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MANPOWERGROUP EMPLOYMENT OUTLOOK SURVEY – MEOS Q3 2021

Hiring pace will continue to strengthen during the summer ... while 83% of Belgian employers report difficulty filling jobs.

In all three regions, the covid crisis has taken talent shortages to levels not seen in the last 15 years

- The Net Employment Outlook shows an optimistic value of +13%, improving for the fourth consecutive quarter.
- Employers anticipate strong hiring conditions in all three regions : + 17% in Wallonia, + 16% in Brussels and + 11% in Flanders.
- With the exception of the Hotels & Restaurants, employers in all sectors surveyed anticipate job creation during the 3rd quarter.
- Employer confidence increases in line with the company size, with employers in large companies (≥ 250 workers) reporting the strongest Net Employment Outlook (+ 21%).
- Employment Outlooks are positive in 42 of the 43 countries and territories surveyed and in all the 26 countries surveyed in the EMEA region (Europe, Middle East & Africa)
- Talent shortages reach the highest level in 15 years, with 83% of Belgian employers reporting difficulty filling open vacancies, a spectacular increase of 24 points in comparison with 2019.

Brussels, Belgium, 8th June 2021 – According to the ManpowerGroup Employment Outlook Survey released today, Belgian employers report encouraging hiring intentions for the summer months. In Belgium, 13% of the 474 employers surveyed at the end of January plan to increase their workforce by the end of June 2021, while 4% plan to reduce staff. 80% of employers surveyed anticipate no change. No less than 25% of the 567 employers surveyed at the end of April plan to increase their workforce by the end of September 2021, while 11% plan to reduce staff. 59% of employers surveyed are forecasting no change. After seasonal adjustment, the Net Employment Outlook⁽¹⁾ – the difference between the percentage of employers expecting to hire staff and the percentage of those planning to reduce staff – stands at an optimistic value of +13%, up for the fourth consecutive quarter. Hiring intentions improve by 4 points when compared with the previous quarter and by 19 points in comparison with the third quarter to 2020. According to the ManpowerGroup survey, 55% of Belgian employers surveyed in Belgium expect hiring tempo to return to pre-pandemic levels by the end of January 2022, while 18% of them think that is unlikely.

“The results of our survey confirm the strengthening of employers' confidence in Belgium and around the world,” says Philippe Lacroix, Managing Director of ManpowerGroup BeLux. “As vaccine rollouts gain momentum and workers prepare to gradually return to their workplaces, employers in all three regions of the country are facing talent shortages never seen before. The covid crisis and the acceleration of digitization have put skills under pressure. At the same time, emerging from the crisis, individuals will be looking for new growth opportunities, a boost to their careers or a new work life balance. Those employers that are responsive to these new needs and can be flexible, will be the ones able to attract and retain the best talent.”



Optimism in all three regions

According to the survey results, the hiring climate will be favorable in all three regions: 17% in Wallonia, + 16% in Brussels (strongest Outlook in more than two years) and + 11% in Flanders. The Net Employment Outlook has improved everywhere, when compared with the previous quarter or with the same period last year.

Job gains forecast in all industry sectors surveyed, except Restaurants & Hotels

Payroll additions are anticipated in seven of the eight industry sectors during the third quarter of 2021. For the third consecutive quarter, employers in the Construction sector report the strongest hiring plans (+24%). Job creation will also intensify over the next three months in the Manufacturing sector (+ 20%), up 12 points from the previous quarter to reach its strongest level in 12 years. The hiring climate is also expected to be very favorable in Public services, health, education and social services (+ 18%), the 'Other production' sector (+ 16%) – Agriculture & Fishing; Electricity, Gas & Water; Mining & Quarrying industries – as well as in the Finance, insurance, real estate and business services sector (+ 14%). Employers also anticipate payroll gains during the upcoming quarter in Transport and Logistics (+ 10%) and the Wholesale and Retail Trade (+ 9%). Finally, despite a strong increase of 21 points compared to the previous quarter, employment prospects remain slightly negative in the Restaurant and Hotels sector (-3%). "Almost one in five employers plans to lay off staff in the hospitality industry by the end of September, a figure which shows how worrying the employment situation is in this sector", explains Philippe Lacroix.

Hiring intentions strengthen in seven of the eight industry sectors when compared with the previous quarter and in all sectors when compared with this time one year ago.

Employer confidence increases in line with company size

According to the ManpowerGroup survey, the Net Employment Outlook shows an increasing value in line with the size of the company: + 6% for Micro businesses (<10 workers), + 13% for Small businesses (10-49 workers), + 17% for medium-sized companies (50-249 workers) and + 21% for large companies (≥ 250 workers).

Talent shortages like never before, in all the three regions

Although labor markets are expected to rebound, employers will face talent shortages never previously seen by ManpowerGroup in 15 years. 83% of Belgian employers surveyed say they have difficulty filling their vacancies, a huge increase of 24 points compared to 2019. In all three regions, employers cannot find enough candidates or at least, not enough candidates who meet their requirements. Talent shortages affect 91% of employers in Wallonia (up 41 points), 84% in Brussels (up 29 points) and 75% in Flanders (up 9 points).

