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## Press Release

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# ManpowerGroup Employment Outlook Survey: Sustaining optimistic second-quarter forecast for Austria's labor market

**Vienna, 12. March 2019:** Austria's employers report cautiously optimistic hiring intentions for the second quarter of 2019. According to the latest ManpowerGroup Employment Outlook Survey, for which approx. 750 employers in Austria were surveyed, the Net Employment Outlook for April to June 2019 stands at +4 percent. 8 percent of employers are planning to hire new staff in the second three months of the year, 88 percent plan to maintain the same staffing levels, 2 percent expect to make reductions, while 2 percent are undecided. The hiring intentions will reduce 2 percentage points compared to the same timeframe last year.

Austria's economy is still strong, although an economic slowdown is expected during the current year. Consumer spending and investment remains positive. Tourism is especially booming at the start of the year with great weather conditions for winter sport activities. At the same time, the skills shortage is having a negative impact on the tourism sector. "Recruiting skilled service staff as waiters or cooks has already been hard prior to the start of the skiing season in December. The situation has become even more culminated now", says Katharina Muenchmeyer, Operation Manager of Manpower Hospitality. „To counter the lack of skills, we have already established inhouse training for service staff some years ago", adds Muenchmeyer.

### **A comparison of economic sectors: finance and service sector hiring new staff**

Employers in five of the 10 industry sectors expect to add to payrolls in the next three months. The strongest labor market is forecast by Finance, Insurance, Real Estate & Business Services sector employers, with a Net Employment Outlook of +8%. Hiring prospects decline by 6 percentage points in comparison with the first quarter of 2019 but improve by 4 percentage points year-over-year.

"As a result of legal tightening in regulatory, risk or wealth management, many banking and finance institutions have to fulfil higher statutory requirements concerning reporting, audits or internal processes. Therefore, especially in those areas, specialists are more and more in demand", says Alfons Röhrenbacher, Managing Director of Experis Austria. "Another reason for the continuing positive trend on the finance sector is that Austria is for many international



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companies and finance institutions the ‘gate to the east’. Moreover, we see a stronger trend in the demand for financial-allrounders”, says Röhrenbacher.

Elsewhere, Outlooks of +7% are reported in both the Construction sector and the Manufacturing sector, while Wholesale & Retail Trade sector employers report an Outlook of +6%. However, employers in four sectors expect to trim payrolls, most notably in the Electricity, Gas & Water sector and the Restaurants & Hotels sector, with Outlooks standing at -4%.

Hiring prospects weaken in seven of the 10 industry sectors when compared with the previous quarter. Considerable declines of 13 and 10 percentage points are reported for the Transport, Storage & Communications sector and the Public & Social sector, respectively, while the Electricity, Gas & Water sector Outlook is 7 percentage points weaker. Meanwhile, hiring plans strengthen in three sectors, most notably by 6 percentage points in the Agriculture, Hunting, Forestry & Fishing sector and by 4 percentage points in the Manufacturing sector.

When compared with this time one year ago, Outlooks also decline in seven of the 10 industry sectors. Electricity, Gas & Water sector employers report the most noteworthy decrease of 15 percentage points. Elsewhere, hiring intentions decline by 8 percentage points in the Public & Social sector and are 7 percentage points weaker in the Mining & Quarrying sector. However, Outlooks improve by 5 and 4 percentage points in the Wholesale & Retail Trade sector and the Finance, Insurance, Real Estate & Business Services sector, respectively.

### **Regional Comparisons: Upper Austria and Vorarlberg with strongest outlook**

Payroll gains are anticipated in eight of the nine regions during the forthcoming quarter. The strongest labor markets are forecast for Upper Austria and Vorarlberg, where Net Employment Outlooks stand at +8%. Modest workforce gains are expected in both Salzburg and Tyrol, with Outlooks of +6%, and in Carinthia, where employers report an Outlook of +5%. Meanwhile, Lower Austria employers anticipate a flat labor market, reporting an Outlook of 0%.

When compared with 1Q 2019, hiring plans weaken in six of the nine regions. The most notable decline of 7 percentage points is reported in Carinthia, and Outlooks are 3 percentage points weaker in two regions – Tyrol and Vienna. Elsewhere, Outlooks strengthen in three regions. Salzburg employers report the most noteworthy increase of 7 percentage points, and the Outlook for Burgenland improves by 3 percentage points.

