

Economic Report 2021



**WORLD
EMPLOYMENT
CONFEDERATION**

The Voice of Labour Market Enablers

LEADING
IN A CHANGING
WORLD OF WORK



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About the World Employment Confederation

The World Employment Confederation is the voice of the private employment services industry at the global level, representing national federations as well as workforce solutions companies from across the world. Members of the World Employment Confederation represent a wide range of HR services, including agency work, direct recruitment, career management, Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP).

The World Employment Confederation works to broaden recognition of the positive economic and social role which the private employment services industry plays in enabling work, adaptation, security and prosperity. This role involves building networks with relevant stakeholders such as policy makers, social partners and the academic world; setting high recruitment and employment standards and practices; acting as a thought-leader shaping futureproof and competitive labour markets and providing strategic data on employment issues.

Should you have any questions regarding the facts and figures published in this Economic Report, do not hesitate to get in touch with the World Employment Confederation's Head Office at info@wecglobal.org.

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Foreword

The Covid-19 pandemic has upended economies and labour markets around the world, with significant contractions of GDP observed in many countries. Entire sectors were shut down for a considerable length of time, generating hardship for many businesses and workers alike. The private employment services industry was no exception and the sector experienced unprecedented declines across many countries, both in terms of the number of workers placed in the labour market and in industry revenues.

The crisis put a halt to the growth that the global private employment services industry had experienced for the past couple of years. In 2019 the industry was worth €495 billion, an increase of 5% compared to the previous year. Once again, when looking at the market evolution the MSP and RPO markets have outperformed the other segments of the industry, achieving double-digit growth across most regions. Direct recruitment also saw strong growth at 6% compared to the year before. Tight labour market conditions undoubtedly played a role in the positive trends in those sectors. The agency work sector, the largest segment of the global industry in terms of sales revenues, grew by 1% at a global level, with market developments varying considerably across the sector's largest markets. A depreciation of the Euro against some of the largest markets' currencies inflated growth rates in Euro terms. On a constant currency basis, the private employment services industry was up by 2% in 2019 - slightly below the IMF's growth estimates for global GDP and slightly above 2019 GDP growth in advanced economies.

Looking at 2020, we estimate that the global agency work sector contracted by as much as 18% in the first half of the year alone. While a path towards recovery can be observed across many markets, they have not returned to pre-crisis levels and the future remains uncertain.

Nevertheless, the private employment services industry stands ready to support businesses and workers in this crisis and in the recovery. Helping people and companies to manage change is in our sector's DNA and the sector's performance before the crisis shows how it can help in these trying times. In 2019, more than 60 million individuals were placed in the labour market - a contribution which deserves recognition in the current context. We encourage you to also consult our 2020 Social Impact Report, which analyses social protection levels across various categories of labour relationships - a critical topic in this time of crisis - and provides examples and case studies of how the industry created innovative solutions to alleviate challenges and risks for people in the labour market.



Denis Pennel

Denis Pennel
Managing Director



Even Hagelien

Even Hagelien
Chair of the Economic
Affairs Committee

Overview of the private employment services represented in this report

Agency Work

Is a triangular employment relationship, defined in ILO Convention 181 as: "Services consisting of employing workers with a view to making them available to a third party, who may be a natural or legal person ("user enterprise") which assigns their tasks and supervises the execution of these tasks".

Managed Services Providers

MSP is a service whereby a company takes on primary responsibility for managing an organisation's contingent workforce programme. Typical responsibilities of an MSP include overall programme management, reporting and tracking, supplier selection and management, order distribution and often consolidated billing. An MSP may or may not be independent of a staffing provider.

Direct Recruitment

Services for matching offers and applications for employment, without the private employment agency becoming a party to the employment relationships which may arise therefrom (Source: ILO Convention 181), including executive search and selection.

Recruitment Process Outsourcing

A service by a third-party specialist provider, to assume the role of the client's recruiting department by owning and managing part or all of its recruitment process and related recruitment supply chain partner relationships, provide the necessary skills, activities, tools, technologies, and process methodologies.

Career Management

Services which enable jobs, skills and business performance to be viewed in an integrated way and with a long-term perspective. It includes primarily services such as outplacement and career transition, redeployment and other development activities designed to help organisations and individuals to manage changes in the practices, processes, conditions and basis of employment.

