

SA jobs outlook for Q2 2018: SA employers report encouraging signs for job seekers

According to the *ManpowerGroup Employment Outlook Survey Q2 2018*, South African employers report encouraging signs for job seekers in quarter two of 2018. "While the economy is still weighed down by economic uncertainty, environmental factors such as the drought in the Cape and a fluctuating currency - business and consumer confidence seems to have improved, with the consumer confidence index improving from -8 to -9 in the second quarter of 2017 and improving again in the fourth quarter," according to Lyndy van den Barselaar, managing director of ManpowerGroup SA.



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"While the country still faces challenges in terms of repairing years of economic sluggishness, promises of policy certainty and consistency seem to have had a further positive effect on confidence and the strength of the economy thus far. These factors combined make for a more positive backdrop for employment in the country," she says.

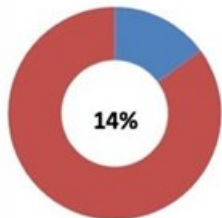
14% of employers expect to increase staffing levels, 5% anticipate a decrease and 80% forecast no change, resulting in a seasonally adjusted Net Employment Outlook of +8%. Hiring prospects improve by two percentage points when compared with the previous quarter, and are also two percentage points stronger when compared with this time one year ago.

WHERE ARE THE JOBS?

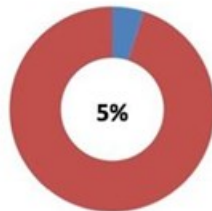
ManpowerGroup SA Employment Outlook Survey | South Africa | Q2 | 2018

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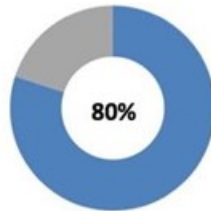
South African Employers shared their hiring plans for Q2 2018



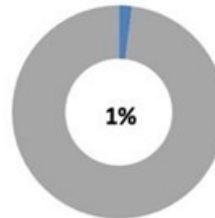
Plan to hire



Expect to let staff go



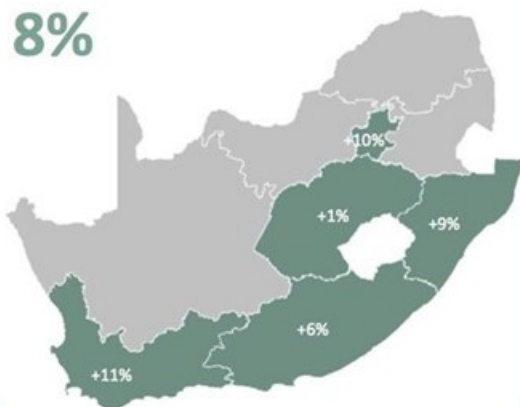
Plan to keep workforce levels steady



Are unsure about hiring plans

Overall South African Employment Outlook for the 2nd Quarter of 2018

8%



JOBS OUTLOOK BY REGION



ManpowerGroup

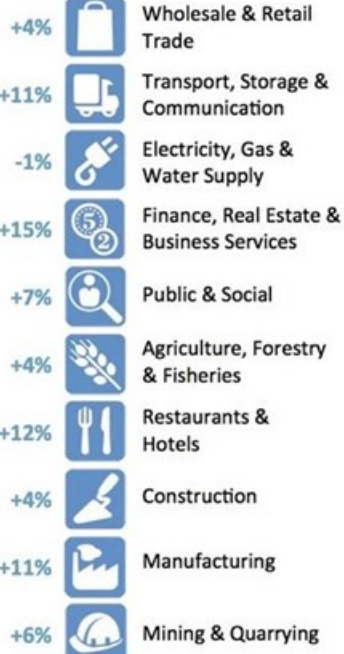
What do the percentages mean?

The % of employers anticipating employment to increase

- The % expecting to see a decrease in employment

= Outlook Percentage

JOBS OUTLOOK BY SECTOR



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Regional comparisons

Staffing levels are expected to increase in all five regions during 2Q 2018. Employers report the strongest hiring prospects in Western Cape with an outlook of +11%, and in Gauteng where the outlook is +10%. KwaZulu-Natal employers forecast moderate hiring activity with an outlook of +9%, and the outlook for Eastern Cape stands at +6%. Meanwhile, the weakest hiring climate is anticipated in Free State where the Outlook is +1%.

