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Dutch employers' labor expectations remain cautiously optimistic

First negative forecast within Finance & Business services since 2014 (-3%)

Diemen, 12 March 2019 – **Compared to Q1 2019, employer expectations for the Dutch labor market have remained unchanged. Employment is expected to grow at the same pace in the second quarter of 2019, according to the latest edition of the ManpowerGroup Employment Outlook Survey. The second quarter forecast now stands at +4%. In three out of nine labor sectors, employers expect to hire less employees, with employers in Finance & Business services reporting their first negative forecast since 2014. The survey was conducted among 750 Dutch employers, part of a panel of over 59,000 employers worldwide.**

"Although labor market expectations remain unchanged this quarter, Dutch employer optimism has decreased by -5% year-on-year", says Jeroen Zwinkels, Managing Director ManpowerGroup the Netherlands. "Compared to last year, Dutch employers are facing more difficulties than ever finding the right talent for their vacancies."

Negative expectations

For the first time in five years (Q1 2014), employers in Financial & Business Services expect to hire less staff (-3%). Other sectors with a negative forecast are Agriculture, Hunting, Forestry & Fishing (-4%) and Transport, Storage & Communications (-1%). The most optimistic about the future hiring of staff are employers in Electricity, Gas & Water (+19%) and Construction (+14%). Zwinkels says, "The growing levels of digitalization and automation are changing job specific tasks. Therefore, the skills needed to succeed change rapidly. Instead of hiring new staff or raising existing salaries, employers should look at ways to invest in their current staff by reskilling and upskilling their employees."

Growing shortages

Two-thirds of the employers in Financial & Business Services¹ (67 percent) say they have great difficulty with finding the right candidates for their vacancies. Therefore, 42 percent of them offer better terms of employment compared to last year. However, when looking at the reskilling and upskilling of their employees, only 45 percent have increased their budgets for training and education in the past year. Zwinkels notes that, "Education is the key to current labor shortages. Instead of focusing on finding the perfect candidate, in the future employers should base the hiring of staff on potential and provide the additional education."

Regional forecast

When looking at the different regions, employer expectations grew from +7% in Q1 2019 to +12% in the East and from +3% to +8% in the West of the Netherlands. However,

the South (-1%) and the North (-4%) both report negative forecasts after a respectively -3% and -7% decrease in labor expectations. Zwinkels says, "This shows that individual differences in employer labor market expectations are notable, not only between sectors but also between national regions. An explanation for this could be that these two areas are dealing with population shrinkages and therefore employers finding it more difficult to fulfill their vacancies."

European forecast

Employers in all European countries continue to report positive labor market forecasts, with Hungary, Turkey and Spain being the least optimistic (0%). Germany comes in at +8% and Belgium at +6%. Italy, Switzerland and The United Kingdom, together with four other countries, report +4%. For comparison, the United States remains optimistic with +19%.

About ManpowerGroup

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Notes to the editor, not for publication

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¹About the research

An extra research was conducted by Panelwizard amongst 514 Dutch employers in the economic sectors Financial & Business Services, Public Sector, Logistics & Communication and industry & production, commissioned by ManpowerGroup the Netherlands. When answering the questions, the respondents were given the choice between agree and disagree.