# Executive Summary

In the latest edition of the ManpowerGroup Employment Outlook Survey, over 1,000 employers in Canada were asked about their third quarter hiring intentions, AI adoption journey, and challenges faced along the way.

**23%** Canada Net Employment Outlook:

Calculated by subtracting employers planning reductions vs. those planning to hire.* Unchanged since the previous quarter but weakening when compared to the same time last year by -7%.

**Nearly half of companies (43%)** said they

have already adopted AI, an increase of 13% year-over-year, though employers reveal that AI optimism varies by seniority.

**Almost half (45%)** of employers expect to increase

headcount due to AI and ML over the next two years and nearly one in four believe there will be no impact.

## Highest Canada Hiring Demand:

**Communication Services**

**Transport, Logistics & Automotive**

**Financials & Real Estate**

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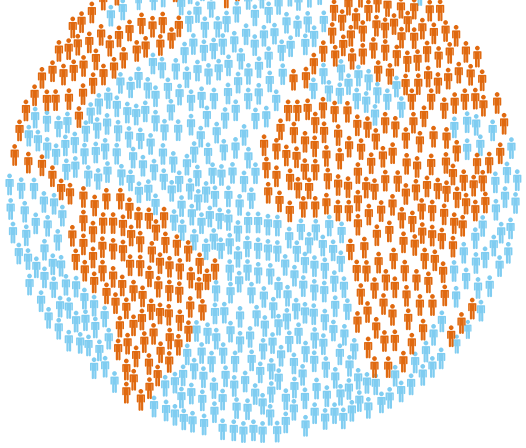Outlooks by Industry Vertical
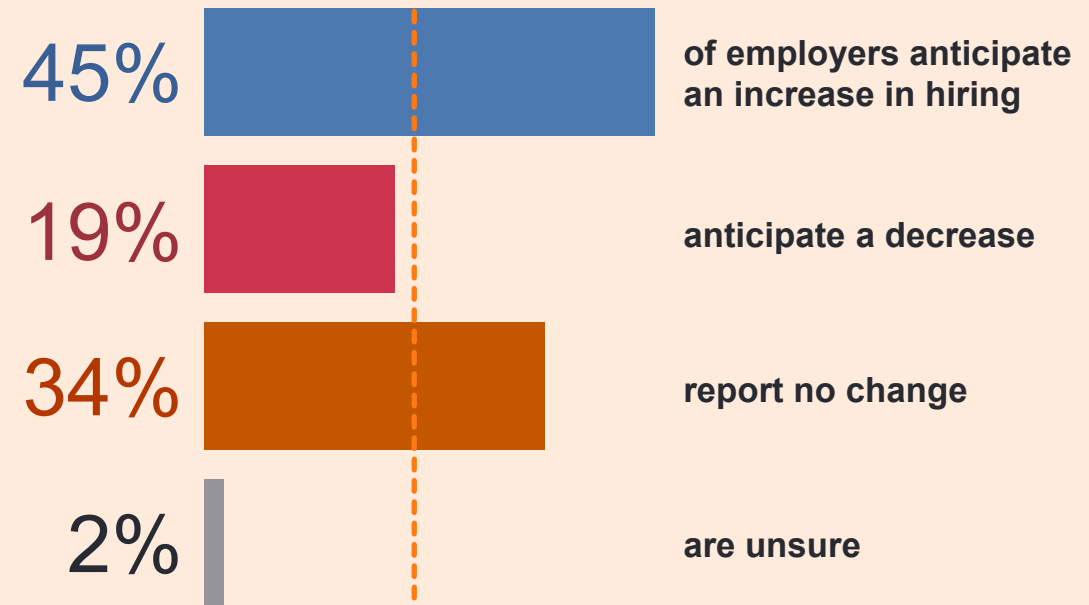
**Section 4**

About the Survey

Q3 Employment Outlooks

# Canada Employment Outlook for Q3 2024

Used internationally as a bellwether of labor market trends, the Net Employment Outlook (NEO) — calculated by subtracting the percentage of employers who anticipate reductions to staffing levels from those who plan to hire — **remains at 23%.**

**45%** of employers anticipate an increase in hiring

**19%** anticipate a decrease

**34%** report no change

**2%** are unsure

**23%** Canada Net Employment Outlook

# Changes Over Time

**Canadian outlooks remain unchanged since the previous quarter** but are down 7% when compared to the same period last year.
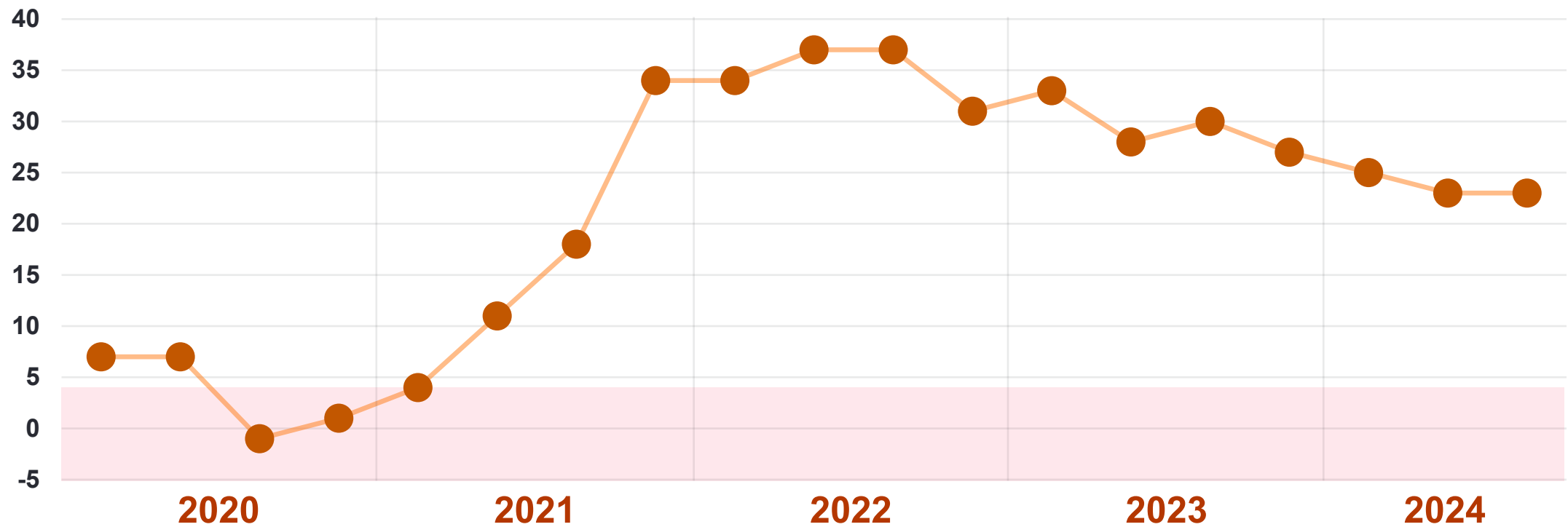
# Hiring Expectations for July through September by Country

