

## Manpower Employment Outlook Survey Q4 2015

Under Embargo until 00:01 GMT, 8 September 2015

### **Conservative hiring intentions reported by South African employers for Q4 2015.**

**Opportunities for job seekers are expected to be strongest in the ELECTRICITY, GAS & WATER SUPPLY and WHOLESALE & RETAIL TRADE sectors; and weakest within the MINING & QUARRYING sector. Provincially, employers in the Western Cape report the strongest hiring intentions for the last quarter of the year, while employers within the Free State report the weakest hiring intentions.**

*Johannesburg, 8 September 2015* – South African employers report conservative hiring intentions for the October-December 2015 period. With 13% of employers forecasting an increase in staffing levels, 7% anticipating a decrease, and 78% expecting no change. Once the data is adjusted to allow for seasonal variation, the Outlook stands at +7%. Hiring intentions remain relatively stable both quarter-over-quarter and year-over-year. The Outlook remains positive, but has now declined slightly for three consecutive quarters.

Lyndy van den Barselaar, Managing Director of Manpower SA, provides insights into why the South African employment market is expected to continue to provide conservative opportunities for job seekers into the fourth quarter of the year, “Some of the country’s main industries have recently been affected by a large number of retrenchments, which has resulted in decreased employee and business confidence. Paired with the falling Rand value, and the continued uncertainty in power availability, the current business climate is not attractive to foreign investors, resulting in muted growth for the economy. Mixed business signals make it difficult for employers to commit to actively recruiting new candidates, hence hiring intentions have remained positive, but relatively stable in comparison to the prior quarter or last year at this time.”

#### **Regional Comparisons**

Payrolls are forecast to grow in all five regions during the fourth quarter of 2015, with the strongest hiring pace anticipated by Western Cape employers who report a Net Employment Outlook of +12%. Elsewhere, employers report encouraging signs for job seekers in both Eastern Cape and Gauteng, where Outlooks stand at +7%, while Outlooks of +4% and +3% are reported in KwaZulu-Natal and Free State, respectively.

“The City of Cape Town is a popular tourist destination, particularly in the summer months towards the last quarter of the year. Increased tourism will not only create temporary employment for many job seekers, but will also contribute positively to the economy of Western Cape,” says van den Barselaar.

Hiring prospects strengthen by 3 percentage points in Free State when compared with the previous quarter, while remaining relatively stable in Western Cape. Elsewhere, employers report no change.

Year-over-year, the Outlook for Eastern Cape is 6 percentage points stronger. Relatively stable hiring plans are reported in both Gauteng and Western Cape, while employers report no change in both Free State and KwaZulu-Natal.



## Sector Comparisons

Employers in nine of the 10 industry sectors forecast payroll gains in the next three months. The strongest labor market is anticipated in the Electricity, Gas & Water Supply sector, where the Net Employment Outlook stands at +16%. Wholesale & Retail Trade sector employers expect a steady hiring pace, reporting an Outlook of +14%, while the Outlook for the Agriculture, Hunting, Forestry & Fishing sector stands at +13%.

Elsewhere, employers in two sectors – the Construction sector and the Transport, Storage & Communication sector – report cautiously optimistic hiring plans with Outlooks of +9%. Meanwhile, Mining & Quarrying sector employers anticipate a decline in staffing levels, reporting an Outlook of -4%.

“As the current energy crisis continues to affect South African home and business owners, the number of people and businesses investing in alternative energy sources – such as gas, solar and generators – continues to increase. This translates into opportunities for those businesses and individuals that possess skills in manufacturing, installing, maintaining and repairing alternative energy sources,” explains van den Barselaar. “Reports of impending water shortages across the country are also fueling growth within the Water Supply sector”.

Quarter-over-quarter, hiring intentions weaken in five of the nine industry sectors. The most noteworthy declines of 5 and 3 percentage points are reported in the Finance, Insurance, Real Estate & Business Services sector and the Manufacturing sector, respectively. However, hiring prospects improve in four sectors. A considerable increase of 9 percentage points is reported by Wholesale & Retail Trade sector employers, while the Agriculture, Hunting, Forestry & Fishing sector Outlook is 5 percentage points stronger.

Employers in four of the 10 industry sectors report stronger Outlooks when compared with 4Q 2014. The most notable increase of 10 percentage points is reported in the Wholesale & Retail Trade sector, while Electricity, Gas & Water Supply sector employers report an improvement of 9 percentage points. Meanwhile, hiring plans weaken in four sectors, including the Mining & Quarrying sector and the Finance, Insurance, Real Estate & Business Services sector, with declines of 8 and 4 percentage points, respectively.

## Organisation-Size Comparisons

Participating employers are categorized into one of four organization sizes: Micro businesses have less than 10 employees; Small businesses have 10-49 employees; Medium businesses have 50-249 employees; and Large businesses have 250 or more employees.