"As a result of digitization, the Covid crisis has accentuated the polarization of the workforce, with, on the one hand highly qualified candidates with the (digital) skills highly sought after by companies, and on the other hand, profiles that do not have enough technical (hard skills) or interpersonal (soft skills). There is an urgent need on the job market to strengthen the employability of the workforce and this will need to start by improving education and training, which must evolve more quickly" explains Philippe Lacroix.

The most difficult hard and soft skills to find

The Covid-19 crisis has created the biggest workforce shift and reallocation of skills since World War II and the survey results unsurprisingly place specialist and digital functions far ahead of generalist functions in the list of the most difficult positions to fill. In descending order, we find Operations/Logistics – engineers, technicians, skilled trade, logistics workers – IT/Data (19%), Manufacturing/ Production (15%), Sales & Marketing (11%), Front Office/Customer Facing (8%), HR (7%) and Administration/Office Support (5%).

Not only that, but in times of rapid transformation and uncertainty, soft skills have risen in importance and employers have difficulty finding them, particularly critical thinking and analysis (28%), leadership and social influence (26%), resilience, stress tolerance and adaptability (24%), initiative (23%), accountability, reliability and discipline (22%).



A post-pandemic 'hiring-boom' on the horizon at global level and an increase in talent shortages

According to ManpowerGroup, who surveyed the hiring intentions of more than 45,000 employers worldwide, a post-pandemic 'hiring boom' seems to be on the horizon. Employers anticipate payroll gains in 42 of the 43 countries and report stronger hiring plans in 31 countries. This encouraging trend is also observed in the EMEA region (Europe, Middle East, Africa), with positive recruitment intentions in the 26 countries surveyed, up in 22 of them. The Net Employment Outlook for the third quarter is positive and is improving in all larger economies, in Germany (+11%), in France (+9%), in the United Kingdom (+8%) and in Italy (+7%), as well as in the Netherlands (+9%). Elsewhere in the world, employers report encouraging Outlooks, for example in the United States (+25%), Australia (+17%), China (+13%), Japan (+10%), India (+7%) or in Brazil (+7%).

With 83% of employers experiencing difficulties finding the right talent, Belgium ranks amongst the ten most affected countries, alongside France (88%), Italy (85%), Switzerland (83%), Germany (82%), Poland (81%) or Greece (80%). The United Kingdom (77%), Sweden (76%), the Netherlands (73%) and Austria (71%) are above the global average, while employers in Spain (64%), Norway (62%) and Portugal (60%) report levels of shortages below the global and European average. Finally, employers in India (43%), the United States (32%) and China (28%) have less difficulty finding the staff they need.

The results of the next ManpowerGroup Employment Outlook Survey will be released on 14th September 2021 and will report hiring expectations for Q4 2021.

(1) Throughout this report, we use the term "Net Employment Outlook." This figure is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook. Net Employment Outlooks for countries and territories that have accumulated at least 17 quarters of data are reported in a seasonally adjusted format unless otherwise stated. Seasonally adjusted data are not available for Croatia.

Presentation of the Survey

The ManpowerGroup Employment Outlook Survey for the third quarter of 2021 was conducted between 7 and 28 April 2021 by interviewing a representative sample of employers from over 45,000 private companies and public organizations in 43 countries and territories around the world (including 567 in Belgium). The aim of the survey is to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. All survey participants were asked the same question: "How do you anticipate total employment at your location to change in the three months to the end of September 2021 as compared to the current quarter?" It is the only forward-looking survey of its kind, unparalleled in its size, scope, longevity and area of focus. The Survey has been running for more than five decades and is one of the most trusted surveys of employment activity in the world. It is considered a highly respected economic indicator.

Note that in Quarter 2 of 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.

We have conducted a review and update of the MEOS survey to make it more relevant to the global business environment as we enter the 2020. From 2Q 2020, the industry sector categories used in EMEA countries have been updated. The total number of sectors has been reduced from 10 to seven, prior to the current quarter, data for some of the countries and territories included in the survey were weighted by industry sector and organization size. ManpowerGroup has decided to phase out weighting entirely across all countries and territories in the survey from 2Q 2020. From this point, all 43 countries and territories will receive findings based on target quota interviewing, increasing consistency across the survey. Seasonal adjustment of the data to reflect local labor market patterns will continue to be applied in all countries and territories taking part for more than four years.

Note to Editors

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 Manpower Press Room at www.manpower.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 Online Visual Library, also located in the Press Room on <http://www.manpowergroup.com/library> results for all 43 countries can be viewed in the new interactive Manpower Employment Outlook Survey Explorer tool at <http://manpowergroupsolutions.com/DataExplorer/>.



About ManpowerGroup®

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