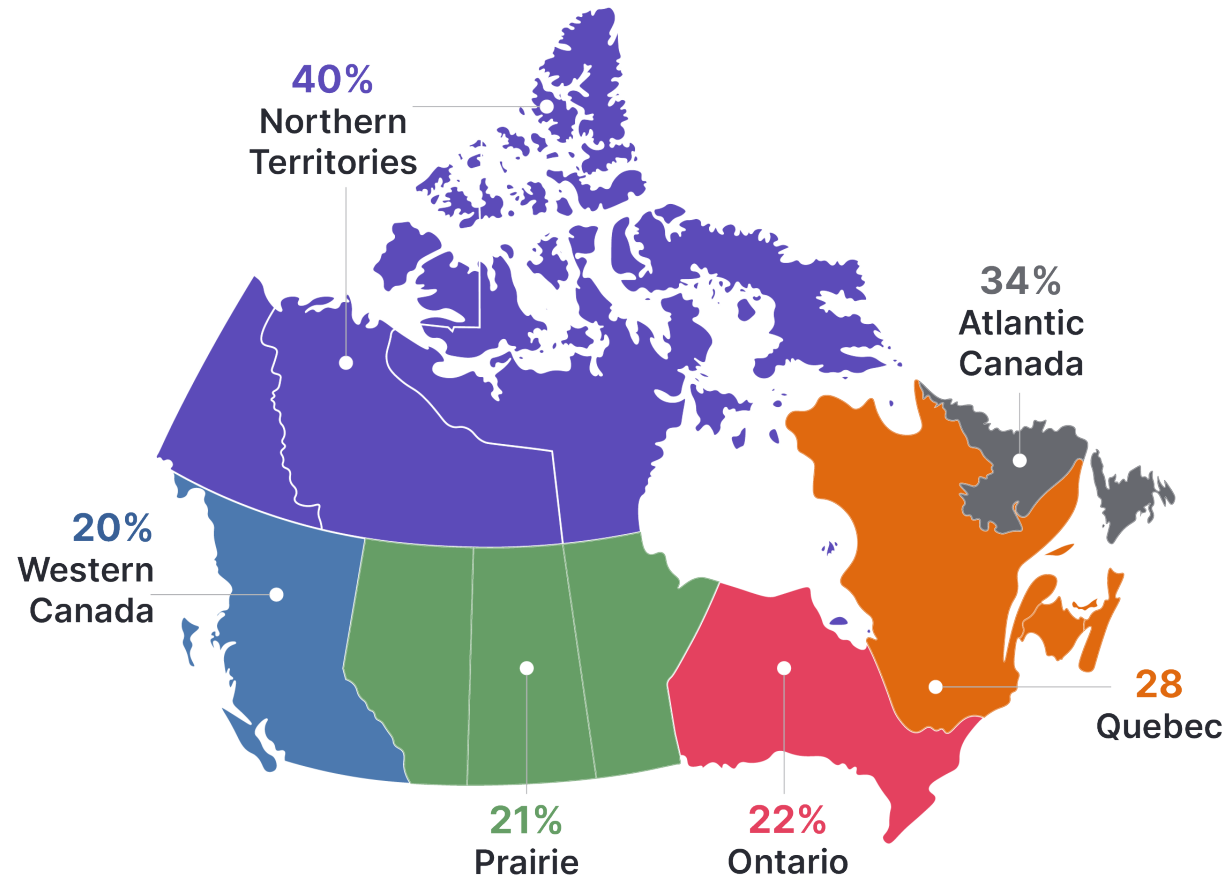**Seasonally Adjusted Net Employment Outlooks (NEO)**

**23%** Canada
**Average NEO**

**22%** Global
**Average NEO**

| Country | NEO | Country | NEO | Country | NEO |
|---|---|---|---|---|---|
| Costa Rica | 35% | Germany | 23% | Slovakia | 15% |
| Switzerland | 34% | Ireland | 23% | Spain | 15% |
| Guatemala | 32% | Finland | 22% | Hungary | 14% |
| Mexico | 32% | Norway | 22% | Poland | 14% |
| South Africa | 31% | Austria | 20% | Sweden | 13% |
| India | 30% | Colombia | 20% | Japan | 12% |
| U.S. | 30% | Singapore | 20% | Greece | 10% |
| China | 28% | U.K. | 20% | Puerto Rico | 8% |
| The Netherlands | 28% | Panama | 19% | Hong Kong | 8% |
| Brazil | 27% | Portugal | 18% | Czech Republic | 8% |
| Belgium | 25% | Taiwan | 18% | Chile* | 7% |
| Peru | 25% | Türkiye | 17% | Israel | 4% |
| France | 24% | Italy | 16% | Argentina | 3% |
| **Canada** | **23%** | Australia | 15% | Romania | 3% |

