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Hiring pace expected to remain sluggish through the end of the year

A ManpowerGroup survey shows that the majority of the employers (65%) in Brazil intend to keep their current workforces intact, and just 9% expect to hire in the fourth-quarter period.

Brazil, São Paulo, September 8, 2015 - ManpowerGroup, the world leader in innovative solutions for people management and hiring, announces the results of its quarterly survey on **Employment Outlook in Brazil** for the fourth quarter of 2015. In Brazil, the study surveyed 850 human resources executives.

The survey shows that activity in the country's labor market is expected to be sluggish, as Brazil's Net Employment Outlook dips to -10%. According to the survey, 23% of employers expect to reduce their staffing levels over the next quarter. However, 65% of them do not expect to change their staffing levels, and 9% anticipate hiring for the last quarter of the year.

"The data show that while few executives are planning to increase their staffing levels, nearly two-thirds of them want to keep their workforce intact through the end of the year, and this offers some indication of workforce stability in the last three months of the year. This is the time to review personnel management by investing in the training of in-house talent in order to help businesses endure the challenges of the current crisis and to make sure employers have the right skills in place once the recovery begins," says **ManpowerGroup Brazil CEO Riccardo Barberis**.

Comparison by sector

Employers in the **Public Administration & Education** sector report a cautiously optimistic outlook of +5% for the next three months, 8 percentage points above the previous quarter's index. **Construction** is notably the most pessimistic sector, with a -29% outlook, 7 percentage points weaker than the previously recorded one, and is followed by the **Manufacturing** (-18%) and **Transportation** (-14%) sectors, whose figures respectively show 2 and 7 percentage point declines in the quarterly variation. **Agriculture** sector employers reported a -9% employment outlook for the next quarter, while employers in the **Services** and **Retail** sector report a similarly downbeat outlook of -7%. Employers in the **Finance** sector report an outlook of -1% decline in staffing levels. Decline in year-over-year outlooks is most notably reported in

the **Construction** and **Services** sectors, with forecasts in both having declined 30 percentage points over the fourth quarter of 2014. The **Transportation** sector comes next with a downturn of at least 24 percentage points, followed by **Agriculture** and **Manufacturing**, with employers in both reporting an 18-percentage point decrease in the same period.

Regional comparison

Employers in all five regions expect staffing levels to decline during the next three months, and all five regional Net Employment Outlooks are the weakest reported since the survey began in 4Q 2009.

Employers in Great São Paulo report the weakest regional hiring intentions for the third consecutive quarter with a gloomy Net Employment Outlook of -18% for the coming quarter. Elsewhere, sluggish hiring activity is anticipated in Minas Gerais State and São Paulo City, with Outlooks standing at -10% and -9%, respectively. The Outlook for Parana State stands at -7% while Rio de Janeiro State employers report muted hiring plans with an Outlook of -4%.

When compared with 3Q 2015, Outlooks decline in all five regions, most notably by 7 and 5 percentage points in Great São Paulo and São Paulo City, respectively. Minas Gerais employers report a decline of 4 percentage points and the Rio de Janeiro State Outlook is 2 percentage points weaker.

Year-over-year, hiring prospects weaken in all five regions. Steep decreases of 22 percentage points are reported in both Great São Paulo and Minas Gerais State. Elsewhere, hiring prospects decline by 19 percentage points in Parana State and by 17 percentage points in São Paulo City, while the Rio de Janeiro State Outlook is 14 percentage points weaker.

Organization-size comparison

The companies that participated in the survey were classified in four sizes. **Micro** - less than 10 employees; **Small** - 10 to 49 employees; **Medium** - 50 to 249 employees; and **Large** – over 250 employees. The study reveals that workforce and payroll reduction is expected to occur in all four categories during the period, mainly in medium-sized enterprises, which reported a -17% employment expectation. The indexes are respectively -11% and -8% in small and micro companies, and -4% in large businesses.

Compared to the previous-quarter survey, the employment outlook weakened in all categories. The biggest drop can be seen in medium-sized enterprises, with a 6-percentage point reduction in the index. The decline was 3 percentage



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points in the case of micro and large companies, while it was 2 percentage points in small companies.