Key Findings

In 2019, the year before the Covid-19 pandemic disrupted the world economy, the global private employment services industry was worth an estimated €495 billion – equivalent to a 5% increase on 2018.¹ The agency work sector remains by far the largest segment of the industry, generating €391 billion of total revenues (including agency work revenues generated via an MSP), or 79%. Excluding MSP activities, the agency work market grew by 1% in 2019. Direct recruitment activities produced €63 billion in turnover, up by 6% from 2018, while the market for Managed Services Providers (MSP) and Recruitment Process Outsourcing (RPO) expanded by 13% and 25% in 2019, to reach €135 billion and €5.7 billion, respectively. The career management sector experienced a decline of 1% in 2019 with an estimated value of €1.9 billion.

The largest 15 markets in the global agency work sector represent 91% of global industry turnover in 2019. Nearly one-third is generated in the US market alone and the top 5 largest markets (USA, Japan, UK, Germany, France) contribute over two-thirds of global revenues, showcasing the concentration of the global agency work market. In terms of regions, Europe generates 43% of global revenues, with North America being the second largest region (33%) and APAC (21%) and South America (1%) contributing a combined one-fifth of global agency work turnover. In Europe, the evolution of revenues in 2019 varied across countries, with some large markets experiencing growth - such as the Netherlands (+4.5%), Spain (+3.5%), Switzerland (+5%) and the UK (+13.2%), while others declined - such as France (-1.1%), Germany (-9.3%), Italy (-4.5%) and Sweden (-8.4%). Across the Atlantic, the US and Canadian markets grew by an annual rate of 4.1% and 7.1% respectively.

Asian and Pacific agency work markets also experienced strong growth, with the Australian, Chinese, Japanese and Indian markets being up 5.8%, 17.1%, 4.8% and 18.7% compared to 2018.

Overall, the evolution of the direct recruitment market in 2019 was strong. Asian and Pacific markets expanded significantly, with Japan and China having grown by 30.1% and 17.1% respectively, while the US market size was up by 9%. The UK market for direct recruitment by contrast fell by 16.8%. MSP and RPO market size grew by double-digits across all regions (Americas, APAC and EMEA).

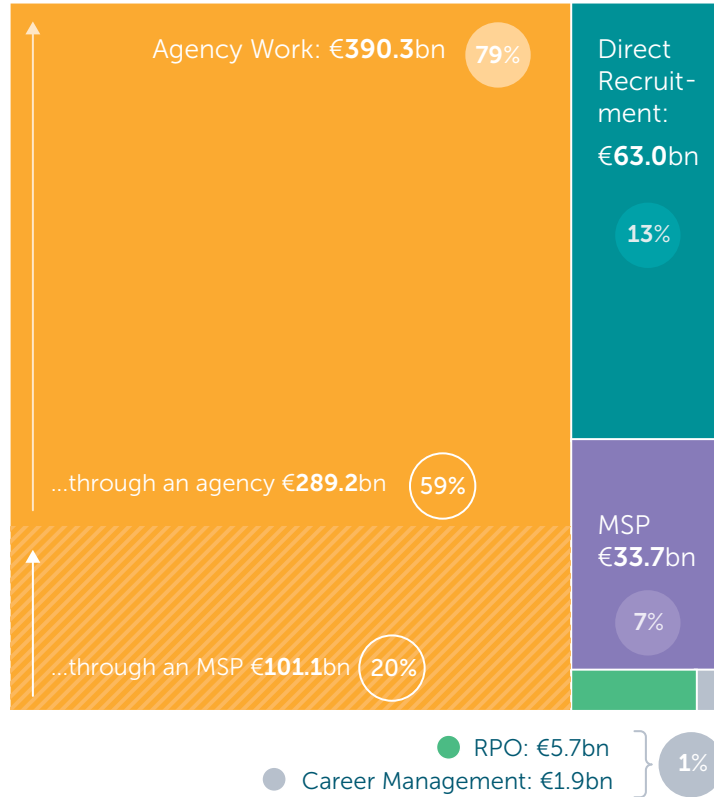
The global penetration rate of the agency work sector, which indicates the share of agency workers in full-time equivalents among the working population, remained stable at 1.6% in 2019. Most of the largest markets have a penetration rate above the global rate, with the rate in the UK, the Netherlands and France being almost twice as high.

In 2019, more than 161,000 private employment agencies delivered services to companies and individuals thanks to the over 3 million internal staff employed across branches in 41 countries worldwide.

The global Covid-19 pandemic and subsequent lockdowns implemented around the world resulted in many sectors contracting at unprecedented rates, the agency work sector being no exception. Our estimates indicate that the global market turnover fell by as much as 18% in the first half of 2020, compared to the first half of 2019.