*Chile joined the program in Q2 2024. There is currently no historical data, and the data has not been seasonally adjusted.
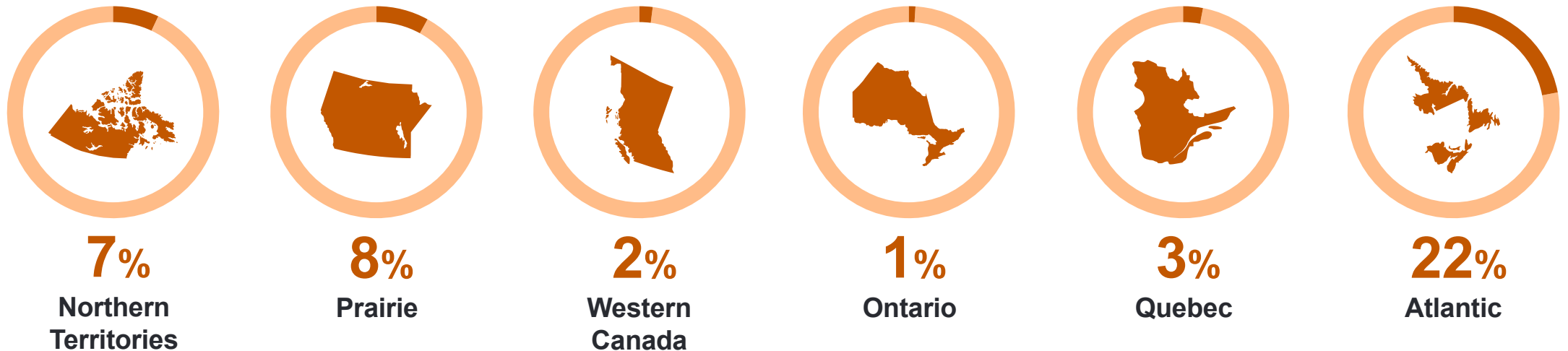
# Hiring Expectations for July through September by Region

While all regions report a strong hiring outlook, **the Northern Territories** has the strongest net employment outlook at **+40%.**



**40%**
Northern
Territories

**34%**
Atlantic
Canada

**20%**
Western
Canada

**28**
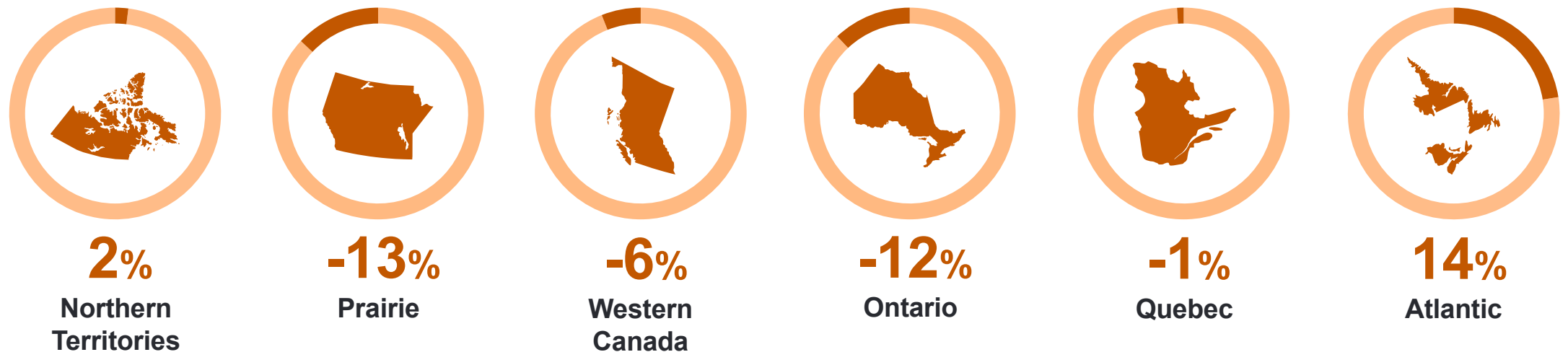Quebec

**21%**
Prairie

**22%**
Ontario

# Quarter-Over-Quarter Changes by Region

All regions expect a stronger hiring outlook compared to last quarter, with the **Atlantic region** expecting the biggest gain at 22%.

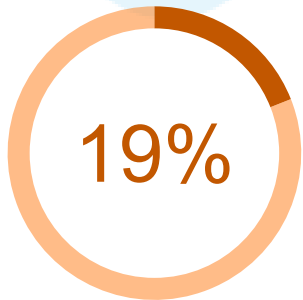| **7%** | **8%** | **2%** | **1%** | **3%** | **22%** |
|---|---|---|---|---|---|
| Northern Territories | Prairie | Western Canada | Ontario | Quebec | Atlantic |

# Year-Over-Year Changes by Region

Four out of six regions expect a weaker hiring outlook compared to last year at this time, with the **Prairie region** expecting the biggest loss at -13%.
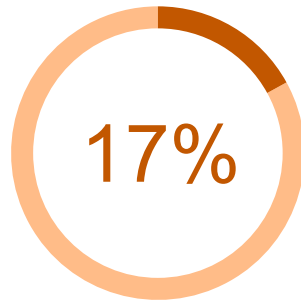


| **2%** | **-13%** | **-6%** | **-12%** | **-1%** | **14%** |
| Northern Territories | Prairie | Western Canada | Ontario | Quebec | Atlantic |

