Brazilian employers expect hiring pace to dip again in second quarter

The weakest hiring intentions for the period are reported by employers in the Rio de Janeiro State and the Construction sector

Brazil, São Paulo, March 8, 2016 - ManpowerGroup, the world leader in innovative solutions for managing and hiring people, announces the results of its quarterly survey on Employment Outlook in Brazil for the second quarter of 2016. In Brazil, the study surveyed 851 leading human resources executives.

The survey shows that hiring intentions for the second quarter dropped from -8% to -10% from the previous quarter. In comparison with the same period in 2015, there was an 8-percentage point decline. The ManpowerGroup study however continues to show stability in the volume of employers who do not intend to make any changes in their workforces between April and June (68%), and a slight decline from 19% to 16% of employers who intend to reduce the number of employees.

"The survey data reflect the caution showed by employers and hiring managers, who are still afraid to make any decisions in view of the current uncertainty in the domestic marketplace", said the ManpowerGroup Brasil CEO Nilson Pereira.

Sector Comparison

Staffing levels are expected to decline in six of eight industry sectors and all five Brazilian regions during 2Q 2016. Outlooks weaken in five sectors and three regions when compared with the previous quarter while hiring plans decline in six sectors and all five regions year-over-year. The strongest of the eight industry sector Outlooks is reported in the Public Administration & Education sector. The Outlook of +4% remains relatively stable quarter-over-quarter and is 5 percentage points stronger when compared with 2Q 2015.

The weakest sector Outlook of -24% is reported in the Construction sector, despite a quarter-over-quarter improvement of 5 percentage points. Year-over-year, the Outlook declines by 4 percentage points.

Employers in three sectors report the weakest hiring prospects since the survey started: Agriculture, Fishing & Mining sector stands at -17%, declining by 7 and 21 percentage points from 1Q 2016 and 2Q 2015, respectively; Transportation

& Utilities sector employers report an Outlook of -16%. While hiring plans are relatively stable quarter-over-quarter, employers report a year-over-year decline of 11 percentage points. In the Wholesale & Retail Trade sector, the Outlook of -15% reflects considerable quarter-over-quarter and year-over-year declines of 13 and 20 percentage points, respectively.

Regional Comparison

Regionally, the strongest labor market is anticipated in Minas Gerais State where the Outlook stands at -4%, improving by 4 percentage points when compared with the previous quarter. Year-over-year, hiring intentions remain relatively stable.
Rio de Janeiro State employers report the weakest regional Outlook of -16%. Hiring prospects for the region are the weakest since the survey began, declining by 4 and 18 percentage points from 1Q 2016 and 2Q 2015, respectively.
In São Paulo City and in Parana State, hiring intentions are also at their weakest level since the survey started in two further regions. São Paulo City employers report an Outlook of -13%, declining by 3 percentage points quarter-over-quarter and by 8 percentage points weaker year-over-year, and in the Parana State, the Outlook of -11% decreases by 7 and 9 percentage points from 1Q 2016 and 2Q 2015, respectively.

Size Comparison

Payrolls are expected to grow in all four organization size categories in the April-June time frame with Large employers reporting the most optimistic hiring plans and steady job growth forecast for Medium- and Small-size firms. The most cautious Outlook is reported by Micro employers.

International Comparison

According to the research, hiring plans strengthen in eight of 42 countries and territories when compared with the previous quarter, but weaken in 22. Outlooks improve in 12 countries and territories when compared with 2Q 2015 but decline in 23.
Based on seasonally adjusted survey data*, employers expect payrolls to increase in 39 of the 42 countries and territories during the coming quarter, unchanged when compared with 1Q 2016.
The most optimistic Net Employment Outlooks are reported in India, Japan, Taiwan, Colombia and Guatemala, while the weakest hiring prospects are reported in Brazil, France, and Italy.

EMEA - Staffing levels are expected to increase in 22 of the 24 EMEA countries during 2Q 2016, while employers in one country forecast a decline. Hiring intentions improve in five countries when compared with the previous quarter, but decline in 11. Employers in six countries report stronger Outlooks year-over-year, but hiring plans weaken in 13 countries. For the first time, the most optimistic regional hiring intentions are reported in Bulgaria, ending Turkey's five year dominance, while French employers anticipate the weakest and only negative labor market in the region.

Asia Pacific - Staffing levels are expected to grow in all eight Asia Pacific countries and territories during 2Q 2016. However, Net Employment Outlooks weaken in seven countries/territories when compared with the previous quarter. Year-over-year, hiring plans strengthen in one country/territory but decline in seven. The most optimistic regional and global hiring plans are again reported in India for the third consecutive quarter, while the weakest hiring pace in the regions is forecast by Australian employers.

Americas - Employers in nine of 10 Americas countries expect workforce gains in the coming quarter. When compared with the previous quarter, the Net Employment Outlook improves in three countries but declines in four. Year-over-year, hiring prospects are stronger in five countries but weaker in three. Employers in Colombia, Guatemala and the U.S. report the most optimistic hiring prospects in the region, while the weakest and only negative labor market is forecast in Brazil.

Methodology

The Manpower Employment Outlook Survey is conducted using a validated methodology, in accordance with the highest standards in market research. The survey has been structured to be representative of each national economy. The margin of error for all national, regional and global data is not greater than +/- 3.9%.

Net Employment Outlook

Throughout this report, we use the term "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.

Seasonal adjustments have been applied to the data for all participating countries except Finland. ManpowerGroup intends to add seasonal adjustments to the data for other countries in the future, as more historical data is compiled.

Note that in Quarter 2 2008, ManpowerGroup adopted the TRAMO-SEATS method of seasonal adjustment for data.

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