

Manpower Group Ireland - Ireland Employment Outlook Q3 2020



EMPLOYMENT OUTLOOK SURVEY

The **ManpowerGroup Employment Outlook Survey for the third quarter 2020** was conducted by interviewing a representative sample of 377 employers in Ireland. All survey participants were asked, ***“How do you anticipate total employment at your location to change in the three months to the end of September 2020 as compared to the current quarter?”***

Interviewing was carried out during the exceptional circumstances of the COVID-19 outbreak. The survey findings for the third quarter of 2020 are likely to reflect the impact of the global health emergency and may be notably different to previous quarters.

Irish employers anticipate a struggling labor market in the July to September time frame. With 8% of employers expecting to increase payrolls, 17% anticipating a decrease and 64% forecasting no change, the Net Employment Outlook is -9%.

Once the data is adjusted to allow for seasonal variation, the Outlook stands at -11%. Hiring plans are the weakest reported since 2010, declining by 21 percentage points when compared with the previous quarter and by 22 percentage points in comparison with last year at this time.

Throughout this report, we use the term “Net Employment Outlook.” This figure is derived by taking the percentage of employers anticipating total employment to increase and subtracting from this the percentage expecting to see a decrease in employment at their location in the next quarter. The result of this calculation is the Net Employment Outlook.

From this point forward, all data discussed in the commentary is seasonally adjusted, unless stated otherwise.

Regional Comparisons

Hiring prospects for the coming quarter in Dublin are the weakest reported since the survey began in 2002, while employers in both Connaught and Munster report the weakest Outlooks since 2009.

Employers in all five regions expect to trim payrolls during the forthcoming quarter. Munster employers anticipate the weakest hiring pace, reporting a Net Employment Outlook of -15%, while Outlooks stand at -14% and -13% in Connaught and Dublin, respectively. In Ulster, employers report sluggish hiring prospects with an Outlook of -10%, while the Outlook for Leinster is -3%.

Hiring plans weaken in all five regions when compared with the previous quarter. A steep decline of 28 percentage points is reported in Munster, while Outlooks are 24 and 21 percentage points weaker in Dublin and Connaught, respectively. Elsewhere, hiring prospects decrease by 15 percentage points in Ulster and by 13 percentage points in Leinster.

When compared with the third quarter of 2019, hiring prospects also decline in all five regions, most notably by 27 percentage points in Dublin. Decreases of 25 and 24 percentage points are reported in Munster and Connaught, respectively, and Ulster employers report a decline of 22 percentage points.

Connaught

Reporting a Net Employment Outlook of -14%, employers anticipate a gloomy hiring climate in the upcoming quarter. Hiring intentions decline sharply both quarter-over-quarter and year-over-year, decreasing by 21 and 24 percentage points, respectively.

Dublin

Employers expect workforce reductions during the third quarter of 2020, reporting a Net Employment Outlook of -13%. The Outlook declines steeply in comparison with both the prior quarter and this time one year ago, by 24 and 27 percentage points, respectively.

Leinster

Job seekers can expect a muted labor market in the next three months, according to employers who report a Net Employment Outlook of -3%. Hiring sentiment weakens considerably both quarter-over-quarter and year-over-year, by 13 and 14 percentage points, respectively.

Munster

Dim hiring prospects are reported for the July to September period, with the Net Employment Outlook standing at -15%. Employers report sharp declines of 28 and 25 percentage points in comparison with 2Q 2020 and 3Q 2019, respectively.

Ulster

Employers report sluggish hiring sentiment for the third quarter of 2020 with a Net Employment Outlook of -10%. Hiring plans decrease by 15 percentage points when compared with the previous quarter and are 22 percentage points weaker in comparison with the same period last year.

Sector Comparisons

Hiring prospects in Ireland's Restaurants & Hotels sector are the weakest reported since the sector was first surveyed in 2003. In both the Finance & Business Services sector and the Wholesale & Retail Trade sector, employers report their weakest forecast since the 2009-10 period.

Employers in seven of the eight industry sectors anticipate a decline in payrolls during the next three months. A dismal hiring climate is expected in the Restaurants & Hotels sector, where employers report a Net Employment Outlook of -46%. Elsewhere, gloomy hiring prospects are reported in the Finance & Business Services sector and the Wholesale & Retail Trade sector with Outlooks of -14% and -11%, respectively. Other Services sector employers expect a labor market slump, reporting an Outlook of -9%, and the Outlook for the Construction sector stands at -6%. Employers in the Manufacturing sector and the Other Production sector report uncertain hiring intentions with Outlooks of -2% and -1%, respectively, while Pharmaceuticals sector employers anticipate slow-paced hiring activity with an Outlook of +1%.