# Hiring Expectations by Company Size

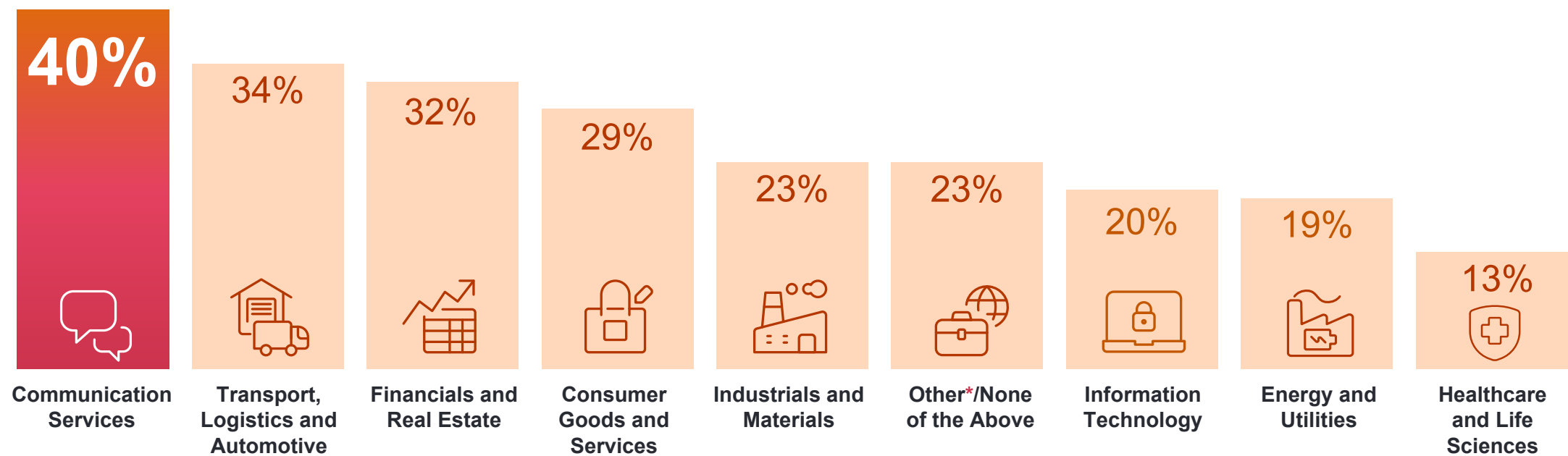| Less than 10 | 10 - 49 | 50 - 249 | 250 - 999 | 1,000 - 4,999 | 5,000+ |
| Employees | Employees | Employees | Employees | Employees | Employees |
| 19% | 17% | 32% | 22% | 29% | 25% |
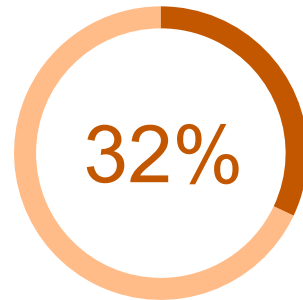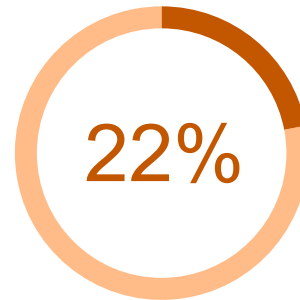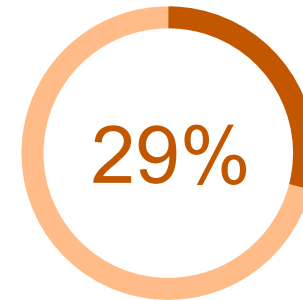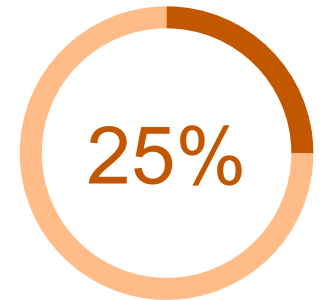
# Employment Outlooks Across Key Industry Sectors

Businesses in the **Communication Services industry** reported the strongest Outlook with a 26% increase quarter-over-quarter and an 8% increase over this time last year.

| Communication Services | Transport, Logistics and Automotive | Financials and Real Estate | Consumer Goods and Services | Industrials and Materials | Other*/None of the Above | Information Technology | Energy and Utilities | Healthcare and Life Sciences |
|---|---|---|---|---|---|---|---|---|
| 40% | 34% | 32% | 29% | 23% | 23% | 20% | 19% | 13% |

*Includes: Government or Public Service; Not for Profit/NGO/Charity/Religious organization; Other Industry; Other Transport, Logistics and Automobiles Sub-Industry; Educational Institutions; Agriculture and Fishing

# Employment Outlooks Across North America
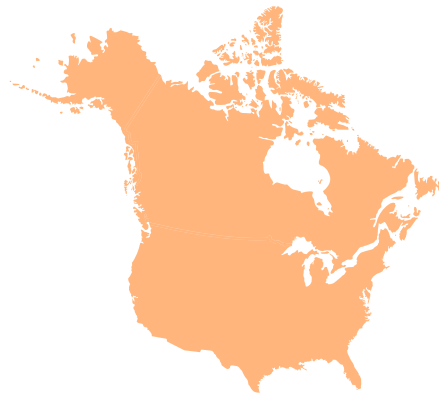
**Employers from North America reported positive employment Outlooks for Q3, though hiring intentions have decreased year-over-year in all locations, and in three out of four since Q2 2024.**

Employers in the U.S. (30%) report the strongest hiring intentions across the regions for Q3.

**United States**
## 30%

**Canada**
## 23%

**Puerto Rico**
## 8%

# Workforce Trends

# Navigating AI Adoption

**Nearly half (43%) of companies said they have already adopted AI,** including generative conversational AI. This is a 13% increase when compared to employers' responses one year ago (30%).

**Artificial Intelligence (AI)**

| Early adopter **14%** | Current adopter **29%** | Next 12 months **22%** |

**Generative Conversational AI**

| Early adopter **15%** | Current adopter **27%** | Next 12 months **20%** |

**Machine Learning (ML)**

| Early adopter **13%** | Current adopter **26%** | Next 12 months **23%** |

**Virtual Reality**

| Early adopter **11%** | Current adopter **21%** | Next 12 months **21%** |
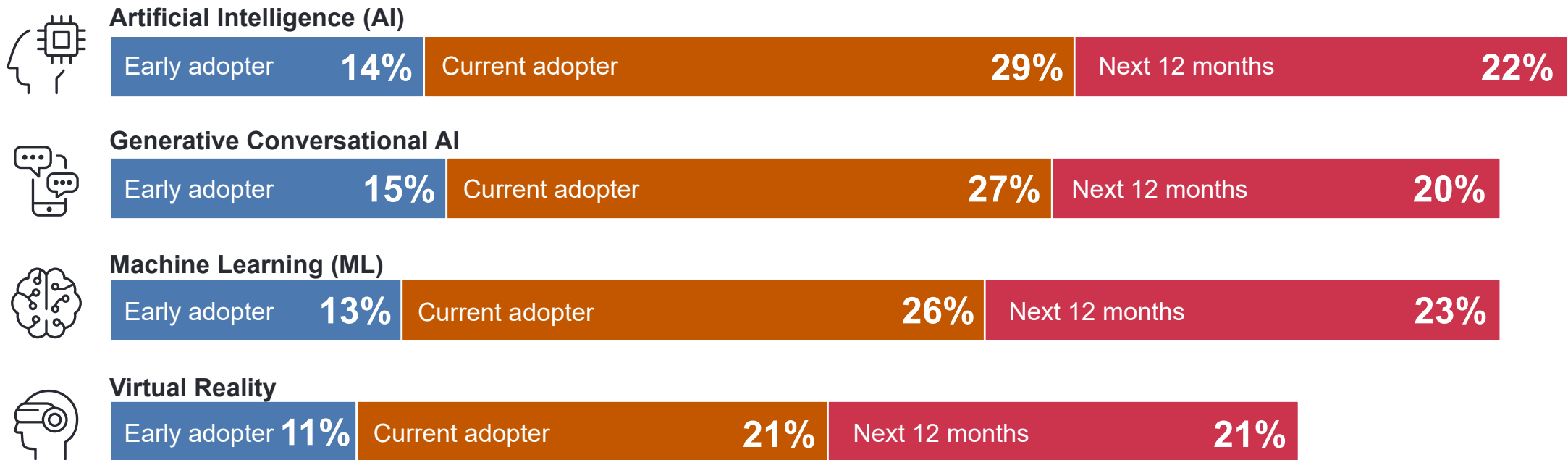
# Diverging Sentiments Emerge on AI Impact to Work
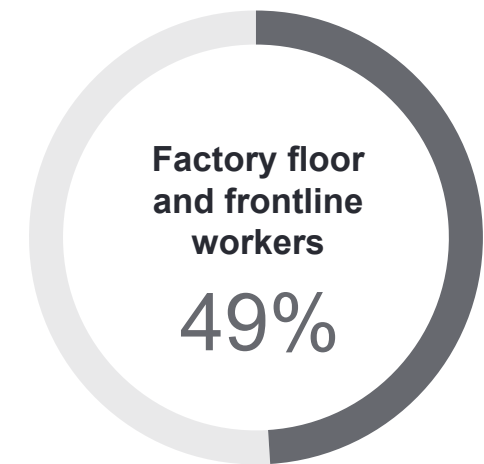
**Employers reveal that AI optimism varies by seniority.** With a 14-point-gap between senior leadership and frontline workers, leaders can seize the opportunity to clearly communicate the positive influence that AI will bring to their workload.

