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# Press Release

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## **Norwegian Employers remain optimistic, report moderate payroll growth: ManpowerGroup Employment Outlook Survey 2Q 2019**

**Employers expect a moderate hiring pace to continue in the second quarter of 2019. Payroll is expected to grow in seven of nine industry sectors and all five regions during the forthcoming quarter, according to ManpowerGroup’s quarterly survey of hiring plans.**

**“The Norwegian labor market is keeping a steady pace. After several quarters of above-average optimism in Northern and Mid-Norway, the baton seems to be passed over to the South-West and Greater Oslo,” says Managing Director in ManpowerGroup Norway, Maalfrid Brath.**

Norwegian employers report modest hiring prospects for the first quarter of 2019, with a seasonally adjusted Net Employment Outlook of +5%. Hiring intentions are unchanged when compared with the previous quarter but decline by 3 percentage points in comparison with last year at this time.

Among employers surveyed, 8 percent are planning to staff up. Two percent are planning to downsize. 89 percent are planning to retain the size of their current staff, an increase of three percentage points since the first quarter of the year.

“With 97 percent of employers either looking to maintain or increase payrolls, there is undoubtedly a strong underlying optimism in the Norwegian labor market. With many companies on the look-out for talent, many managers find it challenging to really shape their organization for the ongoing changes in their business environment. Skilled talent is hard to acquire in this tight labor market, so many employers invest in upskilling their current staff. That is why we are working with companies in many sectors to implement upskilling programs, where participants learn new skills, such as programming, while on the job.”, says Maalfrid Brath.

### **Large companies look to reshape**

After eight consecutive quarters of large payroll growth expectations, Large employers (over 250 employees) now look to trim their workforce. 15% of Large employers intend to reduce staffing level while 11% are looking to increase payroll. The Net Employment Outlook in Large companies comes in at -4%, adjusted for seasonal variations.

In the remaining organization size categories (with less than 250 employees), payrolls are expected to increase during 2Q 2019. The most optimistic Outlooks of +10% are reported in Medium-size companies (100-250 employees), unchanged since the previous quarter, but 5 percentage points lower compared with the 2Q 2018. Small and Micro-sized businesses report Outlooks of +8% and +5%, respectively.



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### **Mining and Quarrying expected to grow**

For the third consecutive quarter, Norway's Mining and Quarrying sector has the strongest Outlook of all sectors in the survey. A Net Employment Outlook of +19% is on par with 2Q 2018 and marks a one percentage point increase from 1Q 2019.

“Staffing up the projects following the latest round of investments in Norway's large oil and gas sector is presenting a challenge for many organizations. Many skilled workers were drawn to other sectors following the 2014 cool-down in oil and gas. We work closely with several companies to meet the rising demand of specialists,” says Brath.

Employers in the Electricity, Gas & Water sector expect double-digit hiring intentions, with Net Employment Outlooks at +11%. The Finance & Business Services sector report an uptick in optimism with Net Employment Outlook at +9%, an increase of six percentage points compared with 1Q 2019.

The weakest Outlook come from employers in the Transport, Storage & Communications sector, who expect to trim payrolls with a reported Outlook of -5%. These are the weakest hiring intentions from the sector in four years, with a decline of 7 and 21 percentage points from 1Q 2019 and 2Q 2018, respectively.

### **Confidence restored in the South-West**

Outlooks for 2Q 2019 are positive in all five surveyed regions. Most notably, the South-West reports a strong Outlook of +8%, an increase of six percentage points year-over-year, indicating a positive trend for the region. After a sluggish start to the year, Greater Oslo also reports an Outlook of +8%, an increase of nine percentage points since 1Q 2019.

When compared with this time a year ago, hiring plans weaken in three of the five regions. Hiring intentions in Northern Norway come in at a cautious +1%, a decline of 14 percentage points since 2Q 2018. In Mid-Norway, Outlooks come in at +4%, a decline of eight percentage points when compared with the second quarter of last year.

“Economic indicators in the Northern and Mid regions indicate that the growth will continue, but at a slower pace. This translates to a shift from *full speed ahead* to a tempo which is more sustainable,” says Brath.

*The ManpowerGroup Employment Outlook Survey for the second quarter 2019 was conducted by interviewing a representative sample of 756 employers in Norway. All survey participants were asked, “How do you anticipate total employment at your location to change in the three months to the end of June 2019 as compared to the current quarter?” 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.*

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