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MANPOWERGROUP EMPLOYMENT OUTLOOK SURVEY 4Q 2020

Hiring levels expected to grow for the 4Q 2020, according to ManpowerGroup survey

- *Hiring intentions in Brazil for the 4Q 2020 show an improvement of 11 percentage points when compared to the previous quarter. 11% of employers expect to increase payrolls, and 67% do not expect changes in their staff.*
- *14% of employers surveyed expect to return to pre-COVID hiring levels within the next three months while 28% expect the recovery to take place over a period of more than one year.*
- *Three out of the eight sectors surveyed report positive hiring intentions. Finance, Insurance & Real Estate sector shows the strongest intentions, followed by Services and Transportation & Utilities sectors.*
- *Paraná State employers report the stronger hiring intentions, while Minas Gerais State reported the most noteworthy increase in hiring intentions against the previous quarter.*

São Paulo, September 8, 2020 – As Brazilian employers begin finding solutions to cope with the global crisis of COVID-19, results are starting to emerge. According to the ManpowerGroup Employment Outlook Survey, hiring intentions for the 4Q 2020 have weakened when compared to last year as a result of the pandemic. However, although the outlook remains negative (-3%), the result represents an improvement of 11 percentage points over the 3Q 2020. From the 607 Brazilian employers surveyed, 11% report hiring intentions, 17% intend to reduce their staff, 67% do not intend to make any changes, and 5% have no answer. The interviews were conducted between July 15th to 28th.

“While we are still under the impact of the pandemic, the survey shows indications of recovery in the 4Q 2020, especially for the Finance, Insurance & Real Estate, Services and Transportation & Utilities sectors, which already report positive indicators. The fact that 67% of the employers interviewed report they do not intend to make any changes in their staff shows that those companies are expecting some recovery and seeking to retain their talents. The recovery in the Construction sector, which, while still negative, has improved 13 p.p., is a promising indicator, as this sector leverages the economy and, as a result, helps restore the hiring pace”, explains Nilson Pereira, CEO of ManpowerGroup Brazil.

A special section of the survey, which looks into the impacts of COVID-19, shows that 14% of employers expect to return to pre-COVID hiring levels within the next three months, while 28% expect the recovery to take place over a period of more than one year. The survey also shows that 20% of employers that adopted measures such as job subsidy / retention / funding or furlough schemes to mitigate the impacts of the pandemic intend to have employees back at work full time within 3 to 6 months.

When asked whether they planned to offer employees any additional options in response to COVID-19, more than half (57%) indicated they have opted to alternate remote and on-site work. 65% indicate alternatives such as giving employees opportunities to learn and develop new skills, and 63% of employers indicate they are taking health and well-being measures. “Companies are going through significant changes at the workplace. The way they hire and what they offer to employees is changing, with more employers planning to offer employees flexibility and a different set of benefit and development programs, as we can tell from the survey, where more than 60% plan to offer supplementary courses and health and well-being options”, says Pereira .

While global hiring intentions compared to the previous year have weakened in 41 out of 43 countries, as a result of the pandemic, over 85% (37 out of 43) of countries are now reporting an improved hiring prospect than the previous quarter. However, despite these improvements, employers in almost half (21 out of 43) of the countries are expecting reductions in staffing levels, reflecting



the impact of the global health emergency, and the subsequent economic shutdown in many countries. The best outlooks were reported in Taiwan (+20%), United States (+14%), Turkey (+10%), Japan (+9%) and Greece (+8%). On the other hand, United Kingdom (-8%), Colombia (-11%), South Africa (-13%), Costa Rica (-16%) and Panama (-18%) showed the weakest outlooks for the 4Q 2020. ManpowerGroup interviewed 38,073 employers in 43 countries and territories.

Sector Comparisons

An increase in hiring activity is forecast for three of the eight sectors surveyed, with highlight to Finance, Insurance & Real Estate, with a +12% Outlook, followed by Services, with +3%, and Transportation & Utilities, with +2%. On the other hand, employers in Wholesale & Retail Trade expect the weakest labor market, reporting an outlook of -16%, 2 percentage points higher than the previous quarter, but 25 p.p. weaker in the annual comparison.

In comparison with the 3Q 2020, there was an evolution in seven of the eight sectors surveyed. The biggest advances were reported in Transportation & Utilities sector, with a recovery of 23 p.p., Services, with 19 p.p., and Construction, with 13 p.p. However, Public Administration & Education, with a -9% outlook, was the only sector to show a decrease against the previous quarter, reporting the weakest outlook since the survey was first conducted in 2009.