**Factory floor and frontline workers are least optimistic about AI**

Senior leadership

**63%**

Middle managers and supervisors

**58%**

Office workers

**60%**

Factory floor and frontline workers

**49%**
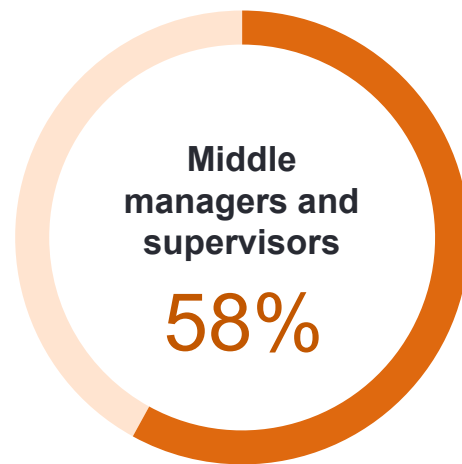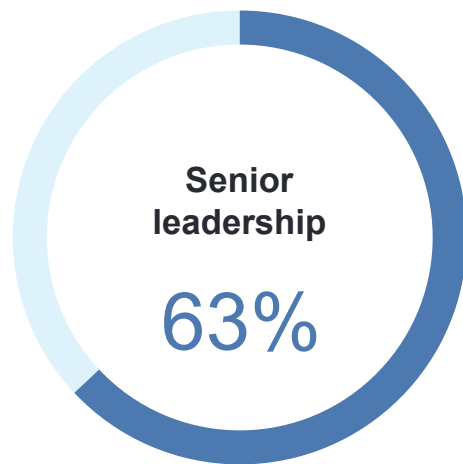
# AI Optimism Varies by Seniority and Region

**Most of the workforce (58%) at all seniority levels believe AI will have a positive impact on the future of work.** However, the level of optimism varies based on the region and seniority of the employees. While office professionals in the Northern Territories are the most optimistic (80%) about the positive impact of AI, less frontline workers (41%) in the Prairie region share this view.

## Quebec

| | |
|---|---|
| Senior leadership | 70% |
| Middle managers and supervisors | 69% |
| Office workers | 66% |
| Factory floor and frontline workers | 62% |

## Western Canada

| | |
|---|---|
| Senior leadership | 61% |
| Middle managers and supervisors | 53% |
| Office workers | 58% |
| Factory floor and frontline workers | 45% |

## Ontario

| | |
|---|---|
| Senior leadership | 64% |
| Middle managers and supervisors | 60% |
| Office workers | 61% |
| Factory floor and frontline workers | 48% |

## Atlantic Canada

| | |
|---|---|
| Senior leadership | 60% |
| Middle managers and supervisors | 49% |
| Office workers | 56% |
| Factory floor and frontline workers | 50% |

## Prairie

| | |
|---|---|
| Senior leadership | 57% |
| Middle managers and supervisors | 53% |
| Office workers | 57% |
| Factory floor and frontline workers | 41% |

## Northern Territories

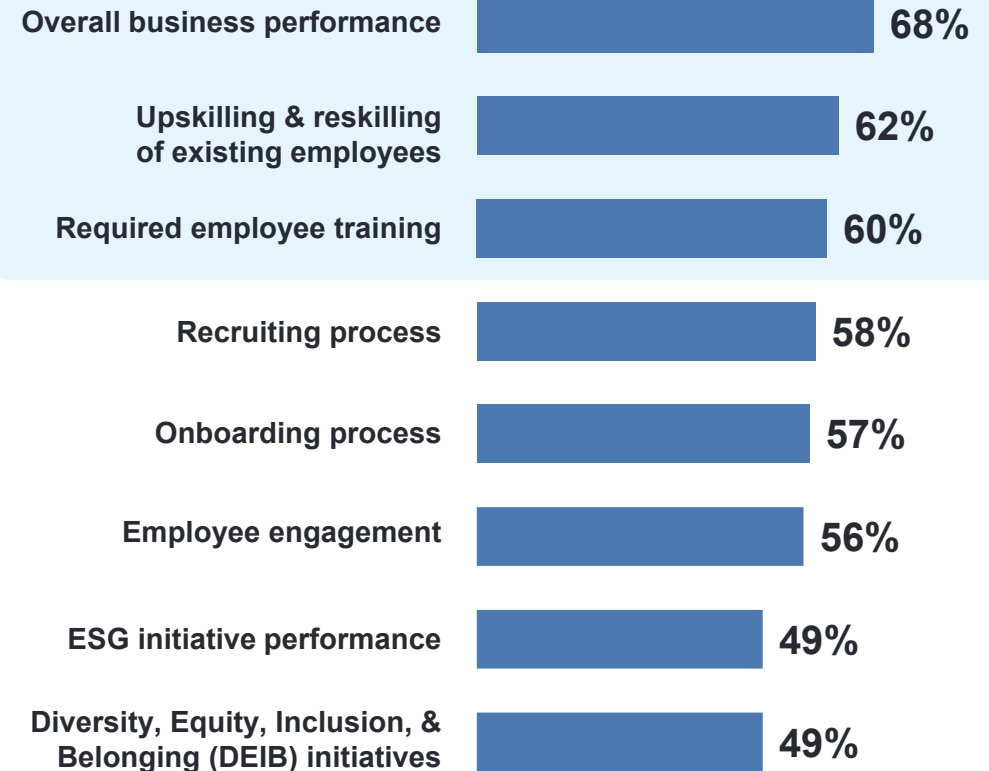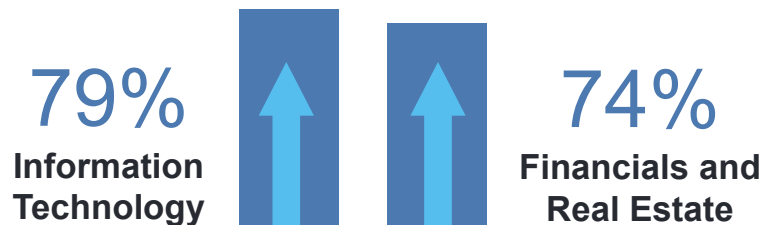| | |
|---|---|
| Senior leadership | 73% |
| Middle managers and supervisors | 63% |
| Office workers | 80% |
| Factory floor and frontline workers | 67% |

