

Hiring difficulties that companies report are linked in part to the dynamism in employment

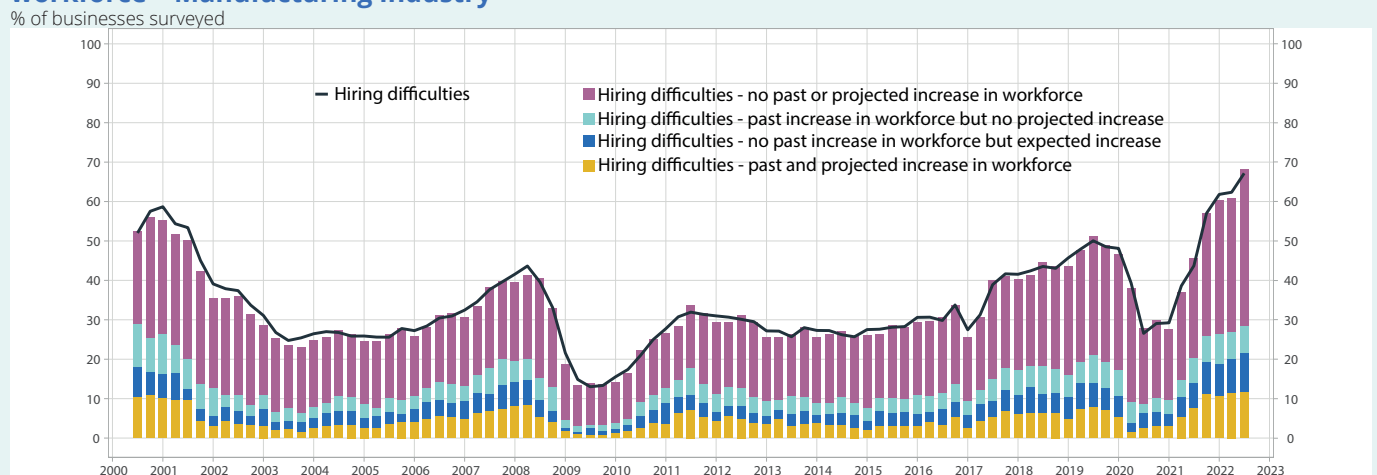
In July 2022, the proportion of companies reporting hiring difficulties reached unprecedented levels in the manufacturing industry (67% of the companies concerned) and in services (60%) and it reached its highest levels in building construction (82%). These difficulties are emerging in a context where payroll employment is robust, a situation that is also reflected in the opinions of business leaders on change in their workforce size. In manufacturing and construction, balances of opinion on change in workforce in the past (over the last 3 months) and in the future (over the next 3 months) have stayed well above their long-term average over the last year. In services, opinions have experienced more fluctuations over the last year but overall have remained above or close to their long-term average.

Hiring difficulties may be due to structural problems of matching labour supply to the demand for work (skills, attractiveness, etc.). Such difficulties can arise at any time, even when the labour market is sluggish, but they become much more acute when more hiring is taking place. One way of illustrating this is to look at companies reporting hiring difficulties, and identify which of these have also declared an increase in their past or future workforce: any hiring difficulties experienced by these companies could in fact stem more from their need for additional manpower (excess labour demand) than a shortage of labour.

In the manufacturing industry, the share of companies reporting hiring difficulties as well as an increase in their past and/or future workforce has increased substantially since mid-2021 (► **Figure 1**): in July 2022, it reached 28%, in other words about 4 out of every 10 companies declaring hiring difficulties. A similar trend can be seen in services (► **Figure 2**): the proportion of companies reporting both hiring difficulties and an increase in past and/or future workforce has risen significantly since the beginning of 2021, and in July 2022 affected 26% of companies questioned (again 4 out of every 10 companies declaring hiring difficulties). Finally, in the building construction sector, which has the highest proportion of companies reporting hiring difficulties, only 1 in 3 companies out of those declaring hiring difficulties in July also reported an increase in their future and/or past workforce (► **Figure 3**). ●

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► 1. Hiring difficulties declared by companies according to reported change in their past and future workforce – Manufacturing industry

