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LABOUR MARKET EXPECTS RECOVERY

AFTER THE WINTER BREAK, MORE COMPANIES ARE PLANNING TO CREATE NEW JOBS IN SPRING.

- 29 % of Slovak employers expect an increase in the number of employees, 18 % expect a decrease and 46 % expect no change, the remaining 7 % did not comment.
- Based on the data, seasonally adjusted **Net Employment Outlook in Slovakia, is + 10 % for the second quarter of 2023.**
- The highest Net Employment Outlook is in Bratislava (+ 12 %) and Western Slovakia (+ 12 %) and the lowest in Eastern Slovakia (+ 4 %).
- Companies operating in **Communications Services with a net outlook of + 47 %, Energy and Utilities (+ 39 %), Consumer Goods and Services (+ 20 %)** expect most new job opportunities.
- Organisations in Panama (+ 41 %), Costa Rica (+ 38 %) and Guatemala (+ 38 %) have the strongest recruitment plans worldwide; the weakest are in Hungary (+ 2 %), Greece (+ 7 %) and Poland (+ 8 %).

Bratislava (21 March 2023) — Europe got through the winter months without meeting the most serious concerns about the energy crisis. Slovak companies are planning to create more jobs again, in the coming months, especially in sectors that were planning redundancies in the previous quarter. This is illustrated by the results of the latest quarterly ManpowerGroup Employment Outlook Survey, carried out on a sample of 510 employers.

The seasonally adjusted Net Employment Outlook in Slovakia stands at + 10 %. This is a four-percentage point increase in the outlook, compared to the previous quarter. The employment outlook grew by two percentage points year-on-year. Last year's labour market survey for the second quarter was carried out even before the war in Ukraine began. However, companies are still recovering from the pandemic.

Difficult to predict situation, especially in countries near Ukraine, persists, but after a period of waiting and freezing of recruitment, many companies feel that they need to strengthen employee forces.

Global results have not yielded significant fluctuations compared to the previous quarter. The Net Employment Outlook remained unchanged at + 23 %. The global Net Employment Outlook fell by six percentage points year-on-year.

“In recent months, Slovak employers have been more restrained, waiting for the economic situation and the energy crisis to develop further. Today, a larger part of the market is renewing recruitments because companies realize that with the lack of qualified people, they can't move forward,” said Zuzana Rumiz, General Manager of ManpowerGroup Slovensko.

“Under pressure to increase energy independence, more and more firms are investing in building green solutions, which stimulates the creation of new jobs in the so-called green economy,” Zuzana Rumiz added.

COMPARISON OF RECRUITMENT PLANS BY INDUSTRY

Companies in the communication services sector plan to create most of the new jobs (Net Employment Outlook + 47 %). Compared to last quarter, when the outlook was negative (- 15 %) this is an increase of 62 percentage points. This is an increase of 27 percentage points year-on-year.

Companies in the energy and utilities are also planning to recruit new people to a greater extent (+ 39 %), even though, more firms planned to lay off than hire new people in the sector, during the previous quarter. The Net Employment Outlook in this sector has increased by 53 percentage points.

THE REGIONAL COMPARISON

Employers in all regions plan to recruit more people than lay off. Most companies expect recruitment of new people in Bratislava with a Net Employment Outlook + 12 %, and in Western Slovakia (+ 12 %). Both regions are stable, compared to the last quarter, but Bratislava recorded a decrease of 10 percentage points compared to the last year. Western Slovakia, on the other hand, has improved by 6 percentage points.

Companies in Central Slovakia are cautiously optimistic (+ 5 %), as well as in Eastern Slovakia (+ 4 %).

COMPARISON BY SIZE OF COMPANIES

Large companies are planning to hire most employees. For organizations employing more than 250 people, the Net Employment Outlook is + 17 %. This is an increase of 10 percentage points compared to the previous quarter. Small businesses of up to 10 employees are in their recruitment plans right behind large companies (+ 14 %), which is a record for several years. In recent years, small firms have planned to recruit people only slightly, or even wanted to reduce the number of employees, especially during the pandemic.

GLOBAL DEVELOPMENTS IN THE LABOUR MARKET

- Employers around the world continue to expect to recruit more workers than layoffs in the second quarter. **The global, seasonally adjusted Net Employment Outlook stands at + 23 %.**
- The most optimistic organizations are in Panama (+ 41 %), Costa Rica (+ 38 %) and Guatemala (+ 38 %), the least optimistic in Hungary (+ 2 %), Greece (+ 7 %) and Poland (+ 8 %).
- Among the world's largest economies, the US (+ 30 %), France (+ 26 %), the United Kingdom (+ 21 %) and Germany (+ 19 %) have positive recruitment plans for the coming months.
- **From a regional point of view, employers in North America (+ 30 %) have the strongest recruitment plans in the quarter to come, followed by South and Central America (+ 27 %) and Asia-Pacific (+ 27 %), while the weakest recruitment plans, although stable, have employers in Europe, the Middle East and Africa (+ 18 %).**
- **Compared to the previous quarter, forecasts improved in 22 countries, with the largest quarter-on-quarter changes occurring in Europe — notably in the Czech Republic (+ 14 %), Norway (+ 10 %) and the Netherlands (+ 10 %).**

MOST SLOVAK COMPANIES FACE A LACK OF THE QUALIFIED PEOPLE

Although companies in the communication services sector are planning the biggest recruitments, it is the sector that faces the most significant shortages of skilled people. 87 % of companies in this sector said they were facing difficulties in finding employees.

The sector with the second highest shortage of skilled people is transport, logistics and automotive, while 73 % of companies say they face difficulties in finding people.

According to the survey, 68 % of companies in the consumer goods and services sector, finance and real estate, industrials and materials, as well as the information technology sector have difficulties in filling open positions.

The most challenging is to find people with technical and engineering education, right behind is the IT qualification, HR skills, as well as marketing and business skills. Among the soft skills, employers put finding people with the ability to solve problems, as the greatest challenge. The second most desirable soft skill is reliability and self-discipline, followed by creativity and originality, critical and analytical thinking.

Given the need to develop the required skills, 60 % of employers invest in training their employees, almost half are looking for the full-time talents and 39 % invest in technology.

In an effort to attract and retain talent, 49 % of companies offer their employees the choice of where and when to work. Almost a third introduce pay rises and 28 % offer entry bonuses.

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.

Full results of the ManpowerGroup Employment Outlook survey are available at <https://go.manpowergroup.com/meos>. Detailed results for Slovakia can be found at www.manpower.sk/prieskumy.

In the context of the labor market survey, 510 Slovak employers were asked: *“How do you expect the total number of employees in your company to change in the following quarter by the end of December compared to the current quarter?”*

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 the 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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MANPOWERGROUP SLOVAKIA

In Slovakia, ManpowerGroup takes care of the personnel and payroll agenda of more than 2,000 employees it has searched for and who work with its clients every month. Thanks to a network of four branches, ManpowerGroup finds 6,000 new co-workers per year for 500 clients. More information at www.manpower.sk.

Unless otherwise stated, all data are seasonally adjusted. The formula with which the data are seasonally adjusted is refined from quarter to quarter, and data for previous quarters are recalculated with the new formula to take account of the more data available.