# Employers Reveal that Nearly All Organizations Encounter AI Adoption Challenges

Most common ones relating to **cost, privacy, and resistance to change.**

**38%**
High cost of investment

**33%**
Concerns about privacy & regulations

**28%**
Workers are resistant to change

| | |
|---|---|
| High cost of investment | 38% |
| Concerns about privacy & regulations | 33% |
| Workers are resistant to change | 28% |
| Workers don't have the skills to use AI effectively | 28% |
| Identifying relevant use cases | 26% |
| Lack of appropriate AI tools and platforms | 24% |
| Leaders are resistant to change | 21% |
| Implementing AI effectively is too complex | 20% |
| Our organization's data is not structured enough to use AI | 18% |
| None of the above | 6% |

# Employers Begin Identifying Future Impacts From AI

When asked to predict the future impact of AI and ML at their organization, **employers in Canada found consensus across industries and regions that these tools will have a positive impact on business performance,** especially in the IT and Financials and Real Estate industries. They were nearly equally optimistic about the effect on upskilling, reskilling, and training employees.

**79%**
Information Technology

**74%**
Financials and Real Estate

Overall business performance — **68%**

Upskilling & reskilling of existing employees — **62%**

Required employee training — **60%**

Recruiting process — **58%**

Onboarding process — **57%**

Employee engagement — **56%**

ESG initiative performance — **49%**

Diversity, Equity, Inclusion, & Belonging (DEIB) initiatives — **49%**
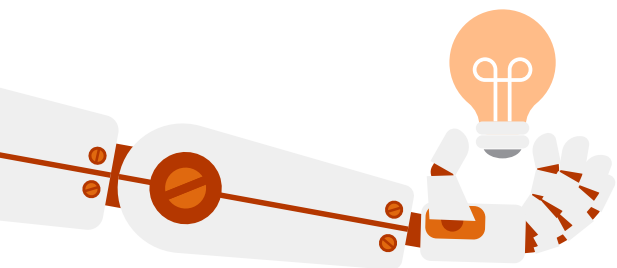
# Projected Impact of AI and ML on Headcount by Industry

**Almost half of companies expect to increase headcount due to AI and ML over the next two years.** More than one in four believe there will be no impact and about one in five anticipate staffing decreases.

| | Increase headcount | No impact to headcount | Decrease headcount |
|---|---|---|---|
| **Canada Average** | **45%** | **28%** | **21%** |
| Communication Services | 38% | 18% | 38% |
| Consumer Goods & Services | 42% | 31% | 17% |
| Energy & Utilities | 43% | 32% | 21% |
| Financials & Real Estate | 53% | 25% | 21% |
| Healthcare & Life Sciences | 36% | 29% | 29% |
| Industrials & Materials | 45% | 32% | 18% |
| Information Technology | 58% | 22% | 19% |
| Transport, Logistics & Automotive | 62% | 17% | 20% |

# Engaging the Next Generation of Workers

**Expectations around work-life balance, employee engagement, and recruiting and retention** are the top three challenges employers are facing with newer workers (less than 10 years in the workforce).
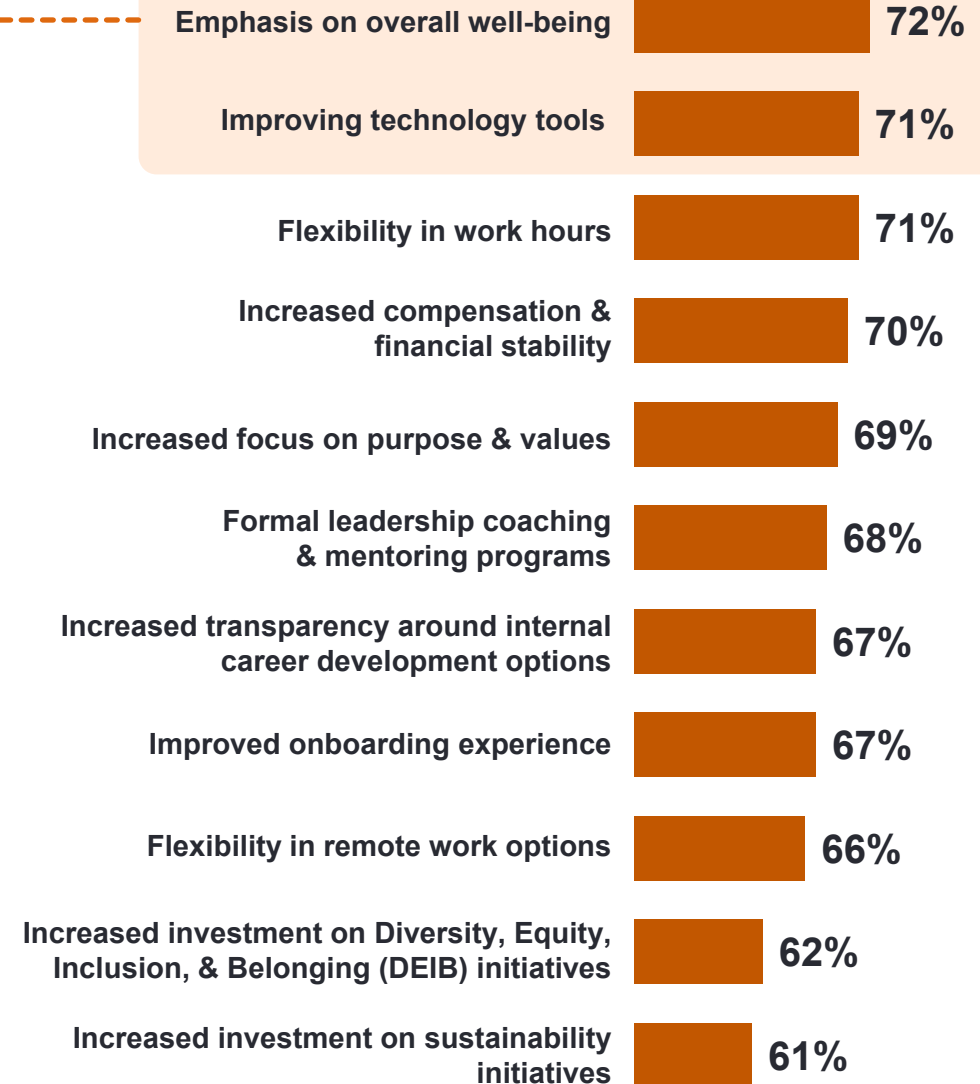
**Work-life balance expectations are the top challenge employers face with new workers**

