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CZECH EMPLOYERS EXPECT A HEALTHY STAFFING ENVIRONMENT

Prague, 7th March 2023 – Czech employers forecast a healthy staffing environment during the upcoming quarter with a Net Employment Outlook (NEO) of 15 percentage points. Forecasts for the hiring market strengthened by 14 percentage points since last quarter and grew by 4 points compared to this time last year.

Despite the improvement in expectations, the Czech Republic ranks tenth to last globally for its employment expectations, 8 points below the global average. However, the country's quarterly growth in expectations is remarkable: The Czech Republic ranks first globally for its quarterly increase in expectations, above the 41-country average quarterly increase by 14 points.

Last quarter, the Czech Republic was among the countries expecting the worst hiring intentions. This quarter, greater optimism towards hiring may be partly due to increased energy imports from Germany, as energy availability is helping to reduce costs for businesses and households. Furthermore, the election of a new president supporting a full commitment to NATO may be making businesses feel more secure as the Ukraine-Russia conflict continues.

„After the period of uncertainty and waiting that we saw at the turn of the year, firms now think they will start to pick up again in the second quarter of 2023. The number of optimistic firms has risen by 9 pp to 31 and the percentage of pessimistic firms has fallen by the same amount to 15. The larger part of the Czech labour market shows that it already has much brighter prospects for the near future. In our recruitment practice we see that some companies have started to fill their positions that were frozen, but the labour market remains very turbulent due to economic and social changes,” said Jaroslava Režlerová, Managing Director of ManpowerGroup Czech Republic.

Industry sector comparisons

Czech employers in 8 of 9 sectors expect to increase staffing levels in the second quarter of 2023, while 1 sector predicts a decrease. Compared to Q1 2023, hiring climates have strengthened in 8 of 9 sectors and weakened in 1 sector. Compared to this time last year, hiring environments have strengthened in 7 of 8 sectors for which we have data and weakened in 1 sector.

The Czech Republic's most competitive sector is Financials & Real Estate with an employment outlook of 34. This sector reports a rise of 46 percentage points since last quarter and 10 percentage points since this time last year. The Financials & Real Estate sector reports the greatest increase in expectations since last quarter out of all the Czech sectors. The Czech Republic ranks first globally for the Financials & Real Estate sector's quarterly increase, outperforming the 41-country average quarterly increase by 45 points.

Regional comparisons

Czech organizations in all 3 regions expect to add staff from April to June 2023. Since the first quarter of 2023, hiring environments have strengthened in all 3 regions. Looking back to this quarter last year, hiring markets have strengthened in 2 of 3 regions and weakened in 1 region. The most competitive region in the Czech Republic is the Bohemia region with a NEO of 18, rising by 10 percentage points since Q1 2023 and 15 percentage points since a year ago.



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One of the regions with the largest quarterly increase is the Prague region with a rise of 16 percentage points. Another region seeing equally great quarterly growth is the Moravia region.

Organization Size Comparisons

All 4 organization sizes anticipate increasing staffing levels in the upcoming quarter. Since the first quarter of 2023, staffing environments have strengthened in all 4 organization sizes. Looking back to this time last year, job markets have strengthened in 3 of 4 organization sizes and weakened in 1 organization size.

Czech employers in large organizations with 250+ employees are the most optimistic with a NEO of 20, rising by 11 percentage points since the previous quarter but falling by 2 percentage points since this time last year.

The Czech organizations reporting the largest increase since last quarter are those with less than 10 employees. They report a rise of 17 percentage points.

Global Overview

ManpowerGroup surveyed 38,846 employers in 41 countries and territories to measure hiring expectations from April to June in the second quarter of 2023. The survey was conducted while the Ukraine-Russia conflict had been ongoing for about 11 months. Despite the ongoing unrest and economic headwinds, many employers were cautiously hopeful as inflation and energy prices showed signs of easing. Meanwhile, the global labor market remained strong, with demand for skilled talent reaching a record high of 77%, according to the latest ManpowerGroup Talent Shortage survey. The demand for skilled talent supported the robust global employment intentions in Q2 2023.

In Q2 2023, employers expect to increase staffing levels at the same rate as last quarter, based on the seasonally adjusted Net Employment Outlook (NEO) that remained at 23 points. Employment expectations held steady since last quarter, suggesting that employers are not looking to accelerate hiring until they see how the global economy changes. However, compared to this time last year, the employment outlook decreased by 6 percentage points, weighed down by high inflation, prices, interest rates, and weaker consumer demand following a cost-of-living crisis. The impact of the Russia-Ukraine conflict continues to impact Europe and the global economy.

The strongest hiring plans for the second quarter of 2023 are predicted in Central American countries Panama (41), Costa Rica (38), and Guatemala (38). Employer confidence in the region may be boosted by increased trade flowing through Central America and higher tourism. Furthermore, energy initiatives in the region, like Costa Rica's decarbonization plans and Colombia's shift to more renewable energy sources, are raising hiring intentions in the region's Energy & Utilities sector (37), which reports the greatest expectations out of the sectors in the region. However, political shifts and unrest in Brazil and Peru have contributed to an overall slight decrease in employment expectations in the region since last quarter (-1 points), as employers in these countries decelerate their hiring plans.

The next ManpowerGroup Employment Outlook Survey featuring the forecast for the 3Q 2023 period will be published on 13 June 2023.

<p>For additional information, please contact: Jiří HALBRŠTÁT, email: jiri.halbrstat@manpowergroup.cz</p>

Note to Editors



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Commentary is based on seasonally adjusted data where available. Full survey results for each of the 41 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>

ManpowerGroup has also released its ManpowerGroup Employment Outlook Survey Explorer tool, a new interactive way to examine and compare its data. The tool can be viewed at <http://www.manpowergroupsolutions.com/DataExplorer/>

This survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforce during the next quarter. The Czech Republic is one of 41 countries and territories participating in the quarterly measurement of employer hiring intentions. The survey for Quarter 2 2023 was conducted by interviewing a representative sample of 510 employers in the Czech Republic and asking the same question: "How do you anticipate total employment at your location to change in the three months to the end of June 2023 as compared to the current quarter?"

The global ManpowerGroup Employment Outlook Survey has been running for 60 years, and uses a validated methodology in accordance with the highest standards in market research. This survey helps to identify the hiring intentions of both regional and industry sector employers, and facilitates preparation for labor market pressures.

About the Survey

The Employment Outlook Survey – conducted in October 2021 – 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.

Gain access to ManpowerGroup's extensive thought leadership papers, annual Talent Shortage surveys and the ManpowerGroup Employment Outlook Survey, one of the most trusted indices of employment activity in the world, via the ManpowerGroup World of Work Insight iPad application. This thought leadership app explores the challenges faced by employers navigating the changing world of work and provides in-depth commentary, analysis, insight and advice on strategies for success.



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More information available on www.manpowergroup.cz.