

Press Release

ManpowerGroup Employment Outlook Survey Q3/2020: Employers in Austria anticipate a muted hiring climate during the forthcoming quarter because of outbreak Covid-19

- Weakest hiring intentions since 2003 in the Finance & Business Services sector, the Other Services sector and the Restaurants & Hotels sector.
- Weakest Outlooks since the survey began reported in Kärnten, Oberösterreich and Salzburg. The strongest regional hiring pace is anticipated by Tirol employers
- Globally, employers in seven of the 43 countries and territories surveyed expect to increase payrolls during the coming quarter, while employers expect to reduce hiring plans in 35
- 64% of Austrian Employers indicated that their business activities have been affected by the outbreak of Covid-19

Vienna, 9 June 2020: According to the latest ManpowerGroup Employment Outlook Survey, Austrian employers forecast a muted hiring climate in the next three months, reporting a seasonally adjusted Net Employment Outlook (NEO) of -3%. Hiring prospects are the weakest reported since 2009, declining by 10 and 12 percentage points from 2Q 2020 and 3Q 2019, respectively.

For the Survey, a total of 352 Austrian employers were asked, *“How do you anticipate total employment at your location to change in the third quarter of 2020 as compared to the current quarter?”* In response, 10% of employers expecting to increase payrolls, 10% anticipating a decrease and 74% forecasting no change. After accounting for seasonal variation, this produces a NEO of -3%.

Interviewing was carried out during the exceptional circumstances of the COVID-19 outbreak. The survey findings for the third quarter of 2020 are likely to reflect the impact of the global health emergency, and the subsequent economic shutdown in many countries including Austria.

Two additional questions were asked about Covid-19 this quarter:

1. How much of your organization’s normal business activity has been halted/suspended by the Covid-19 outbreak?
2. When do you expect your company to return to pre-COVID-19 hiring levels?

The results of this additional survey showed that 64% of Austrian respondents indicated that their business activities were affected by the outbreak of the pandemic and 57% of Austrian entrepreneurs estimate that they will return to pre-Covid-19 employment levels within 12 months.

Sector Comparisons

Workforce gains are forecast for three of Austria's seven industry sectors during the third quarter of 2020, while employers in four sectors expect a decrease in payrolls.

Hiring prospects weaken in six sectors when compared with the previous quarter and decline in all seven sectors year-over-year with employers reporting their weakest hiring intentions since 2003 in the Finance & Business Services sector, the Other Services sector and the Restaurants & Hotels sector.

The strongest sector hiring pace is forecast by Manufacturing sector employers (+8%), improving by 3 percentage points quarter-over-quarter, but declining by 2 percentage points when compared with this time one year ago.

Wholesale & Retail Trade sector employers report modest hiring plans with an Outlook of +5%, declining by 2 and 7 percentage points from 2Q 2020 and 3Q 2019, respectively.

Slow-paced workforce gains are also forecast for the Other Production sector, where the Outlook stands at +1%, although hiring plans slip by 2 and 3 percentage points quarter-over-quarter and year-over-year, respectively.

The weakest sector hiring prospects are reported in the Finance & Business Services sector, where the Outlook of -11% reflects sharp quarter-over-quarter and year-over-year decreases of 22 and 26, respectively.

Six of nine regions expect a decrease

Employers in three of the nine Austrian regions expect to grow payrolls in the upcoming quarter, but employers in the remaining six expect staffing levels to dip. Hiring plans weaken in seven regions both quarter-over-quarter and year-over-year, with the weakest Outlooks since the survey began reported in Kärnten, Oberösterreich and Salzburg.

The strongest regional hiring pace is anticipated by Tirol employers (+13%), improving by 2 and 7 percentage points from 2Q 2020 and 3Q 2019, respectively, while Burgenland employers (+8%) expect some hiring opportunities, increasing by 13 and 5 percentage points quarter-over-quarter and year-over-year, respectively.

The weakest regional forecast of -17% is reported in Salzburg where employers report sharp declines of 31 and 24 percentage points from 2Q 2020 and 3Q 2019, respectively.

Organization Size Comparisons

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 decrease in three of the four organization size categories, with the weakest hiring pace expected by Micro firms (-5%). However, Medium employers expect limited job gains, reporting an Outlook of +1%.

"I have had a lot of conversations with customers recently," states Christoph Trauttenberg, Managing Director ManpowerGroup Austria. "The hiring intentions depend very much on the industry. While the recruiting processes for positions in IT and technology, have continued without interruption, the decision for professional or executive positions, has been postponed."

"Lots of our international clients depend on the worldwide situation, they behave with restraint", adds the Country Manager.

Global comparison

Based on seasonally adjusted analysis*, employers in seven of the 43 countries and territories surveyed expect to increase payrolls during the coming quarter, while employers expect to trim payrolls in 35 (with flat hiring activity forecast in one).

When compared with the previous quarter, employers in 42 of the 43 countries and territories report weaker hiring plans, with Hong Kong employers reporting no change. In a comparison with this time one year ago, Net Employment Outlooks weaken in all 43 countries and territories.

Global Outlook

In total, 34,601 employers were surveyed by ManpowerGroup in 43 countries and territories, to measure employer hiring intentions for the third quarter of 2020. Interviewing was carried out during the exceptional circumstances of the COVID-19 outbreak. The survey findings for the third quarter of 2020 are likely to reflect the impact of the global health emergency, and the subsequent economic shutdown in many countries

The strongest hiring sentiment is reported in Japan, India, the U.S., China and Taiwan. The weakest labor markets are expected in Singapore, Costa Rica, Colombia, Peru and South Africa.

In the Europe, Middle East and Africa (EMEA) region, employers plan to add to payrolls in two of the 26 countries during the third quarter of 2020, but job cuts are anticipated in the remaining 24 countries. Hiring intentions weaken in all 26 EMEA countries in comparison with both the prior quarter and last year at this time. The strongest labor markets in the region are expected in Croatia and Germany, while the weakest hiring plans are reported in South Africa, Slovakia, Romania and the U.K.

*Data is not seasonally adjusted for Croatia and Portugal

You can find more detailed results from the Manpower Employment Outlook Survey for all participating countries including infographics here: <https://www.manpowergroup.com/meos>

You can find more detailed results for Austria including infographics here:
<https://www.manpower.at/studien-research>
<https://www.experis.at/studien-research>

The next Manpower Employment Outlook Survey will be released on 8 September 2020 to report hiring expectations for the fourth quarter of 2020.

About the survey

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 – creates substantial value for candidates and clients across 80 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.

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, www.manpower.at and www.experis.at.

About ManpowerGroup

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