Work-life balance expectations — 39%

Employee engagement & motivation — 33%

Recruiting & retention — 31%

Compensation expectations — 30%

Lacking skills to perform their role — 30%

Career advancement expectations — 30%

Workplace technology expectations (e.g., generative AI) — 26%

Need for manager supervision — 24%

Different communication preferences than more experienced workers — 20%

Our organization has no challenges with those newer to the workforce — 4%

# Emphasizing Well-Being Points to Promising Results

Employers in Canada have found that **emphasizing well-being and improving technology tools are the top two drivers** in boosting engagement and productivity of their newer workforce.

**Emphasis on overall well-being**

76% in Western Canada

| Category | Percentage |
|---|---|
| Emphasis on overall well-being | 72% |
| Improving technology tools | 71% |
| Flexibility in work hours | 71% |
| Increased compensation & financial stability | 70% |
| Increased focus on purpose & values | 69% |
| Formal leadership coaching & mentoring programs | 68% |
| Increased transparency around internal career development options | 67% |
| Improved onboarding experience | 67% |
| Flexibility in remote work options | 66% |
| Increased investment on Diversity, Equity, Inclusion, & Belonging (DEIB) initiatives | 62% |
| Increased investment on sustainability initiatives | 61% |

**Outlooks by Industry Vertical**

# Communication Services

A majority (75%) of Communication Services organizations report difficulty finding the skilled talent they need.*
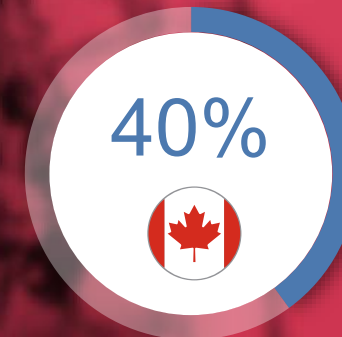
The NEO for Canada's Communications Services industry is 40%. This figure increased 26% from the previous quarter and 8% compared to the same period last year.

* The 2024 Canada Talent Shortage, ManpowerGroup

**Reported Talent Shortage**

**75%**

**Canada Net Employment Outlook**

**40%**

# Consumer Goods and Services

A majority (77%) of Consumer Goods and Services employers report difficulty finding the skilled talent they need.*
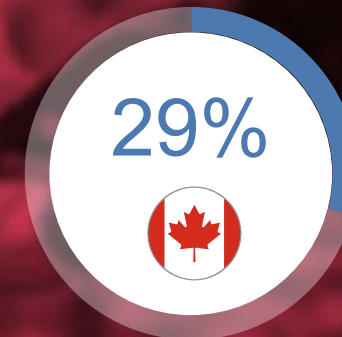
The NEO for Canada's Consumer Goods and Services employers is 29%. This figure increased 8% from the previous quarter and is down 2% year-over-year.

* The 2024 Canada Talent Shortage, ManpowerGroup

**Reported Talent Shortage**

77%

**Canada Net Employment Outlook**

29%

# Energy and Utilities

A majority (80%) of Energy and Utilities employers report difficulty finding the skilled talent they need.*
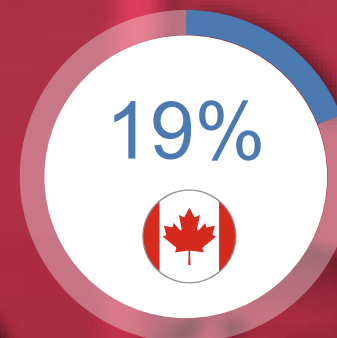
The NEO for Canada's Energy and Utilities employers is 19%. This figure increased 9% from the previous quarter but is 25% lower than the same period last year.

* The 2024 Canada Talent Shortage, ManpowerGroup

**Reported Talent Shortage**

**80%**

**Canada Net Employment Outlook**

**19%**

# Financials and Real Estate

A majority (77%) of Financials and Real Estate employers report difficulty finding the skilled talent they need.*
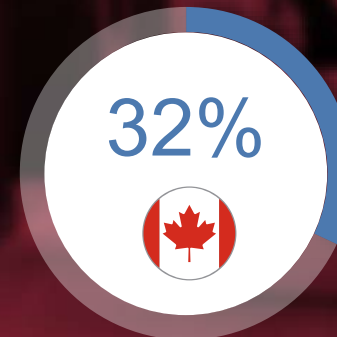
The NEO for Canada's Financials and Real Estate employers is 32%. This figure increased 12% from the previous quarter and 1% when compared to the same period last year.

