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ManpowerGroup Employment Outlook Survey: Subdued hiring intentions reported by Finnish employers

The ManpowerGroup Employment Outlook Survey for the third quarter of 2017 was conducted by interviewing a representative sample of 625 employers in Finland. Finnish employers report modest hiring plans for the July–September time frame with 7% of employers forecasting an increase in staffing levels, 3% anticipating a decrease and 88% expecting no change. The seasonally adjusted Net Employment Outlook thus stands at +1%. Compared with the previous quarter, hiring prospects are 2 percentage points weaker but remain relatively stable year-over-year. Payrolls are expected to decrease in three regions out of the four. However, employers in seven of the 10 industry sectors expect to grow payrolls during the next three months.

According to the ManpowerGroup Employment Outlook Survey released today, Finnish employers have modest hiring intentions in the third quarter of 2017. 7% of employers forecast an increase in staffing levels, 3% anticipate a decrease and 88% expect no change. The seasonally adjusted* Net Employment Outlook for the third quarter of 2017 is +1%. Compared with the previous quarter, hiring prospects are 2 percentage points weaker but remain relatively stable year-over-year.

Despite the prominence of recent news highlighting improved prospects for the Finnish economy, the latest ManpowerGroup Employment Outlook Survey, released today, suggests not all employers are as optimistic. When compared with the second quarter of 2017, hiring plans weaken in three of the four regions. Western Finland employers report a considerable decline of 12 percentage points, while Outlooks are 3 and 2 percentage points weaker in Eastern and Southern Finland, respectively. Meanwhile, employers in Northern Finland report a considerable improvement of 13 percentage points. Hiring intentions weaken in seven of the 10 industry sectors when compared with the second quarter of 2017.

“The forecast for the July–September period indicates that job seekers can expect some opportunities for employment, but that job gains will be modest,” says **Matti Kariola**, ManpowerGroup Finland’s Managing Director. “However, it is worth noting that a larger percentage of employers intend to add staff in the next three months compared to those who plan to reduce payrolls.”

In Europe, despite the uncertainties associated with a number of recent and upcoming elections, as well as ongoing Brexit negotiations, some job gains are expected in every country except Italy and the Czech Republic. Hungary's third quarter forecast (+20) is the strongest in the region, driven by robust forecasts in the Construction and Manufacturing sectors. In the Nordics, the most payroll gains are expected in Sweden with an Outlook of +11%, the strongest hiring intentions in more than five years.

Regional analyses – Western and Northern Finland stand out

Employers in three regions out of the four report weak or subdued hiring plans for the upcoming quarter. Employers in Southern Finland forecast a fair hiring climate with an Outlook of +9%, but a struggling labor market is anticipated in Western Finland, where the Outlook is -9%. Employers report uncertain hiring prospects with Outlooks of -2% and -1% in Northern and Eastern Finland, respectively.

When compared with the second quarter of 2017, hiring plans weaken in three of the four regions. Employers in Western Finland report a considerable decline of 12 percentage points, while Outlooks are 3 and 2 percentage points weaker in Eastern and Southern Finland, respectively. Meanwhile, employers in Northern Finland report a considerable improvement of 13 percentage points.

Year-over-year, hiring intentions are 8 percentage points stronger in Northern Finland and improve by 3 percentage points in Eastern Finland. However, employers in Western Finland report a considerable decline of 17 percentage points, while the Outlook for Southern Finland is 7 percentage points weaker.

Industry sector analyses – finance and business services continue strong

Employers in seven of the 10 industry sectors expect to grow payrolls during the next three months. Finance, Insurance, Real Estate & Business Services sector employers report the strongest hiring plans with a respectable Net Employment Outlook of +12%. Employers in the Agriculture, Hunting, Forestry & Fishing sector anticipate a fair hiring pace, reporting an Outlook of +6%. Modest job gains are forecast in three sectors with Outlooks of +3% – the Public & Social sector, the Restaurants & Hotels sector and the Wholesale & Retail Trade sector.

“Widespread demand for digital expertise and specialized skills in IT is already leading to talent shortages, which employers solve with retraining and upskilling programs. With the kick off of major digitalization projects, we have already seen the launch of new sharing economy services and traditional businesses entering into totally new service sectors”, comments Kariola.