Payrolls are forecast to grow in all four organization size categories during the coming quarter. Large employers report the strongest hiring intentions with a Net Employment Outlook of +20%, while the Outlook for Medium employers stands at +10%. Elsewhere, Small- and Micro-size employers report Outlooks of +4% and +2%, respectively.

When compared with the previous quarter, hiring intentions strengthen by 4 percentage points for large employers while remaining relatively stable in the other three organization size categories.

Year-over-year, employers in Large firms report an Outlook improvement of 8 percentage points, while increases of 4 and 2 percentage points are reported by Medium- and Micro-size employers, respectively. However, Small employers report a decline of 3 percentage points.

“While South Africa’s Net Employment Outlook of +7% reflects conservative hiring intentions, it is important to note that employers in all five of the provinces who participated in the survey displayed positive employment outlooks, as did employers in all but one of the industry sectors, and only 7% of respondents expected to decrease staffing levels in the fourth quarter,” states van den Barselaar.



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“It is imperative that the current socio-economic and industrial challenges are resolved, and effective policies and plans are put into place to encourage further investment into South Africa, and facilitate for the creation of employment opportunities. It is important that opportunities are created for the training and up-skilling of current employees to equip them with the necessary skills for the rapidly evolving technological space and business environment,” she concludes.

Across the globe, employers in India and Taiwan report the strongest hiring plans, while employer confidence in Japan is growing steadily with job seekers likely to benefit from the most optimistic forecast reported since Quarter 1 2008. Similarly, hiring intentions in the U.S. continue to improve, and the current outlook is the strongest reported since Quarter 4 2007.

Conversely, employer optimism continues to dwindle in Brazil; the fourth-quarter forecast is the weakest among the 42 countries and territories participating in the survey, and sinks to its least optimistic level since the survey was launched. Labor market activity is also slowing in China where employers forecast the weakest hiring environment in more than six years. Meanwhile, the forecast remains negative in Italy, and turns negative again in Greece, France and Finland.

Overall, employer optimism is mixed in comparison to the Quarter 3 2015 and Quarter 4 2014 research. Forecasts improve in a quarter-over-quarter comparison in 15 countries and territories, decline in 20 and are unchanged in seven. When compared year-over-year, forecasts improve in 16 countries, decline in 21, and are unchanged in five.

## **ENDS**

The next Manpower Employment Outlook Survey will be released on 8 December 2015 to report hiring expectations for the first quarter of 2016. The Manpower Employment Outlook Survey is available free of charge to the public through local Manpower representatives in participating countries. To receive e-mail notification when the survey is available each quarter, please complete an online subscription form at: <http://www.manpowergroup.com/investors/alerts.cfm>.

## **About the Survey**

The Manpower Employment Outlook Survey for the fourth quarter of 2015 was conducted by interviewing a representative sample of 753 employers in South Africa. All survey participants were asked, *“How do you anticipate total employment at your location to change in the three months to the end of December 2015 as compared to the current quarter?”*

Unlike other surveys, which operate in hindsight and analyse the previous quarter of the year, the Manpower Employment Outlook Survey is unique in that it forecasts the future shape of the employment industry for the next quarter.

The global leader in innovative workforce solutions, ManpowerGroup releases the Manpower Employment Outlook Survey quarterly to measure employers’ intentions to increase or decrease the number of employees in their workforce during the next quarter. It is the longest-running, most extensive, forward-looking employment survey in the world, polling nearly 59,000 employers in 42 countries and territories. The survey serves as a bellwether of labour market trends and activities and is regularly used to inform the Bank of England’s Inflation Reports, as well as a regular data source for the European Commission, informing its EU Employment Situation and Social Outlook report, the Monthly Monitor.

ManpowerGroup’s independent survey data is also sourced by financial analysts and economists around the world to help determine where labour markets are headed.

## **Note to Editors:**



Commentary is based on seasonally adjusted data where available. Full survey results for each of the 42 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](http://www.manpowergroup.com/meos).

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In addition, all tables and graphs from the full report are available to be downloaded for use in publication or broadcast from the ManpowerGroup Website at: <http://www.manpowergroup.com/press/meos.cfm>. ManpowerGroup has also released its Manpower 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/>

### **About ManpowerGroup**

ManpowerGroup™ (NYSE: MAN) has been the world's workforce expert, creating innovative workforce solutions, for more than 65 years. As workforce experts, we connect more than 600,000 men and women to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands — Manpower®, Experis™, Right Management® and ManpowerGroup™ Solutions— we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2015, ManpowerGroup was named one of the World's Most Ethical Companies for the fifth consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup makes powering the world of work humanly possible: [www.manpowergroup.com](http://www.manpowergroup.com).