

**UNDER STRICT EMBARGO:  
NOT FOR PUBLICATION BEFORE 00.01 GMT TUESDAY 13 SEPTEMBER 2011**

## **COLLAPSE IN BANK HIRING THREATENS TO STALL UK JOBS GROWTH**

**MANPOWER EMPLOYMENT OUTLOOK SURVEY REVEALS DROP IN EMPLOYMENT OUTLOOK  
FOR FIRST TIME SINCE EARLY 2009**

- **Overall UK recruitment trend +2%: Jobs market still positive but hurt by slowdown in Financial Sector**
- **UK now split in half: Broadly speaking the South is hiring, the North is not**
- **Utilities is the most positive sector: The only industry which has continued to hire in every quarter throughout the downturn: Still plenty of demand for engineers.**

**LONDON, 14 SEPTEMBER 2011:** Whilst the UK's Employment Outlook remains moderately positive in Q4 2011, the recovery seen in the past 8 quarters has stalled, according to Manpower, the global leader in contingent and permanent recruitment workforce solutions. At the same time, there's evidence that the old North-South divide is back, with prospects in many parts of the North looking increasingly bleak.

The Manpower Employment Outlook Survey is based on responses from 2,100 UK employers about whether they intend to hire additional workers in the coming economic 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 positive national Seasonally Adjusted Net Employment Outlook of +2%<sup>1</sup> indicates employers are intending to create additional jobs in the next quarter. This compares to a Net Employment Outlook of +3% in Q3 2011.

Overall, the National Outlook has slipped for the first time in eleven quarters. Finance and Business Services have suffered a setback this quarter with a +6% Outlook, after a strong performance in the past two quarters, +10% in Q3 2011 and +16% in Q2 2011.

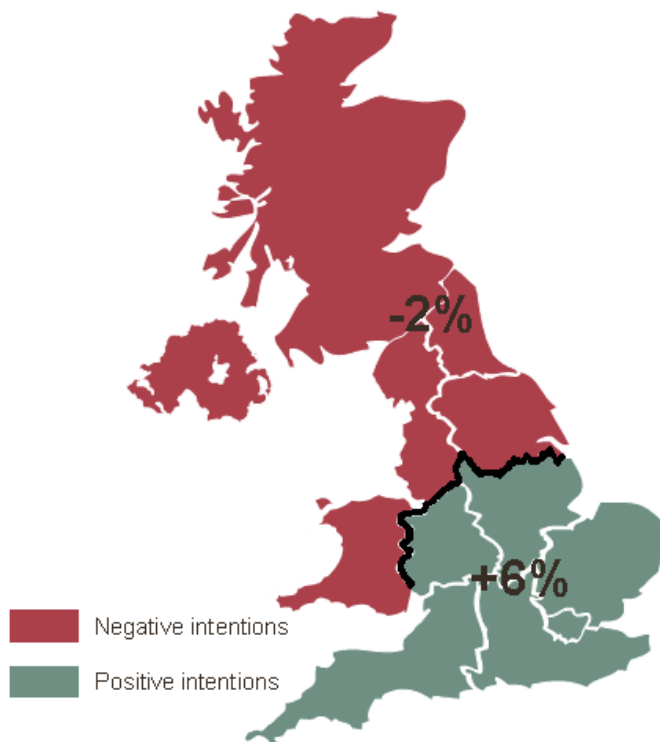
"Six months ago it looked like the banks were going to lead the way out of recession and could even have filled the hole created by the slowdown in the Public sector. The Finance sector was hiring like nobody's business, it was consistently the most optimistic sector post-recession but this has now fallen away quite dramatically over the summer. We've seen almost 50,000 jobs go in Banking. Make no mistake, there are still jobs to be had in areas like Retail Banking, but in other areas of Banking - there has been a real pull back and this is having an impact on the jobs market as a whole." said Manpower UK Managing Director, Mark Cahill.

It's not all bad news however. Utilities is now the most positive sector, with employers in the Water, Gas and Electricity industries reporting hiring intentions of +10%. This sector has proved particularly resilient, as the only sector demonstrating a positive Outlook in every quarter throughout the downturn. Cahill continues: "Not only in Utilities but elsewhere, employers are continuing to see a mismatch in skills where they're either in the wrong geographical location or not available. There are severe skills shortages remaining in Engineering and specialist IT sectors.

