



ManpowerGroup™

## ManpowerGroup Employment Outlook Survey

**EMBARGOED UNTIL DECEMBER 8 2020, AT 12:01AM ET**

### **South African Employers Report Limited Hiring Intentions for Q1 2021**

- **Year-on-year employment outlook holds steady, despite a disruptive year**
- **Following consecutive negative outlooks, all regions report a stronger outlook**
- **Outlooks improve most in APAC and Americas, while employers in Europe plan more cautious Q1 hiring**
- **13% of employers say pre-pandemic hiring will return before July 2021 down from 54% when asked in Q2**

**Johannesburg, (8 December 2020)** – According to the latest ManpowerGroup Employment Outlook Survey, South African employers report cautious hiring intentions for the first quarter of 2021. While 11% of employers forecast an increase in payrolls, 9% anticipate a decrease and 76% expect to make no changes. Once the data is adjusted to allow for seasonal variation, the overall Outlook for South Africa stands at +2%. Hiring sentiment is considerably stronger when compared with the previous quarter, improving by 14 percentage points. In comparison with this time one year ago, hiring prospects are unchanged as the Outlook returns to pre-COVID-19 levels following consecutive gloomy forecasts.

“As we look forward to the first quarter of 2021, the South African economy is showing signs of some recovery, at least on the employment outlook front. This year has been challenging in the extreme for many businesses, particularly smaller ones, which are still struggling; however, larger businesses are showing positive employment growth. While we are not in the clear in terms of the impact of Covid-19 on the economy and employment, employers are adjusting and adapting more easily, and taking advantage of new ways of doing business,” says Lyndy van den Barselaar, Managing Director of ManpowerGroup SA.

#### **Regional Comparisons**

Employers in three of the five regions expect to grow payrolls during the first quarter of 2021. The strongest hiring prospects are reported in Gauteng, where the Net Employment Outlook stands at +6%, while Outlooks of +2% and +1% are reported in Western Cape and Eastern Cape, respectively. However, employers expect to trim payrolls in Free State where the Outlook is -6%, and in KwaZulu-Natal with an Outlook of -3%.

Hiring plans strengthen in all five regions when compared with the previous quarter, most notably by a steep margin of 24 percentage points in Gauteng. The KwaZulu-



ManpowerGroup™

Natal Outlook is 11 percentage points stronger, while Outlooks increase by 7 percentage points in both Eastern Cape and Western Cape.

In a comparison with the same period last year, hiring prospects improve by 10 percentage points in Eastern Cape and by 3 percentage points in Gauteng. However, Outlooks are 7 and 3 percentage points weaker in KwaZulu-Natal and Free State, respectively.

“With international travel and trade severely restricted by the global pandemic, many sectors will remain subdued, such as tourism. This has a significant impact on regions that focus heavily on any one sector that has been impacted strongly. This is why we expect to see stronger growth in the regions where finance and business services prevail – e.g. Gauteng, with the strongest regional Outlook,” says van den Barselaar.

### **Sector Comparisons**

Workforce gains are expected in four of the seven industry sectors during the forthcoming quarter. The strongest hiring prospects are reported in the Finance & Business Services sector, where the Net Employment Outlook is +7%, and in the Manufacturing sector with an Outlook of +5%. Elsewhere, employers in the Wholesale & Retail Trade sector and the Other Production sector forecast limited hiring activity, with Outlooks of +2% and +1%, respectively. Flat labour markets are anticipated by employers in both the Other Services sector and the Restaurants & Hotels sector, reporting Outlooks of 0%. However, Construction sector employers anticipate a gloomy hiring climate with an Outlook of -12%.

Hiring sentiment strengthens in all seven industry sectors when compared with the previous quarter. Construction sector employers report the most notable increase of 16 percentage points, while Outlooks are 15 and 14 percentage points stronger in the Manufacturing sector and the Other Production sector, respectively. In the Finance & Business Services sector, employers report an improvement of 13 percentage points, while the Restaurants & Hotels sector Outlook is 11 percentage points stronger.

In a comparison with last year at this time, Outlooks improve in three of the seven industry sectors, including increases of 3 percentage points for the Other Services sector and 2 percentage points for the Manufacturing sector. However, hiring prospects also decline in three sectors, by 4 percentage points for the Restaurants & Hotels sector and by 3 percentage points for both the Construction sector and the Wholesale & Retail Trade sector.

“The changes in how we do business that were forced upon the world earlier in 2020, such as work from home, have had significant knock-on effects in various industries. Construction plans have been postponed or stopped, for example. Other industries will recover faster and more easily, while services we have come to recognise as essential will continue to grow, such as retail and wholesale. We have yet to see how the employment landscape will be reformed post-Covid-19, but for now, we can expect some positive employment outlooks, and some negative,” explains van den Barselaar.

### **Organisation-Size Comparisons**

Participating employers are categorised into one of four organisation sizes: Micro businesses have less than 10 employees; Small businesses have 10-49 employees;



ManpowerGroup™

Medium businesses have 50-249 employees; and Large businesses have 250 or more employees.

Large- and Small-size employers expect to grow payrolls during the upcoming quarter, reporting Net Employment Outlooks of +10% and +4%, respectively. However, Medium employers expect to trim payrolls, reporting an Outlook of -3%, and the Outlook for Micro firms stands at -2%.

Hiring prospects strengthen in all four organisation size categories when compared with the previous quarter. A sharp improvement of 34 percentage points is reported by Large employers, while the Outlook for Small firms is 20 percentage points stronger. Elsewhere, Micro- and Medium-size employers report increases of 5 percentage points.

When compared with the first quarter of 2020, hiring plans decline by 10 percentage points for Large employers and by 3 percentage points for Medium employers. Meanwhile, the Outlook for Micro firms is unchanged and Small employers report an improvement of 7 percentage points.

### **Global Results**

Internationally, in 34 of the 43 countries and territories surveyed by ManpowerGroup employers expect to add to payrolls during the first quarter of 2021. Employers expect to trim payrolls in seven countries and territories during the coming quarter, while flat labour markets are forecast in two.

In a comparison with this time one year ago, employers in 33 countries and territories report weaker hiring intentions, while Outlooks strengthen in six and are unchanged in four. During the next three months, employers anticipate the strongest hiring activity in Taiwan, the U.S., Singapore, Australia, and Brazil. The weakest labour markets are expected in Panama, the UK, Switzerland, Austria, and Hong Kong.

The next ManpowerGroup Employment Outlook Survey will be released on 9 March 2021 and will detail expected labour market activity for the second quarter of 2021. Full results can be found at the following link: [www.manpowergroup.com/meos](http://www.manpowergroup.com/meos)

### **END**

#### **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 substantial 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 2020 ManpowerGroup was named one of the World's Most Ethical Companies for the eleventh year - all confirming our position as the brand of choice for in-demand talent.

#### **Press Contact:**



ManpowerGroup™

LWBC – Belinda Maritz

Belinda@lwbc.co.za

+27 (0)82 682 025