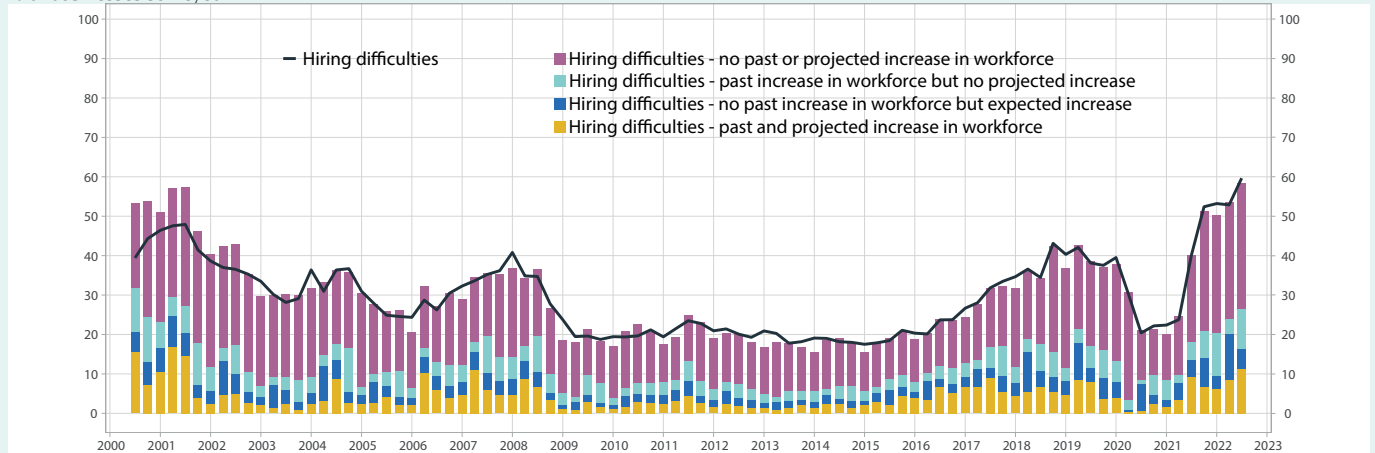


How to read it: in July 2022, 67% of industrial companies reported experiencing hiring difficulties. The black curve represents this total, as published quarterly in *Informations Rapides*. For several reasons it may differ slightly from the sum of its component parts (bars stacked on the graph): partial non-response to some survey questions, SA.

Source: INSEE, business surveys

► 2. Hiring difficulties declared by companies according to reported change in their past and future workforce - Services

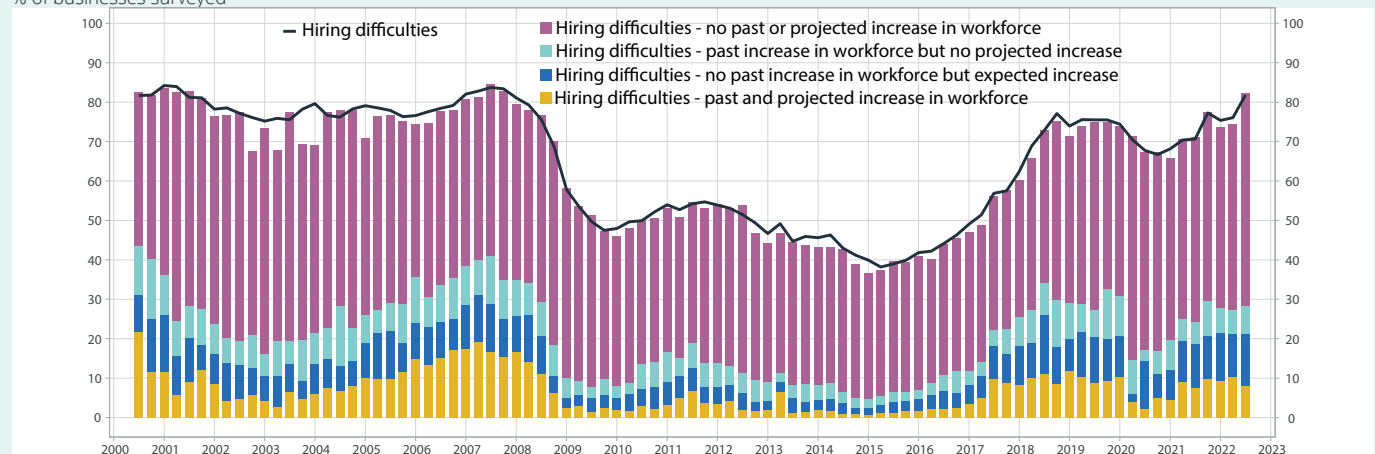
% of businesses surveyed



Source: INSEE, business surveys

► 3. Hiring difficulties declared by companies according to reported change in their past and future workforce - Building construction

% of businesses surveyed



Source: INSEE, business surveys