"Clearly times are hard and we could be in for a period of sustained low growth. Employers have to adjust to the new normal and work out how they operate with far greater agility than ever before, post-recession. Those that do, will win. If firms take the appropriate steps to hold onto their best people,

invest in training and embrace flexible working options, they will equip themselves with the tools to survive the storm. Many comparisons have been drawn in recent weeks with the crisis of 2008 economically, but when it comes to jobs, it's important to note that we're not yet approaching 2008 employment lows – this is a real positive.”

## Q4 2011 OUTLOOK



As this map shows, you can now slice the UK in half when it comes to hiring intentions with a line running from the Humber in the North East to the Bristol Channel in the South West – above the line, employees are predicting negative hiring intentions of -2%, but below that line, employees have broadly positive hiring intentions +6%

Drilling down to the individual regions, the East of England has the most optimistic Outlook of any region with a score of +11%. The East Midlands reports +8%, the South West +7%, and the South East, Yorkshire and Humberside all expect +5%.

However, optimism in London has faltered in Q4, flat this quarter (0%) from +6% in Q3 2011. The heavy reliance on

the Finance sector in the capital helps explain this. The Outlook in Scotland continues its long-term negative trend at -1%, although this does represent an improvement from -7% in Q3, while Wales slides further into negative territory at -6% and North West reports -2%. North East of England falls sharply to -3% from +6% and optimism in Northern Ireland has slumped even more sharply, to -10% from +6%.

-- Ends --

### For further information, please contact:

Brunswick – Anita Scott / Mike Girling / Nick Cosgrove / Elizabeth Adams

020 7404 5959

Email: [manpower@brunswickgroup.com](mailto:manpower@brunswickgroup.com)

### NOTES TO EDITORS

<sup>1</sup> All figures reported are based on seasonally adjusted data.

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](http://manpower.co.uk/meos) or by calling the Press Office on 0207 404 5959/ [manpower@brunswickgroup.com](mailto:manpower@brunswickgroup.com)

For international comparisons and visual library with graphs, visit [manpowergroup.com](http://manpowergroup.com).

Commentary is based on seasonally adjusted data where available. Full survey results for each of the 39 countries and territories included in this quarter's survey, plus regional and global comparisons, can be found in the Manpower Press Room at [manpowergroup.com/meos](http://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 Manpower website at [manpowergroup.com/research](http://manpowergroup.com/research).

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 Manpower Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. It is the most extensive forward-looking survey of its kind, unparalleled in its size, scope, longevity and area of focus.

The Survey has been running for more than 45 years and is one of the most trusted surveys of employment activity in the world. The Manpower Employment Outlook Survey is based on interviews with over 65,500 public and private employers worldwide and is considered a highly respected economic indicator.

The Manpower Employment Outlook Survey is currently available for 41 countries and territories: Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Colombia, Costa Rica, Czech Republic, France, Germany, Greece, Guatemala, Hong Kong, Hungary, India, Ireland, Italy, Japan, Mexico, Netherlands, New Zealand, Norway, Panama, Peru, Poland, Romania, Singapore, Slovenia, Spain, South Africa, Sweden, Switzerland, Taiwan, Turkey, the United Kingdom and the United States. The program began in the United States and Canada in 1962, and the United Kingdom was added in 1966. Mexico and Ireland launched the survey in 2002, and 13 additional countries were added to the program in 2003. New Zealand joined the program in 2004, China, India, Switzerland and Taiwan were added in 2005, and Argentina, Peru, Costa Rica and South Africa joined in 2006. Colombia, the Czech Republic, Greece, Guatemala, Poland and Romania joined in 2008 and Hungary and Brazil were added in 2009. Panama was added in 2010 and Bulgaria, Slovenia and Turkey joined in Q1 2011. Israel and Slovakia were added in Q4 2011.

### **About Manpower**

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, Hertfordshire County Council, 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](http://manpower.co.uk) and [manpowerpublicsector.co.uk](http://manpowerpublicsector.co.uk)