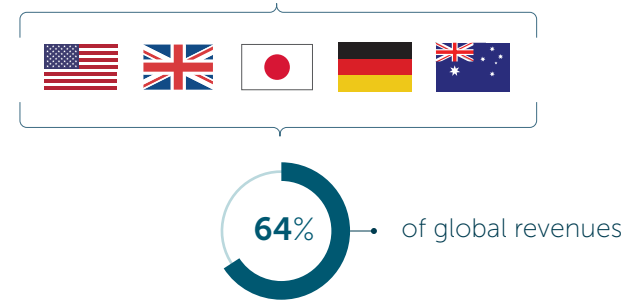
Private Employment Services Industry

Private Employment Services Industry Global Market
2019: **€495bn**



Note: Statistics gathered from WEC national federations and Staffing Industry Analysts. Around 75% of MSP activities fall under agency work. This is represented in the split of agency work revenues.

Top 5 Markets (sales revenues)
2019: **€316bn**



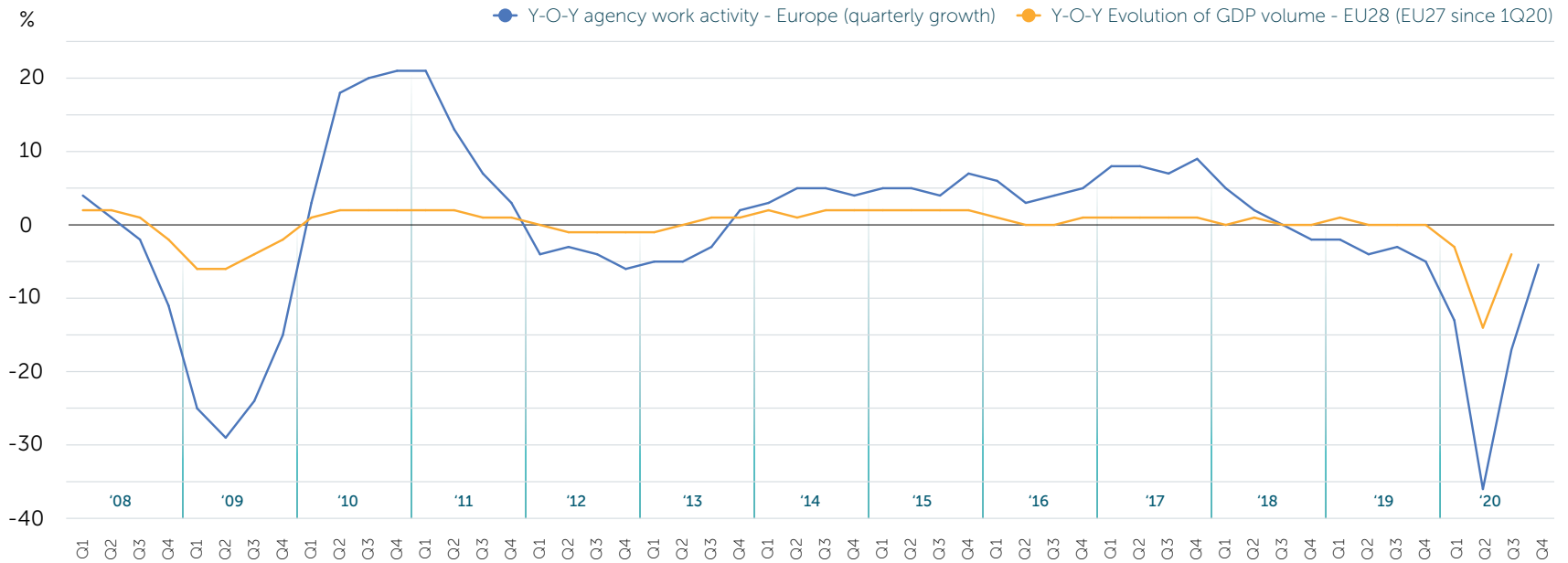
In 2019, the global private employment services industry generated an estimated €495 billion of revenues.

Of the five industry segments, the agency work sector contributed the lion's share of the industry turnover, reaching €391 billion – equivalent to 79% of total turnover. The activities of Managed Services Providers (MSP) resulted in revenues of €135 billion. Agency work accounts for the majority of MSP activities, and those MSP activities that do not include agency work contributed around €34 billion to total industry revenues - some 7% of total turnover. Direct recruitment has reached a market turnover of €63 billion (13%), while Recruitment Process Outsourcing (RPO) generated €5.7 billion (1%). The career management industry produced a turnover of €1.9 billion (0.4%)

While the estimates in this report only include countries that are members of the World Employment Confederation, their combined market share of the global private employment services market is close to 100%.¹

¹Based on own calculations using statistics from Staffing Industry Analysts.

