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NOT FOR PUBLICATION BEFORE 00.01 GMT 13 September 2016

Press release
September 13, 2016

Manpower Employment Outlook Survey: Finnish employers predict subdued hiring intentions in final three months of the year

The Manpower Employment Outlook Survey for the fourth quarter of 2016 was conducted by interviewing a representative sample of 621 employers in Finland. Finnish employers report subdued hiring intentions for the October-December time frame, with 14% of employers forecasting an increase in staffing levels, 17% anticipating a decrease and 67% expecting no change. The seasonally adjusted Net Employment Outlook stands at +1%. Hiring prospects are unchanged when compared with the previous quarter but decline by 2 percentage points year-over-year. 2 out of 4 regions and 6 out of 10 industry sectors forecast an increase in payrolls.

According to the Manpower Employment Outlook Survey released today, Finnish employers are expecting the hiring pace to remain subdued in the October-December time frame. 14% of employers expect an increase in their workforce, 17% anticipate a decrease and 67% predict no change. The seasonally adjusted¹ Net Employment Outlook for the last quarter of 2016 is +1%, unchanged when compared with the previous quarter and 2 percentage points weaker when compared to the same time last year. “Now that we have the adjusted figures for Finland, it is evident that, overall, the Finnish labour market is conservative and slow-paced. This is in line with the economic development in the past four years. However, there are considerable differences between industry sectors”, analyzes **Mika Wilén**, ManpowerGroup’s Communications Director in Finland. “For instance, job seekers in the Electricity, Gas & Water Supply and Manufacturing sectors can anticipate the most fourth-quarter job opportunities. On the other hand, the job market for the Transport, Storage & Communication sector looks gloomy, Wilén adds.

In Europe, the strongest hiring plans for the fourth quarter are reported by employers in Ireland and Israel. The weakest outlooks are reported in Belgium, Finland, Italy and Switzerland. Elsewhere in the Nordics, Norwegian employers expect cautious payroll gains with an Outlook of +5%, whereas Swedes are more pessimistic with an Outlook of +2%. “Except for Sweden, the good news for Finland is that most of our important exports countries have maintained their positive employment outlooks. Even in the UK, Brexit does not seem to have affected hiring intentions so far, as the Outlook is unchanged from the prior quarter and last year at this time and sets in +5%”, Wilén concludes.

Regional analyses – Notable gaps between regions

Employers in 2 regions out of 4 forecast a positive hiring pace. The most notable payroll gains are expected by employers in Southern Finland, where the Net Employment Outlook stands at +19%.

Modest improvement is also reported in Eastern Finland, where the Outlook sets in +2%. Staffing levels are expected to decline in Northern Finland and Western Finland, where employers report Outlooks of -12% and -5%, respectively.

When compared quarterly, hiring intentions grow in 2 regions. Employers in Eastern Finland report an increase of 7 percentage points, while the Outlook for Southern Finland is 4 percentage points stronger. The forecast in Western Finland takes a dip of 9 percentage points and in Northern Finland, the Outlook remains relatively stable.

In year-over-year comparison, the labor market in Southern Finland has seen a boost of 14 percentage points. The hiring activity has slowed down the most in Northern Finland, where the employers report a decrease of 16 percentage points.

Industry sector analyses – Only modest growth expected

Staffing levels are expected to grow in 6 out of 10 industry sectors. The strongest job gains are forecasted in the Electricity, Gas & Water Supply sector and Manufacturing sector, with employers in both sectors reporting Outlooks of +14%. The Outlook for Electricity, Gas & Water Supply is the strongest since spring 2013. Moderate growth is also expected in the Public & Social sector, as well in the Wholesale & Retail Trade sector.

The most pessimistic employers can be found in the Transport, Storage & Communication sector, where the Outlook sets in a gloomy -29%. The Outlook for the sector is the weakest in two years. A downturn in hiring intentions can be also expected in the Construction sector and the Mining & Quarrying sector, with Outlooks of -8% and -7%, respectively.

Company size comparisons – Large companies the most optimistic

Payrolls are forecast to grow in 3 out of 4 four organization categories during the forthcoming quarter. Hiring plans remain solid among Large employers (250 or more employees), with a Net Employment Outlook of +20%. Job gains are forecasted also by Medium-size employers (50 to 249 employees) and Small firms (10 to 49 employees), with Outlooks of +18% and +13%, respectively. Micro businesses (less than 10 employees) forecast an uncertain hiring climate, with the Outlook standing at -1%.

Year-over-year, Large employers report a considerable improvement of 18 percentage points, while the Outlook for Medium employers is 11 percentage points stronger. The Outlook for Small firms remains relatively stable and Micro businesses report a slight decline of 3 percentage points.

¹ The Net Employment Outlook for the fourth quarter of 2016 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.

Following the accumulation of more than four years of data, Finland's Manpower 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
- Photo of Mika Wilén, Communications Director

The Q1/2017 Manpower Employment Outlook Survey will be published on 13 December 2016.

Results for all 43 countries can be viewed in the new interactive [Manpower Employment Outlook Survey Explorer tool](http://manpowergroupsolutions.com/DataExplorer) at <http://manpowergroupsolutions.com/DataExplorer>

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 nearly 59,000 public and private employers in 43 countries. In Finland a representative sample of 621 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 December 2016 as compared to the current quarter?"*

¹ The Net Employment Outlook for the fourth quarter of 2016 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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