

UNDER EMBARGO UNTIL 00:01 GMT September 12th, 2023

EMBARRASSING EXPECTATIONS ON THE CZECH LABOUR MARKET

Prague, 12th September 2023 – Employers expect a modest hiring pace in the Czech Republic during the fourth quarter of 2023 with a Net Employment Outlook (NEO) of 11 percentage points. Forecasts worsen by 5 percentage points since the third quarter of 2023, and by 1 point compared to Q4 2022. The Czech Republic ranks third to last globally for its employment expectations, at 19 points below the global average.

Employment expectations in the Czech Republic have decreased compared to last quarter. This is perhaps as consumer spending is decreasing, and trade is becoming uncertain. Additionally, salaries have also increased over time due to rising demand for skilled workers across various industries, including technology and finance. Therefore, the country may be decelerating hiring as labor costs increase and profits waver.

„After a very uncertain start of the year, confidence returned to the labor market in spring, and thanks to the growing optimism, unemployment began to fall by 10,000 people per month. According to ManpowerGroup’s labor market index, employers expect further increases in the number of employees during the summer. However, it is still very difficult for companies to cope with the new reality - although 35% of organizations will recruit, more than every sixth company plans to lay off employees,” said Jaroslava Rezlerová, Managing Director of ManpowerGroup Czech Republic.

Industry sector comparisons

One of the Czech Republic’s most competitive sectors is Health Care & Life Sciences with a NEO of 30, rising by 16 percentage points since the third quarter of 2023, and by 30 percentage points compared to this time last year. This sector reports the greatest increase in expectations since last quarter and since this time last year. The sector’s year-on-year increase is notable, as the Czech Republic ranks third globally for the Health Care & Life Sciences sector’s year-on-year increase, outperforming the global average increase by 27 points.

An equally competitive sector with a NEO of 30 is Information Technology, which has risen by 15 percentage points since last quarter, and by 11 percentage points since the fourth quarter of 2022. The Czech Republic ranks eighth globally for the Information Technology sector’s quarterly increase, outpacing the 41-country average quarterly increase by 15 points.

The Czech Republic ranks tenth globally for the Financials & Real Estate sector’s year-on-year increase, beating the 41-country average increase since this time last year by 13 points.

Regional comparisons

Czech organizations in all 3 regions expect an increase in staffing levels during the fourth quarter of 2023. Since the previous quarter, hiring paces have weakened in 2 of 3 regions and strengthened in 1 region. Looking back to this time last year, job 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 13, rising by 1 percentage point since the third quarter of 2023, and by 5 percentage points since this time last year.

Organization Size Comparisons

All 4 organization sizes anticipate an increase in staffing levels in the upcoming quarter. Since the third quarter of 2023, hiring paces have weakened in 3 of 4 organization sizes and



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remained stable in 1 organization size. Looking back to a year ago, staffing climates have weakened in 3 of 4 organization sizes and strengthened in 1 organization size.

Czech employers in medium organizations with 50-249 employees are the most optimistic with a NEO of 14, even though expectations decreased by 6 percentage points since the third quarter of 2023, and by 7 percentage points compared to a year ago.

The only organizations that do not report a decrease since last quarter are large organizations with 250+ employees. They expect their staffing levels to remain stable at 13 percentage points since last quarter. Since this time last year, these large organizations are also the only ones to report an increase in expectations with a rise of 6 percentage points.

Global Overview

In the fourth quarter of 2023, organizations continue grappling with the global economic slowdown and concerns over the talent shortage. As a result, caution became a defining feature of the employment outlook this quarter. This is the key finding of ManpowerGroup's survey of 38,833 employers in 41 countries and territories to measure hiring expectations from October to December 2023.

In Q4 2023, global hiring intentions continue to grow slowly but steadily for the fourth consecutive quarter. Employers anticipate raising staffing levels slightly faster than last quarter, which is reflected in the seasonally adjusted Net Employment Outlook (NEO) climbing from 28 to 30. This marks an improvement, with the employment outlook now aligning with figures from the previous year, increasing by 1 percentage point since Q4 2022. Globally, employers seem to be striking a careful balance between concerns over slow economic growth and the increasing demand for talent. This results in a relatively stable employment outlook, both quarter-to-quarter and year-over-year.

The next ManpowerGroup Employment Outlook Survey featuring the forecast for the 1Q 2024 period will be published on 12 December 2023.

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Note to Editors

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 4 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 December 2023 as compared to the current quarter?"



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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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About ManpowerGroup Czech Republic

Through a network of over 35 offices, we provide staff (nearly 12,000) for around 1,200 clients. With employment opportunities in the public and private sector, on both a permanent and temporary basis, we make it easy for people to find employment and for companies to find staff with the skills they need. Solutions include permanent and temporary positions, holiday, maternity or sick coverage, through to large workforce transformation and outsourcing contracts.

More information available on www.manpowergroup.cz.