and right now can command a daily rate of as much as £1000. Cahill adds: “We’ve seen a significant increase in the number of jobs needed to fill posts in the IT sector compared with this time last year. It’s becoming clear that in sectors like banking the future will involve smartphones and banking apps rather than branches and tellers – and the impact of that technological shift is already being felt.”

A further sign of the uncertainty in the jobs market is highlighted by the outlook for Construction which remains depressed. The sector fell by a percentage point for the second quarter running and is firmly rooted in negative territory at -6%, contrary to other indicators which suggest that hiring proceeds apace.

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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]

Commentary and full details on every sector and region can be found in the survey report at manpower.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 42 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found in the ManpowerGroup Press Room at 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 Manpower 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 nearly 66,000 employers in 42 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) is the world leader in innovative workforce solutions that ensure the talent sustainability of the world's workforce for the good of companies, communities, countries, and individuals themselves. Specialising in solutions that help organisations achieve business agility and workforce flexibility, ManpowerGroup leverages its 65 years of world of work expertise to create the work models, design the people practices and access the talent sources its clients need for the future. From staffing, recruitment, workforce consulting, outsourcing and career management to assessment, training and development, ManpowerGroup delivers the talent to drive the innovation and productivity of organisations in a world where talentism is the dominant economic system. Every day, ManpowerGroup connects more than 630,000 people to work and builds their experience and employability through its relationships with 400,000 clients across 80 countries and territories. ManpowerGroup's suite of solutions is offered through ManpowerGroup™ Solutions, Manpower®, Experis™ and Right Management®. ManpowerGroup was named one of the World's Most Ethical Companies for the third consecutive year in 2013, confirming our position as the most trusted brand in the industry. Learn more about how ManpowerGroup can help you win in the Human Age at manpowergroup.co.uk and manpowergroup.com

About Manpower UK

Manpower is the global leader in contingent and permanent recruitment workforce solutions. It is part of ManpowerGroup, the world leader in innovative workforce solutions, which creates and delivers high-impact solutions that enable clients to achieve their business goals and enhance their competitiveness.

With a network of 300 offices in cities across the country, Manpower has provided organisations in the UK with a continuum of staffing solutions from the incidental to the strategic for 55 years, working with businesses such as BT, IBM, Royal Mail and Xerox to help them win.

In the Human Age, where talent has replaced access to capital as the key competitive differentiator, Manpower UK leverages its trusted brand to develop a deep talent pool, providing clients with access to the people they need, fast.

Manpower UK creates powerful connections between organisations and the talent they need to enhance their competitiveness and unleash their workforce potential. By creating these powerful connections, we help everybody achieve more than they imagined, and power the world of work.

For more information, see manpower.co.uk