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ManpowerGroup Employment Outlook Survey

Under Embargo until 8 June 2021

South African Employers Report Stronger Hiring Intentions for Q3 2021

- **Year-on-year employment outlook strengthens in South Africa as companies exercise cautious hiring sentiment**
- **Several regions are anticipate increased staffing levels in Q3**

Johannesburg, 8 June 2021 – According to the latest ManpowerGroup Employment Outlook Survey, businesses are exercising a cautious hiring sentiment across South Africa for the third quarter of 2021, with employers reporting a seasonally adjusted Net Employment Outlook of +1%. This is up by 6% points when compared with the previous quarter and 19% points stronger when compared with the third quarter of 2020 when COVID-19 first impacted on hiring intentions.

“Although South Africa is adopting a cautious approach to hiring since the onset of the Covid-19 pandemic, this is a step in the right direction,” says Lyndy van den Barselaar, managing director at ManpowerGroup South Africa. “After every pandemic in the past 200 years, there has been an economic surge and technology acceleration with job openings to align and while we are not out of the woods yet, companies are starting to recover from the impact of the last year and are putting measures in place to restore their businesses to pre-pandemic levels.”

Regional Comparisons

Employers in three of five South African regions surveyed expect an increase in staffing levels in the next three months. The strongest regional forecasts of +5% are reported in the Free State and the Western Cape followed by the Eastern Cape Outlook of 3%. Gauteng and Kwazulu-Natal both reported uncertain hiring intentions with Outlooks of -1%.

Hiring sentiment across all five regions strengthened when compared with the previous quarter, most notable by 21% points in the Free State, 11% in the Eastern Cape, and 7% in the Western Cape. Compared to the same period last year, the Eastern Cape sees a sharp increase of 26%, and both the Western Cape and Gauteng reported a 21% increase.

Sector Comparisons

Of the seven industry sectors surveyed, five of the industries expect to increase payrolls during the third quarter of 2021. The strongest hiring prospects are reported in the Restaurants & Hotels sector, where the Net Employment Outlook is +8%, while Construction sector employers report encouraging signs for job seekers with an Outlook of +7%. Elsewhere, slow-paced workforce gains are expected in two sectors with Outlooks of +4% - the Other Services sector and the Wholesale and Retail Trade sector – while the Manufacturing sector Outlook is +3%. However, employers in the Other Production sector and the Finance and Business Services sector expect to trim payrolls, reporting Outlooks of -7% and -5%, respectively.



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Organisation-Size Comparisons

Participating employers are categorised into one of four organisation 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. Job gains are expected in two of these organisation size categories during 3Q 2021, with the strongest Outlook reported by Micro businesses at +8% followed by large organisations with +5%. Small employers forecast the weakest hiring pace at -3%, while medium-sized organisations reported -1%.

Compared to the same period last year, the hiring Outlook has strengthened across all four organisation size categories with large organisations reporting a sharp increase of 30% and medium-sized companies 23%. Improvements of 18 and 9 percentage points are reported by Micro- and Small-size employers, respectively.

Global Results

ManpowerGroup interviewed over 45,000 employers in 43 countries and territories on hiring prospects in the third quarter of 2021. All participants were asked, “How do you anticipate total employment at your location to change in the three months to the end of September 2021 as compared to the current quarter?” Interviewing took place during the exceptional circumstances of the COVID-19 outbreak. The survey findings for the third quarter of 2021 reflect the impact of the global health emergency, and the ongoing economic restrictions in many countries.

Globally, employers in 42 of the 43 countries and territories surveyed expect to grow payrolls during the third quarter of 2021, including all 26 EMEA countries. When compared with the same period last year – when COVID-19 first had an impact on hiring sentiment – employers in 42 of the 43 countries and territories report improved hiring prospects, with no change in one region, Hong Kong. In the coming quarter, the strongest labour markets are forecast in the U.S., Taiwan, Australia, Greece, Ireland, and Singapore, while the weakest hiring intentions are reported in Hong Kong, Argentina, Panama, and South Africa.

“It is reassuring to see that many regions are returning to pre-Covid hiring sentiment following from the prolonged effect of the pandemic which impacted businesses of all sizes and industries,” says van den Barselaar. “As South Africa enters the second phase of the vaccination programme, we anticipate that businesses across the country will follow a similar path to our global counterparts that have vaccinated a large portion of their populations and businesses we will continue to see improvements in hiring sentiment over the next few months. However, as the pandemic has massively impacted the country’s economic activity, the recovery may take some time before we return to pre-Covid levels.”

Full survey results for each of the 43 countries and territories included in this quarter’s survey, plus regional and global comparisons, can be found at www.manpowergroup.com/meos. The next ManpowerGroup Employment Outlook Survey will be released on 14 September 2021 and will detail expected labour market activity for the fourth quarter of 2021.

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ABOUT MANPOWERGROUP

ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organisations 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 organisations 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 substantially more value for candidates and clients across more than 75 countries and territories and has done so for over 70 years. We are recognised consistently for our diversity - as a best place to work for Women, Inclusion, Equality and Disability and in 2021 ManpowerGroup was named one of the World's Most Ethical Companies for the 12th year - all confirming our position as the brand of choice for in-demand talent.

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