* The 2024 Canada Talent Shortage, ManpowerGroup

**Reported
Talent Shortage**

**77%**

**Canada Net
Employment Outlook**

**32%**

# Healthcare and Life Sciences

A vast majority (90%) of Healthcare and Life Sciences employers report difficulty finding the skilled talent they need.*
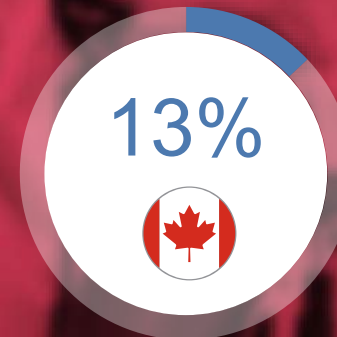
The NEO for Canada's Healthcare and Life Science employers is 13%. This figure decreased 3% from the previous quarter and is down 7% year-over-year.

\* The 2024 Canada Talent Shortage, ManpowerGroup

**Reported Talent Shortage**

**90%**

**Canada Net Employment Outlook**

**13%**

# Industrials and Materials

A majority (78%) of Industrials and Materials employers report difficulty finding the skilled talent they need.*
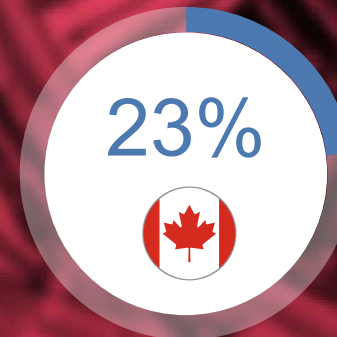
The NEO for Canada's Industrials and Materials employers is 23%. This figure increased 2% from the previous quarter but is down 9% when compared to the same period last year.

* The 2024 Canada Talent Shortage, ManpowerGroup

**Reported Talent Shortage**

**78%**

**Canada Net Employment Outlook**

**23%**

# Information Technology (IT)

A majority (78%) of IT employers report difficulty finding the skilled talent they need.*

The NEO for Canada's IT employers is 20%. This figure is unchanged from the previous quarter but down 20% when compared to the same period last year.

\* The 2024 Canada Talent Shortage, ManpowerGroup

**Reported Talent Shortage**

**78%**

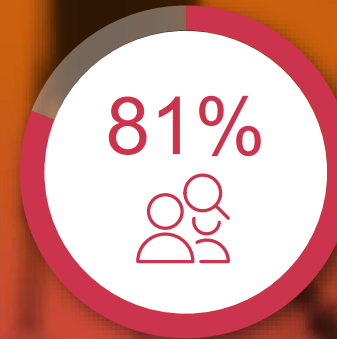**Canada Net Employment Outlook**

**20%**

# Transport, Logistics and Automotive

A majority (81%) of Transport, Logistics and Automotive employers report difficulty finding the skilled talent they need.*
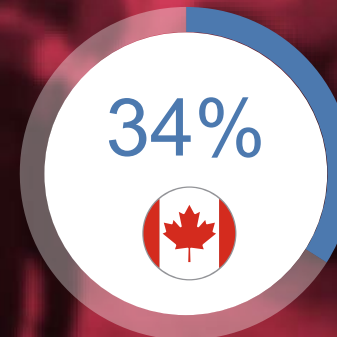
The NEO for Canada's Transport, Logistics and Automotive employers is 34%. This figure increased 16% from the previous quarter but is down 8% year-over-year.

* The 2024 Canada Talent Shortage, ManpowerGroup

**Reported
Talent Shortage**

**81%**

**Canada Net
Employment Outlook**

**34%**

# About the Survey

# 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 from the percentage of employers anticipating an increase in hiring activity and subtracting from it the percentage of employers expecting a decrease. Running since 1962, various factors underpin its success:

**Unique:** It is unparalleled in its size, scope, longevity and area of focus. The Survey is the most extensive, forward-looking employment survey in the world, asking employers to forecast employment over the next quarter. In contrast, other surveys and studies focus on retrospective data to report on what occurred in the past.

**Independent:** The Survey is conducted with a representative sample of employers from throughout the countries and territories in which it is conducted. The survey participants are not derived from ManpowerGroup's customer base.

**Robust:** The Survey is based on interviews with 40,374 public and private employers across 42 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and regions to provide more detailed information.

**Focused:** For more than six decades, the Survey has derived all its information from a single question: "How do you anticipate total employment at your location to change in the three months to the end of September 2024 as compared to the current quarter?"

**Survey Methodology:** The methodology used to collect NEO data has been digitized in 42 markets for the Q3 2024 report. Survey responses were collected from April 1-30, 2024. Both, the question asked and the respondent profile remain unchanged. The size of the organization and sector are standardized across all countries and territories to allow international comparisons.

**Forward-Looking Statements:** This report contains forward-looking statements, including statements regarding labor demand in certain regions, countries and industries, economic uncertainty and the use and impact of AI . Actual events or results may differ materially from those contained in the forward-looking statements, due to risks, uncertainties and assumptions. These factors include those found in the Company's reports filed with the U.S. Securities and Exchange Commission (SEC), including the information under the heading "Risk Factors" in its Annual Report on Form 10-K for the year ended December 31, 2023, whose information is incorporated herein by reference. ManpowerGroup disclaims any obligation to update any forward-looking or other statements in this release, except as required by law.

# Frequently Asked Questions

**What does Net Employment Outlook mean?**

The Net Employment Outlook (NEO) is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers that expect to see a decrease in employment at their location in the next quarter. A positive NEO figure means that, on balance, more employers expect to add to their headcount in the following three months than those who intend to reduce staff.

**What does Seasonal Adjustment mean? Why is it used in the ManpowerGroup Employment Outlook Survey?**

Seasonal adjustment is a statistical process that allows the Survey data to be presented without the impact of hiring fluctuations that normally occur through the course of the year – typically due to various external factors, such as changes in weather, traditional production cycles and public holidays. Seasonal adjustment has the effect of flattening peaks and smoothing troughs in the data to better illustrate underlying employment trends and provide a more accurate representation of the Survey results.

**How are companies selected for the Survey?**

Employers are selected based on the types of companies and organizations they represent. We want to ensure that our panel is representative of each participating country's national labor market, so each country's panel is built in proportion to that country's overall distribution of industry sectors and organization sizes.

**Who do you interview in each company?**

The person we select to interview will be someone with a good overview of staffing levels and hiring intentions within their organization. Normally, this will be the head of human resources (HR) or an HR manager. In smaller organizations, however, that person may be a general manager or even the CEO.

# ManpowerGroup Solutions Across the Entire HR Life Cycle

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**Career Management**

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