

Manpower Employment Outlook Survey Q3 2016

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South African Employers Report Fair Hiring Prospects for Job Seekers in Q3 2016

Opportunities for job seekers are expected to be strongest in the PUBLIC & SOCIAL and WHOLESALE & RETAIL TRADE sectors; and weakest within the MINING & QUARRYING and CONSTRUCTION sectors. Provincially, employers in the Western Cape report the strongest hiring intentions for the third quarter of the year, while employers within the Free State report the weakest hiring intentions.

Johannesburg, 14 June 2016 – South African employers report fair hiring prospects for the July-September time frame. With 12% of employers expecting to increase staffing levels, 6% forecasting a decrease and 79% anticipating no change, the Outlook stands at +6% once seasonal variations are removed from the data. Hiring plans are unchanged both quarter-over-quarter and year-over-year.

Lyndy van den Barselaar, Managing Director of Manpower SA, provides insights into why South African employers are reporting conservative intentions for the July to September time frame, “As South African businesses continue to struggle under the weakened Rand, they are having to implement new processes and models to ensure they are able to continue operating and generating profits. This also means that businesses will only hire new candidates where completely necessary, or where these candidates can assist with streamlining business models and processes to the current economic environment.”

Regional Comparisons

Staffing levels are expected to increase in all five regions during the next three months. The strongest labor market is anticipated in Western Cape, with a Net Employment Outlook standing at +8%. Elsewhere, Outlooks of +7% are reported in both Eastern Cape and Gauteng, while Kwazulu Natal employers report an Outlook of +6%. The weakest of the five regional labor markets is expected in Free State, where the Outlook is +3%.

“The Western Capes economy is dominated by the City of Cape Town, which is a hub for non-agricultural economic activity. The city remains attractive to foreign business investors and multinational companies looking to enter Africa, as well as locally based companies looking to expand, which often creates employment opportunities within the region,” explains van den Barselaar. “Additionally, the city has just received the highest possible level of credit quality within the national context.”

Hiring prospects improve in three of the five regions when compared with the previous quarter. The most noteworthy increases of 4 and 3 percentage points are reported in Western Cape and Free State, respectively. However, the Outlook for Kwazulu Natal declines by 2 percentage points.

When compared with 3Q 2015, Western Cape employers report a decline of 4 percentage points, but the Outlook for Free State is 3 percentage points stronger. Elsewhere, Outlooks remain relatively stable or are unchanged.



Sector Comparisons

Employers in eight of the 10 industry sectors anticipate an increase in staffing levels during 3Q 2016. The strongest hiring pace is forecast by Public & Social sector employers, who report a Net Employment Outlook of +14%. Elsewhere, the Outlook for the Wholesale & Retail Trade sector stands at +12%, while Outlooks of +11% and +10% are reported in the Electricity, Gas & Water Supply sector and the Finance, Insurance, Real Estate & Business Services sector, respectively. Meanwhile, employers in two sectors forecast a decline in staffing levels. Mining & Quarrying sector employers anticipate a labor market slump, reporting an Outlook of -10%, while the Construction sector Outlook is -4%.

“The expected growth in the Public & Social sector can in part be attributed to the several initiatives underway in the teaching and nursing industries, such as the states plan to ensure new teachers are licensed, and the Department of Basic Education’s plan to place “TEACH Ambassadors” in schools that do not have qualified mathematics teachers. The need for more skilled teachers is urgent in South Africa, and is being addressed where possible,” says van den Barselaar.

When compared with the previous quarter, Outlooks improve in five of the 10 industry sectors. Wholesale & Retail Trade sector employers report the most noteworthy increase of 11 percentage points while Outlooks are 9 and 6 percentage points stronger in the Public & Social sector and the Agriculture, Hunting, Forestry & Fishing sector, respectively. However, hiring prospects weaken in four sectors. A considerable decline of 15 percentage points is reported in the Mining & Quarrying sector, while Construction sector employers report a decrease of 12 percentage points.

Employers report weaker hiring intentions in seven of the 10 industry sectors when compared with 3Q 2015. The most noteworthy declines of 11 and 9 percentage points are reported in the Construction sector and the Mining & Quarrying sector, respectively, while the Outlook for the Agriculture, Hunting, Forestry & Fishing sector is 5 percentage points weaker. Elsewhere, hiring plans improve in three sectors, including the Public & Social sector and the Wholesale & Retail Trade sector, with increases of 9 and 8 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.

Payroll gains are forecast by employers in all four organization size categories for the upcoming quarter. Large employers report the strongest hiring intentions with a Net Employment Outlook of +14%, while the Outlook for Medium employers stands at +8%. Some workforce gains are anticipated in both the Small- and Micro-size categories, with Outlooks of +5%.

Quarter-over-quarter, Micro employers report an improvement of 5 percentage points, while hiring prospects remain relatively stable for Small-, Medium- and Large-size employers.

Year-over-year, Large- and Medium-size employers report slightly weaker hiring prospects, with Outlooks declining by 3 percentage points. However, the Outlook for Micro employers is 3 percentage points stronger and Small employers report an improvement of 2 percentage points.

“It remains imperative that businesses are able to adapt to the operating conditions in the modern business environment, and that current employees and job seekers alike remain knowledgeable in this regard and continue to up skill themselves wherever possible,” she concludes.



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Across the globe, third-quarter hiring confidence is strongest in India, Japan, Taiwan, Guatemala, Romania and the United States, while employers in Brazil, Italy and Switzerland report the weakest hiring plans.

The overview of global responses indicates that most employers expect varying levels of payroll growth over the next three months. The research reveals staffing levels are expected to grow in 40 of 43 countries and territories during the July-September time frame. However, a number of employers also indicate that overall payroll growth is likely to proceed at a more conservative pace than in the prior quarter or last year at this time. Significant upturns in overall employer confidence are few, and some declining trajectories reported previously—most notably in Brazil and China—continue unabated. Third-quarter hiring plans strengthen in 14 of 42 countries** and territories when compared with the April-June time frame, are unchanged in seven, and weaken in 21. Outlooks improve in 13 countries and territories when compared with Quarter 3 2015, are unchanged in five, and decline in 24.

** Portugal joined the survey in Quarter 3 2016 and has no trend data to compare at this point

ENDS

The next Manpower Employment Outlook Survey will be released on 13 September 2016 to report hiring expectations for the last 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 third quarter 2016 was conducted by interviewing a representative sample of 754 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 September 2016 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.



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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 nearly 70 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 2016, ManpowerGroup was named one of the World's Most Ethical Companies for the sixth 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.