

Press Release

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ManpowerGroup Employment Outlook Survey Q4/2020: Employers in Austria anticipate a subdued labor market during the forthcoming quarter.

Austrian employers anticipate a **subdued labor market** in the fourth quarter of 2020, reporting a Net Employment Outlook of **-1%**. Hiring plans are 2 percentage points stronger in comparison with 3Q 2020, but 8 percentage points weaker year-over-year.

While employers in four of the seven industry sectors expect to trim payrolls, modest workforce growth is forecast for the Other Production sector (+5%) and the Manufacturing sector (+4%).

Steady job gains are anticipated in **Oberosterreich** (+11%), but employers in six of the remaining eight regions forecast a decline in payrolls.

Globally, employers in **22 of the 43 countries and territories** surveyed expect to **add to payrolls** during the fourth quarter of 2020, including 13 of the 26 EMEA countries.

Vienna, 8 September 2020: According to the latest ManpowerGroup Employment Outlook Survey, a cautious hiring climate is expected in **Austria** during the forthcoming quarter, with employers reporting a seasonally adjusted Net Employment Outlook of **-1%**. Hiring plans strengthen by 2 percentage points when compared with the previous quarter, but are 8 percentage points weaker in comparison with this time one year ago.

For the Survey, a total of 405 Austrian employers were asked, *“How do you anticipate total employment at your location to change in the fourth quarter of 2020 as compared to the current quarter?”* In response, 9% of employers expecting to increase payrolls, 12% anticipating a decrease and 77% forecasting no change. After accounting for seasonal variation, this produces a NEO of **-1%**.

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

Sector Comparisons

Employers in four of seven **industry sectors** expect to trim payrolls during the next three months, with workforce gains anticipated in the remaining three. In a comparison with the previous quarter, Outlooks improve in four sectors, but weaken in two. Year-over-year, hiring sentiment weakens in six of the seven sectors.

- **Other Production sector** employers forecast the strongest sector hiring pace with an Outlook of +5%, improving by 4 percentage points when compared with the previous quarter and unchanged year-over-year.
- Hiring prospects in Austria's **Manufacturing sector** (+4%) are also stronger than the national Outlook. However, hiring intentions weaken by 3 and 8 percentage points from 3Q 2020 and 4Q 2019, respectively, resulting in the weakest forecast in more than four years.
- The weakest sector Outlooks of -8% are reported in two sectors. In the first of these, **Finance & Business Services sector** employers report an improvement of 4 percentage points quarter-over-quarter, but a decline of 17 percentage points when compared with this time one year ago.
- **Wholesale & Retail Trade sector** employers also report an Outlook of -8% - the weakest for the sector in 11 years - declining by 12 and 14 percentage points from 3Q 2020 and 4Q 2019, respectively.

Six of nine regions expect a decrease

- Across Austria's nine **regions**, employers in three expect to grow payrolls in the coming quarter, while employers in the remaining six expect payroll numbers to dip. In comparison with the prior quarter, Outlooks strengthen in five regions, while declining in four. Year-over-year, hiring prospects weaken in six regions.
- **Oberosterreich** employers anticipate the strongest hiring pace in 4Q 2020, reporting a respectable Outlook of +11%. Hiring plans in the region improve by 14 percentage points quarter-over-quarter and are unchanged in comparison with last year at this time.
- The weakest regional forecast of -10% is reported in **Tirol**. Declining by 22 and 19 percentage points from 3Q 2020 and 4Q 2019, respectively, the Tirol Outlook is the weakest reported in 11 years.

“What we are seeing in the market is a slow recovery of the economy following the lockdown due to the COVID-19 pandemic, which is also reflected in the positive development of the labour market. Nevertheless, hiring decisions are still impacted and vary depending on the industry and the region,” states Christoph Trauttenberg, Managing Director ManpowerGroup Austria.

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.

Employers expect to trim payrolls in three of the four **organization size** categories during 4Q 2020, with the weakest hiring activity anticipated in Small firms (-4%). Elsewhere, Large employers (+3%) expect limited job gains.

Global comparison

Based on seasonally adjusted analysis*, employers in 22 of the 43 countries and territories surveyed expect to increase payrolls during the next three months, while employers expect to trim payrolls in 16 (with flat hiring activity forecast in five).

In a comparison with the prior quarter, employers in 37 of the 43 countries and territories report stronger hiring plans, while Outlooks weaken in five countries and are unchanged in one. When compared with the same period in 2019, hiring sentiment weakens in 41 countries and territories, improves in one and is unchanged in one

Global Outlook

A total of 38,073 employers were surveyed by ManpowerGroup in 43 countries and territories, to measure employer hiring intentions for October to December 2020. Interviewing was carried out during the exceptional circumstances of the COVID-19 outbreak. The survey findings for the fourth 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 intentions are reported in Taiwan, the U.S., Turkey, Japan and Greece. The weakest hiring prospects are reported in Panama, Costa Rica, South Africa, Colombia and the UK.

In 13 of the 26 Europe, Middle East and Africa (EMEA) region countries, employers expect to grow payrolls during 4Q 2020, while payrolls are expected to decline in eight (with flat labor markets forecast in five). Hiring plans strengthen in 24 of the 26 EMEA countries when compared with the previous quarter, but weaken in 25 in a comparison with this time one year ago. EMEA's strongest labor markets are forecast for Turkey, Greece and Poland, while the weakest are expected in South Africa, the UK and Croatia.

*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 survey will be released 8 December 2020 and will report hiring expectations for Q1 2021.

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

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