Industry Sectors	Net Employment Outlook	Quarter-over-quarter	Year-over-year
Finance, Insurance & Real Estate	+12%	+8 pp	+3 pp
Services	+3%	+19 pp	-9 pp
Transportation & Utilities	+2%	+23 pp	-6 pp
Construction	- 2 %	+13 pp	-13 pp
Agriculture, Fishing & Mining	-3 %	+5 pp	-15 pp
Manufacturing	-6%	+5 pp	-13 pp
Public Administration & Education	-9%	- 8 pp	-18 pp
Wholesale & Retail Trade	-16%	+2 pp	-25 pp

Regional Comparisons

The survey has shown an improvement in outlook among employers in all five regions, as compared to 3Q 2020. The most optimistic projection comes from the Paraná State, with a +2% outlook, up by 8 percentage points compared to the previous quarter. Rio de Janeiro State, on the other hand, reports the weakest hiring intention, with -12%, despite an increase of 5 p.p. against the previous quarter. The highest gain was reported in Minas Gerais State, which, despite its 0% outlook, reported an increase of 15 p.p. in just one quarter.

Region	Net Employment Outlook	Quarter-over-quarter	Year-over-year
Paraná State	+2%	+8 pp	- 4 pp
Minas Gerais State	0	+15 pp	- 19 pp
São Paulo State	-4%	+8 pp	- 15 pp
São Paulo City	- 8%	+6 pp	- 15 pp
Rio de Janeiro State	- 12%	+5 pp	- 17 pp

Organization Size Comparisons

The survey shows an increase in hiring intentions in relation to the previous quarter in all four categories, by organization size. The best indicator was for large companies, with a 13% outlook, up by 17 p.p. against the 3Q 2020. They were followed by employers of medium companies, who reported a -1% outlook, an increase of 15 p.p. against the previous quarter, and then by micro companies, with -10%, an improvement of 4 p.p. in one quarter. Small companies, with a -16% outlook, report the weakest hiring outlook, in spite of an improvement of 2 p.p. against the previous quarter.



Organization Size	Net Employment Outlook	Quarter-over-quarter	Year-over-year
Large	+13%	+ 17 pp	-13 pp
Medium	-1%	+15 pp	- 11 pp
Micro	-10%	+4 pp	- 9 pp
Small	-16%	+ 2 pp	- 15 pp

The next survey will be released 8 December 2020 and will report hiring expectations for Q1 2021.

(*) Net Employment Outlook: This figure is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook. Net Employment Outlooks for countries and territories that have accumulated at least 17 quarters of data are reported in a seasonally adjusted format unless otherwise stated.

About the survey

The ManpowerGroup Employment Outlook Survey for the 4Q 2020 was conducted from July 15th and 28th, 2020**, and includes a significant sample of employers from over 38,000 private business and government organizations in 43 countries and territories. In Brazil, 607 employers were interviewed. The survey’s objective is to measure employers’ intentions to increase or decrease their workforce in the next quarter. All participants answered the same question: “How do you anticipate total employment at your location to change in the three months to the end of December 2020 as compared to the current quarter?” It is the only prospective survey of this kind, and it is unmatched in size, scope, longevity and focus area. The survey has existed for over five decades and is one of the world’s most reliable one on employment activities. It is considered a highly respected economic indicator. It is noteworthy that in the second quarter of 2008, the survey adopted the TRAMO-SEATS model for seasonal data adjustment. As a result, you may notice that some seasonally adjusted data points change slightly from previous reports. This model is recommended by the Eurostat department of the European Union and the European Central Bank and is widely used internationally.

Note from the editors

Full survey results for each of the 43 countries and territories included this semester, as well as regional and global comparisons, can be found in the Manpower Press Room at www.manpower.com/meos. In addition, all tables and graphs of the full report are available for download, publication, or broadcast in the ManpowerGroup Visual Library, also located in the Press Room at <http://www.manpowergroup.com/library>. Results for all 43 countries can be viewed in the new interactive Explore the ManpowerGroup Employment Outlook Survey tool at: <http://manpowergroup.com/DataExplorer/>.

** The survey was conducted from July 15th to 28th during the exceptional circumstances of the COVID-19 outbreak

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 Brazil - Textual Comunicação

Mariana Giordão / Diogo Cruz
 55 +11 98219-1672
marianagiordao@textual.com.br / diogocruz@textual.com.br