International comparison

Employers in 36 of 42 countries and territories intend to add to their payrolls by varying margins during the October-December time frame. However, evidence of definitive fourth-quarter workforce gains remains patchy amid signs that the pace of recovery following the recession continues to be slow and protracted. Many employers continue to exercise caution and are refraining from aggressive hiring until they sense more meaningful indicators of a market upturn.

Employers in India and Taiwan report the strongest hiring plans across the globe, while employer confidence in Japan is growing steadily with job seekers likely to benefit from the most optimistic forecast reported since Quarter 1 2008. Similarly, hiring intentions in the U.S. continue to improve, and the current outlook is the strongest reported since Quarter 4 2007.

Conversely, employer optimism continues to dwindle in Brazil; the fourth-quarter forecast is the weakest among the 42 countries and territories participating in the survey, and sinks to its least optimistic level since the survey was launched.

Labor market activity is also slowing in China where employers forecast the weakest hiring environment in more than six years. Meanwhile, the forecast remains negative in Italy, and turns negative again in Greece, France and Finland. Overall, employer optimism is mixed in comparison to the Quarter 3 2015 and Quarter 4 2014 research. Forecasts improve in a quarter-over-quarter comparison in 15 countries and territories, decline in 20 and are unchanged in seven. When compared year-over-year, forecasts improve in 16 countries, decline in 21, and are unchanged in five.

- **EMEA (Europe, Middle East and Africa):** Employers in 19 countries intend to add to their payrolls during the October-December time frame. However, there are signs that employers continue to harbor some concerns about the euro crisis in Greece. Forecasts improve in only seven countries in comparison to the Quarter 3 survey and decline in twelve, with Outlooks in Finland, France and Greece again slipping into negative territory. Year-over-year, employer confidence improves in 12 countries and declines in nine. And for the third consecutive quarter, employers in Italy report the region's weakest forecast. The region's strongest hiring climate is reported in Romania, with solid job gains expected in the Manufacturing and Wholesale & Retail Trade sectors.

- **Asia:** Payrolls are expected to increase in all eight Asia Pacific countries and territories. However, Outlooks are trending weaker and the hiring pace is



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expected to strengthen in only three of eight countries and territories quarter-over-quarter and improve in only one in a year-over-year comparison.

The region's strongest hiring plans are reported by employers in India, Taiwan and Japan, while those in China and Australia report the weakest. Employers in India report the most optimistic forecast among the 42 countries and territories that participate in the survey. More than four of every 10 employers surveyed indicate they will add to their payrolls in the October-December time frame, and the outlook is buoyed by expectations of a dynamic hiring environment in all four regions surveyed in India and in most industry sectors.

- **The Americas:** Of the 10 countries surveyed in the Americas, positive Outlooks are reported in nine. Hiring confidence strengthens in five countries and declines in four when compared to the July-September time frame. In a year-over-year comparison, forecasts strengthen in only three countries and decline in six. For the second consecutive quarter employers in the U.S. report the region's most optimistic hiring plans with more than one in every five employers intending to add to their payrolls in the October-December time frame. In contrast, employers in Brazil anticipate the weakest hiring pace, with negative forecasts reported by employers in all but one industry sector and in all regions.

All **Employment Expectation Surveys**, in addition to the **2015 Talent Shortage Survey**, are available for free download on the ManpowerGroup website:

<http://www.manpowergroup.com.br/pesquisas>

Methodology

The Manpower Employment Outlook Survey is conducted using a validated methodology, in accordance with the highest standards in market research. The survey has been structured to be representative of each national economy. The margin of error for all national, regional and global data is not greater than +/- 3.9%.

Net Employment Outlook

Throughout this report, we use the term "Net Employment Outlook." This figure is derived 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. Net Employment Outlooks for countries and territories that have



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accumulated at least 17 quarters of data are reported in a seasonally adjusted format unless otherwise stated.

Seasonal adjustments have been applied to the data for all participating countries except Finland. ManpowerGroup intends to add seasonal adjustments to the data for Finland as more historical data is compiled. Note that in Quarter 2 2008, ManpowerGroup adopted the TRAMO-SEATS method of seasonal adjustment for data.

About ManpowerGroup

ManpowerGroup™ (NYSE: MAN) has been the world's workforce expert, creating innovative workforce solutions, for more than 65 years. As workforce experts, we connect more than 600,000 men and women 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 2015, ManpowerGroup was named one of the World's Most Ethical Companies for the fifth 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.

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