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Manpower Employment Outlook Survey: Job seekers should prepare for a sluggish labor market

The Manpower Employment Outlook Survey for the first quarter of 2016 was conducted by interviewing a representative sample of 620 employers in Finland. Finnish employers report sluggish hiring prospects for the January-March time frame, with only 5% of employers forecasting an increase in staffing levels, while 83% of employers expect no change in staffing levels and 11% forecast decreasing payrolls. Hiring plans are expected to weaken in 3 of the 4 regions and in 7 of the 10 industry sectors. The Net Employment Outlook fell by 5 percentage points compared to the previous quarter and stands now at -6%. However, the Outlook has improved by 2 percentage points in year-on-year comparison.

According to the Manpower Employment Outlook Survey released today, 83% of the surveyed employers predict no change in their workforce, 5% anticipate an increase and 11% report intentions to decrease their workforce, resulting in a Net Employment Outlook of -6%.

The Finnish labor market seems to have stagnated as payrolls in 7 of the 10 sectors are expected to contract by varying margins in the January-March time frame. The most pessimistic Outlook is reported by employers in the Mining & Quarrying sector. The strongest hiring intentions are in the Electricity, Gas & Water supply sector.

When compared with Europe, job seekers in Finland can expect the weakest hiring climate. In other Nordic countries payrolls are likely to increase, with Swedish and Norwegian employers reporting encouraging signs for job seekers. The most optimistic employers for the next three months can be found in Turkey.

“Employer confidence in Finland is bringing up the rear in Europe. Although economic growth isn’t great elsewhere either, the job market in Europe appears to be resolving in a more positive direction than in Finland for some time now. In the light of the survey results, no change is to be expected in the prevailing pessimistic view of Finland’s employers during the beginning of the year,” says ManpowerGroup’s Managing Director in Finland, **likka Lindroos**.

Regional analyses – downbeat hiring pace expected

Payrolls are expected to decrease in 3 Finnish regions during the next three months. The weakest labor market is anticipated in Eastern Finland, where employers report a gloomy Net Employment Outlook of -16% with nearly one of every five employers interviewed expecting to reduce staff in the next three months. Downbeat hiring plans are also reported by employers in Northern Finland and Western Finland, resulting in an Outlook of -7% and -5%, respectively. Meanwhile, employers in Southern Finland forecast cautious hiring activity with an Outlook of +1%. Quarter-over-quarter, hiring prospects weaken in all four regions, most notably Northern Finland.

Industry sector analyses – latest policy decisions reflect on the Outlook

Staffing levels are expected to decline in 7 of the 10 industry sectors during the coming quarter. Yet in a yearly comparison, first quarter hiring prospects strengthen in 5 sectors out of 10.

Employers in only 3 sectors expect a positive hiring pace. The most optimistic are the employers in the Electricity, Gas & Water Supply sector, reporting an Outlook of +11%, the strongest result in two years. The employers in the Manufacturing sector show somewhat more cautious optimism with an Outlook of +8%. Employers in the Restaurant & Hotels sector also forecast modest job growth with an Outlook of +3%.

Employers in the Mining & Quarrying sector continue to report gloomy employment prospects, with a Net Employment Outlook at -15%. Employers in the Public & Social sector and the Transport, Storage & Communication sector both report an Outlook of -14%. However in a year-on-year comparison, confidence among employers in the Transport, Storage & Communication sector has made a strong leap, and the outlook improves by 24 percentage points.

“It is positive that the manufacturing industry sector outlook stays on the plus side, although it has fallen since the last quarter. Some industry sectors are doing better in the export market and the Storage, Transport & Communication sector forecast has become stronger since last year. The recent investment decisions in Finland are also good news and are pulling the Electricity, Gas & Water Supply sector up,” analyzes Mikko Lindroos.

Company size comparisons – all company categories pessimistic

Employers forecast a decline in staffing levels across all 4 organization size categories during the January-March time frame. The weakest labor markets are anticipated by Medium-size employers (50-249 employees), followed by Micro businesses (less than 10 employees), with the Net Employment Outlooks standing at -9% and -7%, respectively. Elsewhere, the Outlook for Small firms (10-49 employees) stands at -3%, while Large employers (250 or more than employees) report an Outlook of -2%.

Year-over-year comparisons

Outlooks in both Northern Finland and Western Finland have improved by 14 percentage points from last year at this time and the forecast in Southern Finland indicates mild growth of 2 percentage points. However, employers in Eastern Finland report a considerable decline of 14 percentage points.

In year-on-year comparison, the overall Net Employment Outlook has improved by 2 percentage points and hiring plans have strengthened in 5 sectors out of 10. In addition, the Outlook has improved in all four company categories, with large businesses reporting the most notable improvement of 16 percentage points, while small and medium businesses report increases of 9 percentage points and 8

percentage points, respectively. “Hiring intentions are the weakest in medium-size and micro-size companies. In year-on-year comparison, hiring intentions are developing most positively in large companies. Companies employing fewer than 10 people have not experienced a change compared year-on-year. Start-ups are getting plenty of publicity, but their effect on employment keeps us waiting for the time being,” comments Iikka Lindroos.

The following files are available for download at <http://www.manpowergroup.fi/ajankohtaista1/>

- Full report
- Diagrams
- Infographics
- Photo of Iikka Lindroos, Managing Director

The Q2/2016 Manpower Employment Outlook Survey will be published on 8 March 2016.

Results for all 42 countries can be viewed in the new interactive Manpower Employment Outlook Survey tool at www.manpowergroup.com/meos

Manpower Employment Outlook Survey

The Manpower Employment Outlook Survey is conducted quarterly to measure employers' intentions to increase or decrease the number of employees in their workforces during the next quarter. It is the most extensive forward-looking survey of its kind, unparalleled in its size, scope, longevity and area of focus. The survey was launched over 50 years ago in the United States and is one of the most trusted surveys of employment activity in the world. The Manpower Employment Outlook Survey is based on interviews with over 58,000 public and private employers in 42 countries. In Finland a representative sample of 620 employers were interviewed. All those interviewed answer the same question: *“How do you anticipate total employment at your location to change in the three months to the end of March 2016 as compared to the current quarter?”*

¹ The Net Employment Outlook for the first quarter of 2016 in Finland is -6%. The Outlook is calculated 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. The result of this calculation is the Net Employment Outlook.

More information:

Iikka Lindroos, Managing Director
ManpowerGroup
iikka.lindroos@manpowergroup.fi
Tel. +358 (0)40 801 8331

Mika Wilén, Director, Marketing & Communications
ManpowerGroup
Mika.Wilen@manpowergroup.fi
Tel. +358 (0)41 455 2970

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