



UNDER STRICT EMBARGO:

NOT FOR PUBLICATION BEFORE 00.01 TUESDAY 10 SEPTEMBER 2019

“STOCKHIRING SYNDROME” FUELS UK JOBS SURGE

- **Brexit recruitment drives employment Outlook to +5%, a 9-month high**
- **Business Services, Construction and Manufacturing scramble to secure talent**
- **South East buoyed by demand for Border Force officers ahead of Oct 31st deadline**

10 SEPTEMBER 2019: With the latest Brexit deadline a month away, UK employers are again looking to stockpile talent and shore up their workforces. In a virtual re-run of behavior seen at the start of the year – which saw UK employers looking to hire people in response to the original Brexit deadline of March 29th – hiring intentions for the fourth quarter are up two percentage points to +5%, the highest level since the start of the year.

The ManpowerGroup Employment Outlook Survey is based on responses from 2,102 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.

James Hick, Managing Director ManpowerGroup Enterprise: “It’s Groundhog Day in the UK jobs market. The stockpiling of raw materials and goods surged in the first three months of 2019, driven by the need to protect supply chains against the potential impact of a hard Brexit. But they also did the same with their workforces, taking on staff to help navigate choppy waters. The extra economic activity even helped boost the UK’s growth figures in Q1 2019, before the surprise contraction in Q2.

“With a no deal scenario on October 31st looking ever more likely, employers across the board are once again experiencing ‘stockhiring syndrome’ in the attempt to Brexit-proof their businesses in the final three months of the year. 2019 turns out to be a U-shaped year, with weaker Q2 and Q3 data bookended by spikes in the first and last quarters.”

The strengthening employment Outlook has broad foundations, with six out of nine industrial sectors and nine out of twelve regions and nations reporting a rise in hiring intentions. The Finance and Business Services sector is up three points to +6%, its highest level in over a year. Retail & hospitality, Construction, and Manufacturing are also up.

Hick again: “In sectors such as Manufacturing, hiring is often a defensive measure. Chronic skills shortages mean engineers in particular are in huge demand, and employers are looking to lock in those with necessary skills now. With a shortfall of 60,000 engineers this year¹, the average salary has seen a remarkable 7% increase year-on-year². In the wider economy, high

¹ IER, Working Futures 2014-2024 (EngineeringUK extension, 2019)

² The Engineer, ‘Salary Survey 2019’

demand and low supply are a major factor, pushing up average wages by 3.9%³. Inflation-busting increases in the National Living Wages and National Minimum Wage in April 2019 are also an important factor, with the government's Low Pay Commission estimating that as many as 2.8m workers will have benefited from the latest set of statutory pay rises.⁴"

Hick continues: "At the other end of the spectrum, in sectors such as professional services, this extra hiring is an offensive move, designed to fuel growth. For example, law firms have capitalised on the uncertainty created by Brexit and are resorting to significant increases in salaries of their newest talents to stave off competition. Within the last few months we have seen the top City law firms dramatically raise starting salaries for newly qualified solicitors to the £100,000 mark. In some cases, earnings can be as much as £140,000 in US law firms."

Meanwhile ManpowerGroup has seen companies connected to the UK's ports also increasing their headcount in preparation for a no-deal Brexit. The Government's commitment of an extra £2.1 billion for no-deal planning has led to a significant increase in demand for Border Force officers whilst planned upgrades to infrastructure in places like Grimsby and Felixstowe has lifted hiring intentions in their respective regions. In Yorkshire and the Humber hiring confidence is up at +8%, its highest level in a year, and the South East is also up sharply, five points up on the quarter.

Elsewhere in the regions and nations, Scotland has hit its highest level since 2016 at +7%. Meanwhile, the Midlands continue to top the charts, with the East Midlands up two points to +12% and the West Midlands also up two points, to +10%. The South West has surged to +12%, equal top of the regional table and its most optimistic Outlook in four years. This is in stark contrast to the North of England where the North East and the North West are both on 0 – the former two points down quarter-on-quarter, the latter flat. Neither quarter has been higher than +2% since Q1 2019.

For further information, please contact:

Brunswick – Nick Cosgrove / Rosheeka Field 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

³ ONS, Average weekly earnings in Great Britain: August 2019

⁴ National Minimum Wage, Low Pay Commission Report 2018, p. 193

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 59,000 employers across 44 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®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for over 70 years. In 2019, ManpowerGroup was named one of the World's Most Ethical Companies for the tenth year and one of Fortune's Most Admired Companies for the seventeenth year, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup is powering the future of work: www.manpowergroup.com