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ManpowerGroup Employment Outlook Survey:

## **Covid-19 pandemic: Employment Outlook brightens slightly**

- **Downward trend on labor market checked**
- **Employers remain cautious on hiring staff**
- **Good job prospects in the finance sector**

Frankfurt, 8 September 2020 – The downward trend on the labor market in Germany appears to have slowed down for the time being. This is shown by the latest ManpowerGroup Employment Outlook Survey, for which approx. 38,000 employers around the world were surveyed in July. The seasonally adjusted Net Employment Outlook\* for the fourth quarter of 2020 has risen slightly and now stands at +2%. Covid-19 had a serious impact on the labor market in the previous quarter, with employers' hiring plans falling to a ten-year low. There is a small increase compared to the previous quarter of 2 percentage points. However, the decrease compared to the same period of the previous year remains at 11 percentage points.

**+++ You can find the results of the study at this link:**

**<https://bit.ly/1p9QDys> +++**

The share of employers that plan to make redundancies is still as high as in the previous quarter. Nine percent plan for fewer staff in the fourth quarter, while this figure stood at just 3% in the fourth quarter of last year. As few as 12% of employers intend to hire new staff between October and December. In the previous quarter, this was 11% while one year ago 15% were looking for new staff in the next quarter. 75% of employers expect to make no changes to their workforce levels. Four percent are still undecided, which is just half as many as in the third quarter. "We can see some early signs of recovery in certain sectors. However, this silver lining cannot blind us to the fact that the majority of employers are still highly cautious with regard to hiring new staff. Insecurities remain," says Angela Olsen, country manager of ManpowerGroup Germany.

The pandemic can now increasingly be felt in microenterprises, in particular, with up to ten employees. The Employment Outlook for these firms has fallen by 5 percentage points and now stands at -3%. Hiring plans among micro-firms are therefore much lower than in large companies. Employers with more than 250 members of staff are much more optimistic about the future than in the previous quarter: the Outlook has risen by 6 percentage points to +4%.

### **Hospitality industry at lowest level**

A look at the industries shows that the hospitality industry has been affected significantly. Hotels and restaurants suffered from the lengthy, enforced closures in the battle against the



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spread of Covid-19, and clubs are still closed in many places. The seasonally adjusted Employment Outlook remains at an all-time low of -14%. This puts the industry 17 percentage points behind last year's figures.

The so-called Other Services sector, which includes public transport, has also been significantly affected in comparison to the previous quarter. It has suffered a decrease of 10 percentage points on the previous quarter, with the Employment Outlook now standing at -3%.

By contrast, the finance sector is recovering expressively and has even gained 14 percentage points on the previous quarter. With an Employment Outlook of +19%, it has recorded the best figures across all the industries. After the onset of the Covid-19 pandemic, banks and financial services providers were also cautious with regard to hiring new staff, although these employers have already almost made up for the decline of the previous quarter. "Banks, financial services providers and insurance companies are comparatively optimistic, and job prospects are respectable for finance experts," says Olsen.

### **Regions: Frankfurt am Main recovers**

After Frankfurt am Main was among the biggest losers of all the regions in the previous quarter, the employers there are now starting to recover somewhat. The positive outlook for the finance sector certainly contributed to this. There is a slight increase on the previous quarter of 3 percentage points, while the Employment Outlook for Frankfurt's employers remains negative overall at -15%.

Both the West and the East of the country, however, are experiencing an upward trend. The increase for Western regions is greatest with a considerable growth of 10 percentage points, with the Employment Outlook now standing at +4%. The Eastern regions have even managed as much as +1%, thereby exceeding the previous year's figures. All other regions report a moderate decrease of at least five percentage points compared to last year.

While employers in parts of the country are already reporting a slight recovery, the Covid-19 situation has finally found its way to the capital. Berlin-based employers seemed to be less affected in the previous quarter, yet the Employment Outlook there has fallen by 4 percentage points for the fourth quarter to stand at +8%.

### **Employers still cautious regarding forecasts**

One third of German employers do not expect staff requirements to return to the pre-pandemic level. This is a 13 percentage-point increase from the previous quarter. Almost 20% of the surveyed employers believe that it will take almost another year before they start hiring staff at the same level as at the beginning of 2020. 19% say quite openly that they cannot yet make such a forecast.

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Slight changes can be seen for permanently employed full- and part-time workers. Around 80% of employers plan to keep their workforce levels stable. The picture is different for outside workers. More than half of the employers are uncertain as to how and if this partnership can continue. This figure rises to over 60% when it comes to temporary workers and freelancers. Only around one quarter of the surveyed employers believe that the partnership will remain stable.

The world of work is expected to change due to the experiences of the Covid-19 pandemic. 47% of the surveyed employers will allow their staff to work from home in the future. Ten percent even plan to enable colleagues to work exclusively from home. Almost a third of companies plan more flexible working times, while approx. one fifth would like to offer additional health and wellbeing services.

You can find more detailed results from the ManpowerGroup Employment Outlook Survey for all participating countries including infographics here: <https://www.manpowergroup.de/neuigkeiten/studien-und-research/arbeitsmarktbarometer/>.

## Background information

The ManpowerGroup Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling more than 34,000 employers in 43 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.

For Germany, 531 employers were surveyed for the upcoming quarter.

You can find more information about the Manpower Employment Outlook Survey at <https://www.manpowergroup.de/neuigkeiten/studien-und-research/arbeitsmarktbarometer/>.

## 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 –

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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.

More information is available at <http://www.manpowergroup.de>.

\* The Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. The comprehensive forecast of employer hiring plans is one of the most trusted surveys of employment activity in the world.

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