Hiring prospects weaken in all eight industry sectors when compared with the previous quarter. A steep decline of 62 percentage points is reported in the Restaurants & Hotels sector, while Outlooks are 25 percentage points weaker in both the Finance & Business Services sector and the Other Services sector. In the Construction sector, hiring plans decrease by 18 percentage points, and Outlooks are 16 and 15 percentage points weaker in the Wholesale & Retail Trade sector and the Pharmaceuticals sector, respectively.

In a year-over-year comparison, hiring sentiment also weakens in all eight industry sectors, most notably by 52 percentage points in the Restaurants & Hotels sector. Finance & Business Services sector employers report a steep decline of 28 percentage points, and Outlooks decrease by 25 and 24 percentage points in the Other Services sector and the Construction sector, respectively. Elsewhere, Wholesale & Retail Trade sector employers report a decline of 22 percentage points, while the Outlook for the Manufacturing sector decreases by 17 percentage points.

Construction

Employers expect muted hiring activity in the forthcoming quarter, reporting a Net Employment Outlook of -6%. Hiring prospects are 18 percentage points weaker when compared with the previous quarter and decline by 24 percentage points in a comparison with 3Q 2019.

Manufacturing

Reporting a Net Employment Outlook of -2% for the July to September period, employers anticipate the weakest labor market in more than six years. Hiring prospects decline by 9 percentage points quarter-over-quarter and are 17 percentage points weaker when compared with this time one year ago.

Pharmaceuticals

Job seekers can expect a soft hiring pace in the third quarter of 2020, according to employers who report a Net Employment Outlook of +1%. The Outlook is the weakest reported in six years, declining by 15 and 12 percentage points when compared with the prior quarter and the same period last year, respectively.

Other Production

A subdued labor market is forecast for the coming quarter, with employers reporting a Net Employment Outlook of -1%. Hiring plans weaken by 3 percentage points in comparison with 2Q 2020 and are 8 percentage points weaker year-over-year.

Finance & Business Services

A gloomy hiring pace is expected in the next three months, with employers reporting a Net Employment Outlook of -14%. Hiring prospects weaken sharply in comparison with both the prior quarter and last year at this time, decreasing by 25 and 28 percentage points, respectively.

Restaurants & Hotels

Job seekers can expect a bleak hiring climate in the July to September period, according to employers who report a Net Employment Outlook of -46%. Hiring sentiment decreases sharply both quarter-over-quarter and year-over-year, by 62 and 52 percentage points, respectively.

Other Services

The weakest hiring activity in eight years is anticipated during the third quarter of 2020. Employers report a Net Employment Outlook of -9%, declining by 25 percentage points in comparison with both the second quarter of 2020 and the third quarter of 2019.

Wholesale & Retail Trade

Employers report dim hiring prospects for the upcoming quarter with a Net Employment Outlook of -11%. Hiring intentions decrease by 16 percentage points when compared with the previous quarter and by 22 percentage points in comparison with last year at this time.

Organization Size Comparisons

Participating employers are categorized into one of four organization sizes: Micro businesses have less than 10 employees; Small businesses have 10-49 employees; Medium businesses have 50-249 employees; and Large businesses have 250 or more employees.

Employers expect to trim payrolls for all four organization size categories during the coming quarter. The weakest labor market is expected by Medium employers who report a Net Employment Outlook of -22%. Large employers expect a gloomy hiring climate, reporting an Outlook of -12%, while Outlooks stand at -7% for both Micro- and Small-size employers.

Hiring plans weaken sharply in the Large- and Medium-size categories when compared with the previous quarter, decreasing by 46 and 40 percentage points, respectively. Small employers report a decline of 16 percentage points, while the Outlook for Micro firms is 8 percentage points weaker.

Large employers report a steep decline of 53 percentage points when compared with this time one year ago, and the Outlook for Medium firms decreases by 36 percentage points. Elsewhere, Outlooks also weaken for Small- and Micro-size firms, by 17 and 14 percentage points, respectively.

ManpowerGroup Ireland

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Call us on – 01 6455200

Email us at – info@manpower.ie



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