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MEDIA RELEASE

Turkish employers report soft hiring intentions amid COVID-19 outbreak

The Net Employment Outlook stands at +2% during the third quarter of 2020

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The findings for third quarter are reflecting the impact of the global health emergency.

ISTANBUL, TURKEY (09 June 2020) – The latest ManpowerGroup Employment Outlook Survey reveals that Turkish employers report soft hiring intentions for the third quarter of 2020. Among the 697 Turkish employers, which were surveyed during the exceptional circumstances of the COVID-19 outbreak, 15% anticipate an increase in payrolls, while 13% anticipate a decrease. 67% of employers on the other hand forecast no change to their workforce levels in the upcoming quarter of 2020. The resulting Net Employment Outlook is +2%.

Once the data is adjusted to allow for seasonal variation, the Outlook stands at -2% and is the weakest and first negative forecast reported since the survey began more than nine years ago. Hiring plans decline by 12 percentage points when compared with the previous quarter and are 10 percentage points weaker in comparison with the same period last year.

The majority of Turkish employers reported the impact of COVID-19 on business activities

The ManpowerGroup Employment Outlook Survey featured two additional questions for employers with regards to the impact of COVID-19 on the employment environment in respective markets, identifying employers' views on the impact on business activity and post COVID-19 era hiring intentions. 68 percent of Turkish employers reported that their businesses affected by COVID-19 outbreak while only 8 percent reported a total shutdown of their businesses. 26 percent of Turkish employers reported no changes in their business activity.

Nearly half of employers expect their hiring plans to return pre-COVID-19 levels within a year

Although the employers reported the weakest employment outlook in nearly a decade, the expectations for return to pre-COVID-19 hiring levels is relatively optimistic as nearly half of the Turkish employers reported that they expect to reach pre-COVID-19 hiring levels within 12 months. With regards to sectors, employers from Finance, Insurance, Real Estate & Business Services sector reported the most optimistic expectations for returning to pre-COVID-19 employment levels as 61 percent of those employers reported that they could reach pre-COVID-19 hiring levels within 12 months.

Commenting on the Survey results, ManpowerGroup Turkey General Manager Feyza Narlı said, “The whole world is trying to recover from the immediate impact of COVID-19 outbreak and the employment outlook in Turkey is no exception. Although it’s been a tough challenge for both employees and employers here in Turkey, we can still take some hopeful insights both from the latest survey and most recent developments. Increase of hiring expectations reported from Finance and Professional Services and Pharmaceuticals sectors are positive highlights under current circumstances. Hopefully additional sectors to report positive expectations will trigger a more positive employment outlook in the fourth quarter.”

Finance & Business Services for the third quarter

Employers in three of the eight industry sectors expect to add to payrolls in the forthcoming quarter. The strongest hiring plans are reported in the Finance & Business Services sector with a Net Employment Outlook of +10%, while Outlooks stand at +2% and +1% in the Pharmaceuticals sector and the Other Production sector, respectively. However, employers in four sectors expect to trim payrolls. The weakest labor market is anticipated in the Construction sector where the Outlook is -12%. In two sectors – the Other Services sector and the Restaurants & Hotels sector – Outlooks stand at -6%, while the Manufacturing sector Outlook of -2% reflects subdued hiring prospects.

	Seasonally Adjusted Employment Outlook
FINANCE & BUSINESS SERVICES	+10%
PHARMACEUTICALS	+2%
OTHER PRODUCTION	+1%
WHOLESALE & RETAIL TRADE	0%

MANUFACTURING	-2%
RESTAURANTS & HOTELS	-6%
OTHER SERVICES	-6%
CONSTRUCTION	-12%

In a quarter-over-quarter comparison, hiring intentions weaken in all eight industry sectors. The most noteworthy declines of 25 and 23 percentage points are reported in the Pharmaceuticals sector and the Manufacturing sector, respectively. Construction sector employers report a decrease of 17 percentage points and the Outlook for the Other Services sector declines by 14 percentage points. Meanwhile, Finance & Business Services sector employers report a slight decrease of 2 percentage points, while Outlooks are 5 and 6 percentage points weaker in the Wholesale & Retail Trade sector and the Restaurants & Hotels sector, respectively.

Hiring plans also weaken in all eight industry sectors when compared with this time one year ago. Considerable decreases of 16 and 15 percentage points are reported in the Pharmaceuticals sector and the Other Services sector, respectively, while Manufacturing sector employers report a decline of 12 percentage points. Elsewhere, Outlooks are 10 percentage points weaker in two sectors – the Other Production sector and the Restaurants & Hotels sector.

Employers in Black Sea region report the strongest hiring intention with +8%

Workforce gains are anticipated in two of the five regions during the next three months. Black Sea employers report the strongest hiring plans with a Net Employment Outlook of +8%, while the Outlook for the Aegean region stands at +5%. Elsewhere, employers expect to trim payrolls, most notably in Mediterranean, where the Outlook is -16%. Uncertain hiring plans are reflected in Outlooks of -4% and -2% for Marmara and Central Anatolia, respectively.

	Seasonally Adjusted Employment Outlook
BLACK SEA	+8%
AEGEAN	+5%
CENTRAL ANATOLIA	-2%
MARMARA	-4%
MEDITERRANEAN	-16%

Hiring prospects weaken in all five regions when compared with the previous quarter. A sharp decline of 28 percentage points is reported in Mediterranean, and Marmara employers report a

considerable decrease of 16 percentage points. Outlooks are 7 percentage points weaker in two regions – Aegean and Central Anatolia – while Black Sea employers report a decrease of 4 percentage points.

When compared with this time one year ago, hiring plans improve by 9 percentage points in Black Sea. However, Outlooks weaken in the remaining four regions, most notably by 21 percentage points in Mediterranean. Decreases of 13 and 12 percentage points are reported in Marmara and Central Anatolia, respectively, while Aegean employers report a decline of 5 percentage points.

Micro employers anticipate limited job gains in the third quarter

Employers in the Small- and Medium-size organization categories expect to trim payrolls in the upcoming quarter, reporting Net Employment Outlooks of -8% and -5%, respectively. However, Large employers anticipate a flat labor market with an Outlook of 0%, while Micro employers expect limited job gains, reporting an Outlook of +1%.

In a comparison with 2Q 2020, Large employers report a sharp decline of 25 percentage points, and Outlooks are 15 percentage points weaker in both the Medium- and Small-size categories. Meanwhile, the Outlook for Micro firms remains relatively stable.

Hiring plans also weaken sharply for Large employers when compared with this time one year ago, declining by 23 percentage points. Medium employers report a considerable decrease of 16 percentage points and the Outlook for Small firms is 11 percentage points weaker. However, Micro employers report an improvement of 2 percentage points.

Notes to the editor:

- 1- The Net Employment Outlook is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from this the percentage of employers expecting a decrease in hiring activity.*
- 2- Other Production classification includes Mining & Quarrying; Agriculture, Hunting, Forestry & Fishing; Electricity, Gas & Water.*
- 3- Other Services classification includes Public & Social; Transport, Storage & Communication.*

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