Mixed Signs for the New Year: The Hiring Pace Is Positive, but Modest

Romanian Employees Report Positive Hiring Plans for the January – March 2014 Interval According to the Manpower Employment Outlook Survey

Bucharest, December 10th, 2013 ■ Romanian employers intend to increase their overall payrolls by modest margins during the first quarter of 2014, according to Manpower Group’s latest quarterly survey of 625 Romanian employers. The national Net Employment Outlook stands at +4%, relatively stable compared with last quarter’s Outlook, but moderately weaker than the first quarter of 2013. 78% of employers report no intention of either growing or downsizing their workforce in the next three months, while 10% anticipate a decrease and 11% plan an increase in the total number of employees.

“The national trend is clearly towards stability in the workforce,” says Valentin Petrof, ManpowerGroup Romania’s Country Manager. “The proportion of employers who will keep their workforce constant has risen another 4 percentage points since last quarter’s historical maximum, indicating more employers are waiting for clearer positive signs in the marketplace and are satisfied to take a wait-and-see approach before they further add to their payrolls. The current Net Employment Outlook gives encouraging, albeit modest, signs regarding the pace of new job creation in the upcoming three months.”

Employers in six of the 10 industry sectors analyzed report positive plans, while employers in three other industry sectors expect a decline in hiring activity. The firmest hiring intentions are expressed by employers in Manufacturing, where the seasonally adjusted Net Employment Outlook is +13%. At the other end of the hiring spectrum are employers in Construction, who report a negative Net Employment Outlook for the fourth consecutive quarter. At -11%, this Outlook is unchanged from the previous quarter, but declines 15 percentage points with respect to Q1/2013. Hiring plans are weaker than in the first quarter of 2013 in eight of the 10 industry sectors, with the sharpest decline in seasonally adjusted values occurring in the Wholesale & Retail Trade sector, where the +2% Net Employment Outlook has decreased by 20 percentage points year-on-year. The most notable increase, of 8 percentage points both year-on-year and quarter-on-quarter, is reported by employers in the Agriculture, Hunting, Forestry and Fishing sector, whose Net Employment Outlook is +12%.

The Outlook is also largely positive from a regional viewpoint. Employers in five of the eight regions report positive Net Employment Outlooks. Employers expect hiring activity to be strongest in the Center and the South, reporting Outlooks of +8%. In the South, hiring intentions have improved a steep 17 percentage points over last quarter’s negative Outlook. Conversely, employers in the West region have become less optimistic, as signaled by an abrupt quarter-on-quarter decrease of 11 percentage points. The Net Employment Outlook in the West now stands at -3%, the lowest value since Q3/2010. However, the weakest regional labor market, with a Net Employment Outlook of -4% is forecast by employers in the South-East, whose hiring intentions have declined 6 and 17 percentage points over Q4/2013 and Q1/2013, respectively.

“There throughout 2013 we have observed the labor market leveling, while employers aimed for equilibrium between managing market uncertainty and opportunities for growth. The overall climate remains cautious in the New Year. Both improvements and declines in payrolls are becoming increasingly marginal, with less regional variation than in previous years”, notes Valentin Petrof. “But 2014 starts with a modest hiring momentum, and despite some difficulties for
job seekers in encountering the right opportunity, we believe they will now benefit from a less volatile labor market."

Globally, optimism is also rising slightly. Employers in 34 of 42 countries and territories expect to increase payrolls in the next three months, compared with 29 in Q4/2013. Europe, however, paints a mixed picture, with Turkish employers displaying the highest optimism, while Italian employers forecast the steepest payroll decreases. Neighbouring Bulgaria has cautious employers, who report a +1% Net Employment Outlook. Hungarian employers, on the other hand, are the most optimistic they've been since the survey began in Q3/2009, and forecast a Net Employment Outlook of +6%.

*Note: The Net Employment Outlook is derived by taking the percentage of employers anticipating an increase in hiring activity and subtracting from it the percentage of employers expecting to see a decrease. Net Employment Outlooks for countries and territories that have accumulated at least 17 quarters of data, including Romania, are reported in a seasonally adjusted format unless otherwise stated.

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About the Manpower Employment Outlook Survey:

The Manpower Employment Outlook Survey is the longest-running, most extensive, forward-looking employment survey in the world, commencing in 1962 and now polling over 65,000 employers in 42 countries and territories to measure their intentions to increase or decrease the number of employees in their workforce during the next quarter. The survey serves as a bellwether of labor market trends and activities and is regularly used to inform the Bank of England’s Inflation Reports, as well as a regular data source for the European Commission, informing its EU Employment Situation and Social Outlook report the Monthly Monitor. ManpowerGroup’s independent survey data is also sourced by financial analysts and economists around the world to help determine the health of labor markets.

In Romania, the 1Q/2014 survey was conducted by InfoCorp Ltd. between the 17th and 29th of October 2013 on a representative sample of 625 employers. The margin of error for all national, regional and global data is not greater than +/- 3.9%.

Results for all 42 countries can be viewed in the new interactive Manpower Employment Outlook Survey Explorer tool at http://manpowergroupsolutions.com/DataExplorer/.

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ManpowerGroup™ (NYSE: MAN) is the world leader in innovative workforce solutions that ensure the talent sustainability of the world's workforce for the good of companies, communities, countries, and individuals themselves. Specializing in solutions that help organizations achieve business agility and workforce flexibility, ManpowerGroup leverages its 65 years of world of work expertise to create the work models, design the people practices and access the talent sources its clients need for the future. From staffing, recruitment, workforce consulting, outsourcing and career management to assessment, training and development, ManpowerGroup delivers the talent to drive the innovation and productivity of organizations in a world where talentism is the dominant economic system. Every day, ManpowerGroup connects more than 630,000 people to work and builds their experience and employability through its relationships with 400,000 clients across 80 countries and territories. ManpowerGroup’s suite of solutions is offered through ManpowerGroup™ Solutions, Manpower®, Experis™ and Right Management®. ManpowerGroup was named one of the World's Most Ethical Companies for the third consecutive year in 2013, confirming our position as the most trusted brand in the industry.

For additional information

The full text of the report is available for download free of charge at www.manpower.ro in both English and Romanian. For additional information, alternative graphical formats and illustration please contact:

Corina Gonteanu
Marketing and Communication Manager
ManpowerGroup Romania
Mobile: + 40 729 800 708
Tel.: + 40 21 312 1898
Email: corina.gonteanu@manpowergroup.ro