Hiring Momentum Continues for Q1, Though Signs of Softening Begin

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Employers still face a global talent shortage; the Information Technology sector leads the way in Q1 2023 hiring

- While the impact of a potential recession and rising inflation dampen the hiring Outlook quarter-over-quarter and year-over-year, employers continue to look for new talent, reporting a solid Net Employment Outlook of +23% for Q1.
- Strongest hiring intentions among organizations are reported in Panama (+39%), Costa Rica (+35%), and Canada (+34%); weakest in Hungary (-8%), Poland (-2%), and the Czech Republic (+1%).
- Information Technology (IT) remains the strongest sector (+35%), despite headlines about tech hiring and layoffs.

MILWAUKEE, Jan. 5, 2023 /PRNewswire/ -- While cooling this quarter, global demand for talent remains resilient and the race for skills continues, according to the newly released Q1 ManpowerGroup Employment Outlook Survey (NYSE: MAN) of more than 38,000 employers in 41 countries and territories.

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An indicator of economic and labor market trends, the Net Employment Outlook – calculated by subtracting the percentage of employers who anticipate reductions to staffing levels from those who plan to hire – now stands at +23%, down 6% from last quarter and 14% from this time last year.

The data suggests that the impact of a possible global recession, rising inflation, and higher cost of doing business has begun to play out in labor markets, with the outlook softening although not as steep as the economic forecasts and headlines would suggest. All industries and sectors indicate hiring more people in the first quarter, and all but one region, Europe, the Middle East, and Africa (EMEA), report positive hiring intentions, suggesting the impact of such challenges is not one size fits all.

"Our report indicates that there are early signs of labor markets softening and hiring intentions moving lower given the economic headwinds we are experiencing," said ManpowerGroup Chairman & CEO Jonas Prising. "Though employers say they are beginning to dial down their hiring plans in some areas, we still see strong demand for specific skills including IT, logistics, and finance. Amidst a cost-of-living crisis, and a depreciation in real-time wages, companies need to think more than ever about attracting and retaining their workers – that might start with pay, yet our data tells us flexibility, career development, and purpose-driven work is worth up to 5% of salary to many workers. There are lots of levers available for companies to attract and retain the talent they need to stay competitive."

KEY FINDINGS

- Regionally, the strongest hiring intentions for the next quarter are in North America (+31%), and Central and South America (+28%).
- Organizations in the IT industry report the most optimistic outlook (+35%), followed by Financials & Real Estate (+28%), and Energy & Utilities (+26%).
- When compared with the previous quarter, hiring intentions improved in 12 countries and territories, and declined in 29.
- Large organizations (250-plus employees) are more than twice as optimistic as micro (less than 10 employees) to hire in the coming quarter with employment outlooks of +29% and +13% respectively.

Global Hiring Plans by Region

North America: Employers are most optimistic for the first quarter of 2023 (+31%).

- Employers in Canada (+34%) report a moderate increase (+3%) in their outlooks compared to last quarter, while the U.S. (+29%) and Puerto Rico (+26%) report decreases, -4% and -6% respectively.
- Both Canada and the U.S. expect hiring to be weaker compared to intentions year over year, declining -3% and -12%

respectively.
- Despite what is playing out in the headlines, the U.S. reports the strongest IT sector globally (+52%).
- Strongest hiring intentions globally for the Consumer Goods & Services sector are found across North America in Canada (+28%), Puerto Rico (+23%), and the U.S. (+15%).

Central and South America: Regional outlooks stand at +28%, weakening since last quarter and this time last year by -7% and -20% respectively.

- Employers in Panama report the strongest outlook (+39%), followed by Costa Rica (+35%) and Guatemala (+32%); hiring confidence is lowest in Argentina (+9%).
- Intentions decline on previous quarter (-3%) but improve based on the same time last year (+21%).
- Uncertainty around the political landscape is weighing on the minds of hiring managers in Brazil, as the Net Employment Outlook drops 21 points from Q4 but remains positive overall at +27%.
- Strongest hiring intentions globally for the Communication Services and Energy & Utilities sectors are found in Costa Rica (+52% and +70% respectively), and Industrials & Materials in Panama (+47%).

Europe, Middle East, and Africa: EMEA reports the weakest employment outlook globally (+18%) and is the only region with countries reporting negative outlooks this quarter (Poland -2% and Hungary -8%).

- Intentions weaken -14% when compared with first quarter 2022, while easing -3% since last quarter.
- Outlooks vary across the region with employers most keen to hire in Austria (+29%), Turkey (+29%), and Israel (+28%); Most cautious in Hungary (-8%), Poland (-2%), and the Czech Republic (+1%).
- Strongest hiring intentions globally for the Transport, Logistics & Automotive, and Health Care & Life Sciences sectors are found in Turkey (+51% and +53% respectively).
- France (+27%), the United Kingdom (+19%), and Germany (+17%) are among the countries continuing to report a positive Net Employment Outlook in Q1.

Asia-Pacific: Hiring managers across APAC anticipate strong (+25%) but slowing hiring intentions, weakening since last quarter and last year by -15% and -11% respectively.

- Singapore (+33%), Australia (+32%), and India (+32%) report the strongest outlooks.
- Weakest outlooks are reported in Japan (+8%) and Taiwan (+11%).
- Strongest hiring intentions globally for the Financials & Real Estate sector are found in Singapore (+57%).

To view complete results for the Q1 ManpowerGroup Employment Outlook Survey, visit https://go.manpowergroup.com/meos. The next survey will be released in March and will report hiring expectations for the second quarter of the year.

ABOUT THE SURVEY

The ManpowerGroup Employment Outlook Survey is the most comprehensive, forward-looking employment survey of its kind, used globally as a key economic indicator. The Net Employment Outlook is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting a decrease in hiring activity.

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 2022 ManpowerGroup was named one of the World's Most Ethical Companies for the 13th year – all confirming our position as the brand of choice for in-demand talent.

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