Hiring intentions weaken in seven of the 10 industry sectors when compared with the second quarter of 2017. The most noteworthy decline of 7 percentage points is reported in the Restaurants & Hotels sector, while Outlooks are 3 percentage points weaker in both the Electricity, Gas & Water Supply sector and the Transport, Storage & Communication sector.

When compared with the third quarter of 2016, Outlooks weaken in six of the 10 industry sectors. Considerable declines of 13 and 11 percentage points are reported in the Manufacturing sector and

the Construction sector, respectively. Elsewhere, Electricity, Gas & Water Supply sector employers report a decrease of 8 percentage points, while the Outlook for the Public & Social sector declines by 7 percentage points.

Company size comparisons – the strongest growth in medium and large businesses

A positive hiring climate is forecast by all four company sizes. The strongest upbeat is reported by Medium businesses (50–249 employees) with an Outlook of +11%. For large (250 or more employees) and Small-size companies (10–49 employees), the Outlooks stand at +7% and +5%, respectively. Micro companies (less than 10 employees) continue as the most cautious size category, reporting hiring prospects with an Outlook of +1%.

Quarter-over-quarter, hiring intentions weaken in all four organization size categories, most notably by 7 percentage points for Large employers and by 5 percentage points for Small employers. Elsewhere, Outlooks are 2 percentage points weaker in both the Medium- and Micro-size employer categories. In year-over-year comparison, Large- and Small-size employers report considerable declines of 9 percentage points. The Outlook for Medium employers is 5 percentage points weaker, and Micro employers report no year-over-year change.

* Following the accumulation of more than four years of data, Finland's ManpowerGroup Employment Outlook Survey now features seasonally adjusted data. Seasonal adjustment is a calculation method used to standardize time series for regularly occurring seasonal variation. This allows presentation of the data without the effect of fluctuations triggered by commonly encountered events such as seasonal weather changes, public holidays, harvests or school schedules. Seasonal adjustment makes it easier to observe cyclical and other underlying trends in data collected over time.

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

- Full report
- Diagrams
- Infographics

The Q4/2017 ManpowerGroup Employment Outlook Survey will be published on 12 September 2017. Results for all 43 countries can be viewed in the new interactive [ManpowerGroup Employment Outlook Survey Explorer tool](http://www.manpowergroup.com/DataExplorer/) at <http://www.manpowergroup.com/DataExplorer/>

About the ManpowerGroup Employment Outlook Survey

The ManpowerGroup 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. ManpowerGroup's comprehensive forecast of employer hiring plans has been running for more than 50 years and is one of the most trusted surveys of employment activity in the world. Various factors underpin the success of the ManpowerGroup Employment Outlook Survey:

Unique: It is unparalleled in its size, scope, longevity and area of focus.

Projective: The ManpowerGroup Employment Outlook Survey is the most extensive, forward-looking employment survey in the world, asking employers to forecast employment over the next quarter. In contrast, other surveys and studies focus on retrospective data to report on what occurred in the past.

Independent: The survey is conducted with a representative sample of employers from throughout the countries and territories in which it is conducted. The survey participants are not derived from ManpowerGroup's customer base.

Robust: The survey is based on interviews with over 58,000 public and private employers across 43 countries and territories to measure anticipated employment trends each quarter. This sample allows for analysis to be performed across specific sectors and regions to provide more detailed information.

Focused: For more than five decades the survey has derived all of its information from a single question:

For the 3Q 2017 research, all employers participating in the survey worldwide are asked the same question, “How do you anticipate total employment at your location to change in the three months to the end of September 2017 as compared to the current quarter?”

¹ The Net Employment Outlook for the third quarter of 2017 in Finland is +1%. 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. The data has been seasonally adjusted.

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About ManpowerGroup:

ManpowerGroup® (NYSE: MAN) is the world's workforce expert, creating innovative workforce solutions for nearly 70 years. As workforce experts, we connect more than 600,000 people to meaningful work across a wide range of skills and industries every day. Through our ManpowerGroup family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – we help more than 400,000 clients in 80 countries and territories address their critical talent needs, providing comprehensive solutions to resource, manage and develop talent. In 2017, ManpowerGroup was named one of the World's Most Ethical Companies for seventh consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup makes powering the world of work humanly possible: www.manpowergroup.com.