Hiring prospects also decrease in six of the nine regions when compared with this time one year ago. Considerable declines of 13 and 10 percentage points are reported in Carinthia and Lower Austria, respectively. Elsewhere, Outlooks are 3 percentage points weaker in Upper Austria, Tyrol and Vienna. However, employers in both Burgenland and Styria report improvements of 5 percentage points.



### **Organization Size Comparisons: Staff increase among all company sizes**

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 next three months. Large employers report robust hiring intentions with a Net Employment Outlook of +31%. Elsewhere, Medium employers forecast steady job gains with an Outlook of +17%, while Outlooks for Small- and Micro-size employers stand at +4% and +1%, respectively.

In a quarter-over-quarter comparison, hiring prospects decline by 9 percentage points for Small employers and by 5 percentage points for Large employers. Meanwhile, Micro employers report no change and the Medium employer Outlook remains relatively stable.

Outlooks decrease by 5 and 4 percentage points for Micro- and Small-size employers, respectively, when compared with this time one year ago. However, Medium employers report a slight improvement of 2 percentage points, while the Outlook for Large firms remains relatively stable.

### **Global outlook**

Employers around the world also plan to recruit new staff. From a global perspective, hiring plans among employers remain mostly positive. For the second quarter of 2019, the ManpowerGroup report shows an anticipated employment growth in 40 of 44 surveyed countries and territories in the period up to the end of June.

Hiring expectations in 15 of 44 countries and territories for the upcoming quarter are stronger than for the previous quarter, weaker in 18 regions and unchanged in 11. Compared to the same quarter of the previous year, hiring plans have increased in 13 regions, decreased in 27 countries and territories, and remained unchanged in 4. The hiring plans in the second quarter of 2019 are strongest in Croatia, Japan, Greece, Hong Kong and the U.S.

In Europe, the Middle East and Africa (EMEA), the Employment Outlook for the second quarter of 2019 is not negative in any of the 24 countries. However, three countries (Hungary, Spain, Turkey) have an Employment Outlook of +/-0 percent, while a decrease compared to the first quarter is forecast for eight countries. There is a particularly sharp fall of minus 15 percentage points for Hungary, with the country losing 18 percentage points on the previous year. The outlook for Slovenia decreased by seven percentage points compared to the previous quarter and now stands at +10 %.

Austria has lost one percentage point compared to the first quarter and two percentage points on the previous year, and now has an Employment Outlook of +4 %.



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The strongest countries are Greece (+21 %, 3 compared to the previous quarter, 6 on the previous year) and Ireland (+11 %, also 3 compared to the previous quarter and 6 on the previous year). Also, Slovakia and Slovenia have an optimistic outlook with +10 % for Q2 followed by Sweden with +9 %. Our

It is remarkable that the UK has remained relatively stable, despite the Brexit chaos. The Employment Outlook there for the second quarter stands at +4%. This represents a slight decrease of one percentage point compared to the previous quarter and two percentage points on the second quarter in the previous year. The figure has almost constantly remained in the region of +4 to +7 % since the beginning of 2013, without any major anomalies.

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#### **About the survey**

The ManpowerGroup Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling nearly 60,000 employers in 44 countries and territories to measure their intentions to increase or decrease the number of employees in their workforce during the next quarter. For the ManpowerGroup Employment Outlook on the 2nd quarter of 2019, 750 employers in Austria were interviewed by telephone and asked the following question, “In the 2nd quarter of 2019, do you expect the number of staff in your company to increase, decrease or remain the same compared to the first quarter of 2019?”

#### **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.

#### **ManpowerGroup Austria**

In Austria, ManpowerGroup operates under the brand names of Manpower and Experis. ManpowerGroup offers candidates and companies a broad spectrum of innovative workforce solutions, including short-term positions, project-related jobs and direct placements. Manpower has specialized in the fields of administrative, commercial, technical and industrial jobs, as well as events, the hotel trade and gastronomy. The area of expertise for Experis includes finance, IT, engineering, sales and marketing and executive search. Details are available at [www.manpowergroup.at](http://www.manpowergroup.at), [www.manpower.at](http://www.manpower.at) and [www.experis.at](http://www.experis.at).

#### **About ManpowerGroup International**

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