When compared with 1Q 2018, hiring prospects are five percentage points stronger in Gauteng, and improve by two percentage points in KwaZulu-Natal. Elsewhere, employers report relatively stable hiring intentions in Eastern Cape, Free State and Western Cape.

Hiring plans weaken in Free State and Western Cape when compared with this time one year ago, with outlooks declining by seven and two percentage points, respectively. However, Gauteng employers report an improvement of six percentage points, while outlooks for Eastern Cape and KwaZulu-Natal remain relatively stable.

“As the Western Cape province continues to struggle under a debilitating drought, businesses are making large investments in securing water supply. It was recently reported that many firms in the province have already invested heavily in greywater systems, rainwater harvesting, boreholes and equipment to reduce water use. This is more than likely leading to the planned uptake in hiring in the province, as employment opportunities are being created through the provision of goods and services for alternative water supplies and saving,” explains Van den Barselaar.

Sector comparisons

Payroll gains are anticipated in nine of the 10 industry sectors during the coming quarter. The strongest labour market is forecast in the finance, insurance, real estate and business services sector, where the Net Employment Outlook stands at +15%. Elsewhere, a steady increase in staffing levels is expected by restaurants and hotels sector employers, with an outlook of +12%, and by employers in two sectors with Outlooks of +11% – the manufacturing sector and the transport, storage and communication sector. Public and social sector employers report modest hiring plans with an outlook of +7%, while some payroll gains are forecast for the mining and quarrying sector, where the outlook stands at +6%. Meanwhile, the outlook of -1% for the electricity, gas and water sector reflects uncertain hiring prospects.

“As businesses in the country look to make smart decisions around their financial investments, take advantage of the economic improvements and invest wisely around environmental factors like the drought, the finance, insurance, real estate and business services sector is gaining momentum,” says Van den Barselaar.

Hiring intentions improve in five of the 10 industry sectors when compared with the previous quarter. The most noteworthy increase of 15 percentage points is reported in the manufacturing sector. Finance, insurance, real estate and business services sector employers report an increase of four percentage points, and the outlook for the construction sector is three percentage points stronger. However, hiring plans weaken in five sectors, most notably by nine percentage points in the agriculture, hunting, forestry and fishing sector.

When compared with the second quarter of 2017, hiring prospects also strengthen in five of the 10 industry sectors. The manufacturing sector outlook increases by a considerable margin of 10 percentage points, while the outlook for the finance, insurance, real estate and business services sector is six percentage points stronger. Increases of five percentage points are reported in two sectors – the mining and quarrying sector and the restaurants and hotels sector. However, outlooks weaken in four sectors, including the electricity, gas and water sector with a decline of 12 percentage points, and the wholesale and retail trade sector, where employers report a decrease of six percentage points.

Organisation-size comparisons

Participating employers are categorised into one of four organisation 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.

Payroll gains are forecast for all four organisation size categories during 2Q 2018. The strongest labour market is anticipated by Large employers with a Net Employment Outlook of +18%. Elsewhere, medium employers report steady hiring prospects with an outlook of +11%, while outlooks stand at +5% and +3% for small- and micro-size employers, respectively.

When compared with the previous quarter, hiring prospects are five percentage points stronger for medium employers, and micro employers report an improvement of four percentage points. Meanwhile, the outlook for small employers remains relatively stable, but large employers report a decline of five percentage points.

In a comparison with 2Q 2017, slight improvements of four and two percentage points are reported by medium- and small-size employers, respectively, but micro employers report a decline of two percentage points. Large employers report relatively stable hiring plans over the same period.

Globally, employers forecast varying levels of job gains in 43 of 44 countries and territories during the April-June time frame, including Croatia where employers, surveyed for the first time, report healthy hiring intentions based on unadjusted survey data. When forecasts are compared with those reported in the first-quarter, hiring intentions improve in 17 countries and territories, decline in 17 and are unchanged in nine. Some upward momentum is detected in the year-over-year comparison with forecasts improving in 25 of 43 countries and territories, declining in 13, and remaining unchanged in five. Among the countries and territories featuring seasonally adjusted data, confidence is strongest in Taiwan, Japan, Hungary and the United States, while the weakest hiring prospects are reported in Italy, the Czech Republic and Switzerland.

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