



ManpowerGroup™

Press Release

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Labor market: Employers plan to hire fewer staff

- Manpower Employment Outlook Survey shows: only six percent of employers are planning to hire new staff in the second quarter of 2016
- A more restrained hiring pace expected as forecast dips to weakest level since 2013
- Positive outlooks reported in six of nine industry sectors

Eschborn, 8th March 2016 – The Manpower Employment Outlook Survey for the second quarter of 2016 has fallen by 1% to a seasonally-adjusted figure of +2%. This is the weakest forecast reported since the end of 2013. Despite a strong economy and good consumer spending, only 6% of German employers are planning to increase their staff levels in the next quarter. “This certainly doesn’t mean job cuts, however. It simply means the hiring pace is expected to slow. At the turn of the year, many companies strengthened their staff levels. And nearly nine out of 10 employers are now planning to keep their current staff levels constant, at the very least through the April-June time frame. In total, the outlook is therefore stable,” says Herwarth Brune, CEO of ManpowerGroup Germany. The Supply and Logistics industries have shown the greatest restraint. “Energy companies continue to have difficulties to be profitable in the Renewable Energies sector,” adds the German Head of the Workforce Solutions Company. Finance and the Public sectors have performed comparatively well.

+++ You can find the results of the study in a compact format as a video and infographics [here](#) +++

Strongest forecasts reported in Finance and Public sectors

The seasonally-adjusted Net Employment Outlook is positive in six of the nine business sectors surveyed, although forecasts are trending weaker with hiring plans dipping by varying margins in six of nine sectors quarter-over-quarter and in all nine sectors in a year-over-year comparison. There are still greater staff requirements in the Finance and Business Services sector. The Net Employment Outlook here stands at +7%, although this is the weakest forecast reported since the beginning of 2010. 7% of employers in the sector are planning to hire new staff. In the first quarter, this figure was almost twice as high at 13%. “It’s the financial services companies that are mainly still under pressure. Some new companies have also emerged here, such as the innovative FinTech companies, although they require much smaller staffs and hiring among these types of companies rarely compensates for the effects associated with



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branch closures and other efficiency measures,” says Herwarth Brune.

In the Public Sector the Outlook improves 3 percentage points from the January-March time frame and standing at +4%. Employers of Wholesale and Retail industries expect a more modest hiring pace and report an Employment Outlook of +1%. Meanwhile, employers in the electricity, gas and water sector have a more pessimistic view of the future. The Employment Outlook drops 4 percentage points from the first quarter and stands at -1%, with only 5% of employers planning to hire new staff compared to 8% who are intending to make job cuts. The transport, storage and communications sector forecast is a similarly disappointing -1%.

Medium-sized companies want to hire more staff

Employers in medium-sized companies are proving to be the driving force behind the German labor market. Nearly one in five employers in Whereas employers in medium-sized organizations plan to add staff in the next three months and the Employment Outlook climbs to +13%. For large companies, the Employment Outlook will fall to +8% from the +10% reported in the first quarter and the +19% in the same quarter of the previous year (2/2015). Very small companies are even more cautious with an outlook of -2%, after -1% reported in the first quarter and +3% in the same quarter of the previous year.

Large cities show signs of weakness

In a regional comparison, the strongest Employment Outlook is reported in Munich. 11% of employers in the Bavarian capital plan to recruit new employees and the seasonally adjusted Net Employment Outlook will reach +8%. This is, however, a decline of 2% from +10% in the first quarter. Overall, there is more optimism in the south than in the north. Here, the outlook has risen from +4% to +5%.

Besides Munich, hiring intentions are on the decline in all large cities. Particularly in Berlin, the capital will reach just +1%, after +7% in the first quarter of 2016 and +17% in the fourth quarter of 2015. Employers in Frankfurt also remain cautious, and report an Employment Outlook of +2%. In the same quarter of the previous year, this figure stood at +10% and it was still +3% in the first quarter of 2016. “The gloomy outlook among large companies is mainly noticeable at the company headquarters in the cities”, says Brune.

Labor market in Europe largely stable



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In Europe, the employment opportunities for the second quarter of 2016 remain stable overall. In 22 of 23 surveyed countries in Europe, the Middle East and Africa (EMEA), more companies are planning to hire new staff than make job cuts. The only country where the Employment Outlook slipped into negative figures was France (-1%). In southern Europe, the positive trend of the first quarter has dipped again slightly. Greece will remain stable at +5%, while Italy (0%) and Spain (+1%) report slightly weaker hiring plans.

You can find more detailed results from the Manpower Employment Outlook Survey for all participating countries including infographics [here](#).

About the Survey

The Manpower Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling nearly 58,770 employers in 42 countries and territories to measure their intentions to increase or decrease the number of employees in their workforce during the next quarter. The survey serves as a bellwether of labor 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 the health of labor markets.

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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.