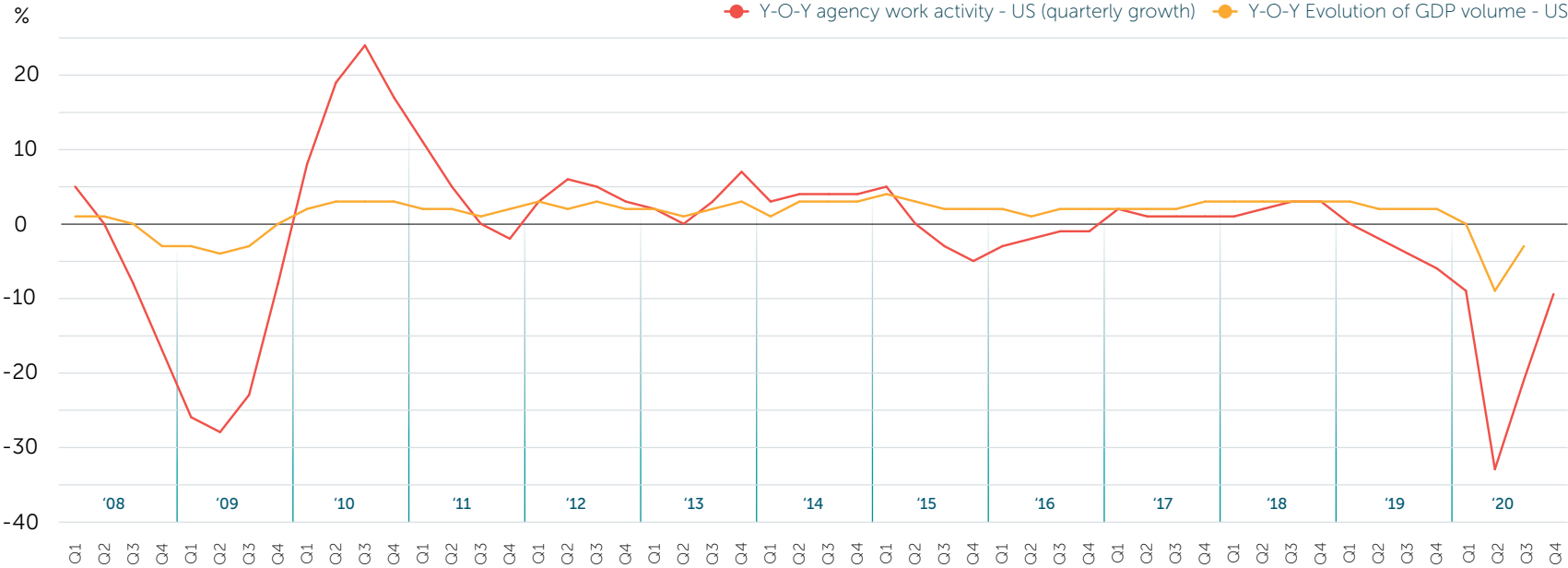
Covid-19 impacts agency work sector deeper than the Great Recession



Agency work markets around the world were significantly impacted by the pandemic and subsequent lockdown policies. The sector is a proven early warning signal for the state of economic health, and its observation of declines in the largest agency work markets were quickly followed by official GDP statistics reporting contractions in many countries. Both the volume and value of the agency work sector have reached record-lows, sinking even lower than they had during the Great Recession in 2009. The speed at which markets are recovering is, however, quicker than during the previous global economic crisis. Our estimates show that the first half of 2020 alone resulted in a year-on-year contraction of the global agency work sector by 18%, taking into account countries whose combined share

of global industry revenues amounts to 74%. March 2020, along with the widespread implementation of lockdowns in many countries, marked the beginning of the crisis. The contraction in H1 2020 therefore does not convey the full impact of the crisis on the sector.

Looking at the second half of 2020, the sector began a gradual path towards recovery, as economies had opened up again during the 2nd and 3rd quarters. In the last quarter of 2020, as the pandemic gained momentum once more and lockdowns had to be reintroduced across many countries, this recovery has somewhat slowed but was not halted.



In terms of volume, i.e. activity, the European agency work sector was down 36% in the second quarter of 2020 on an annual basis, which is a decline 10 percentage points higher than during the Great Recession in 2009. In the USA, the fall in the second quarter was 33% - 5 percentage points more than in 2009. Over the course of the third quarter, major markets gradually moved towards recovery, with the number of agency workers' hours worked in Europe down 17% year-on-year and activity in the US market down 21%. The fourth quarter saw a slowed recovery in Europe - still down 8% year-on-year, while the US market is still down 9% in the fourth quarter. Full figures for 2020 were not yet available at the time

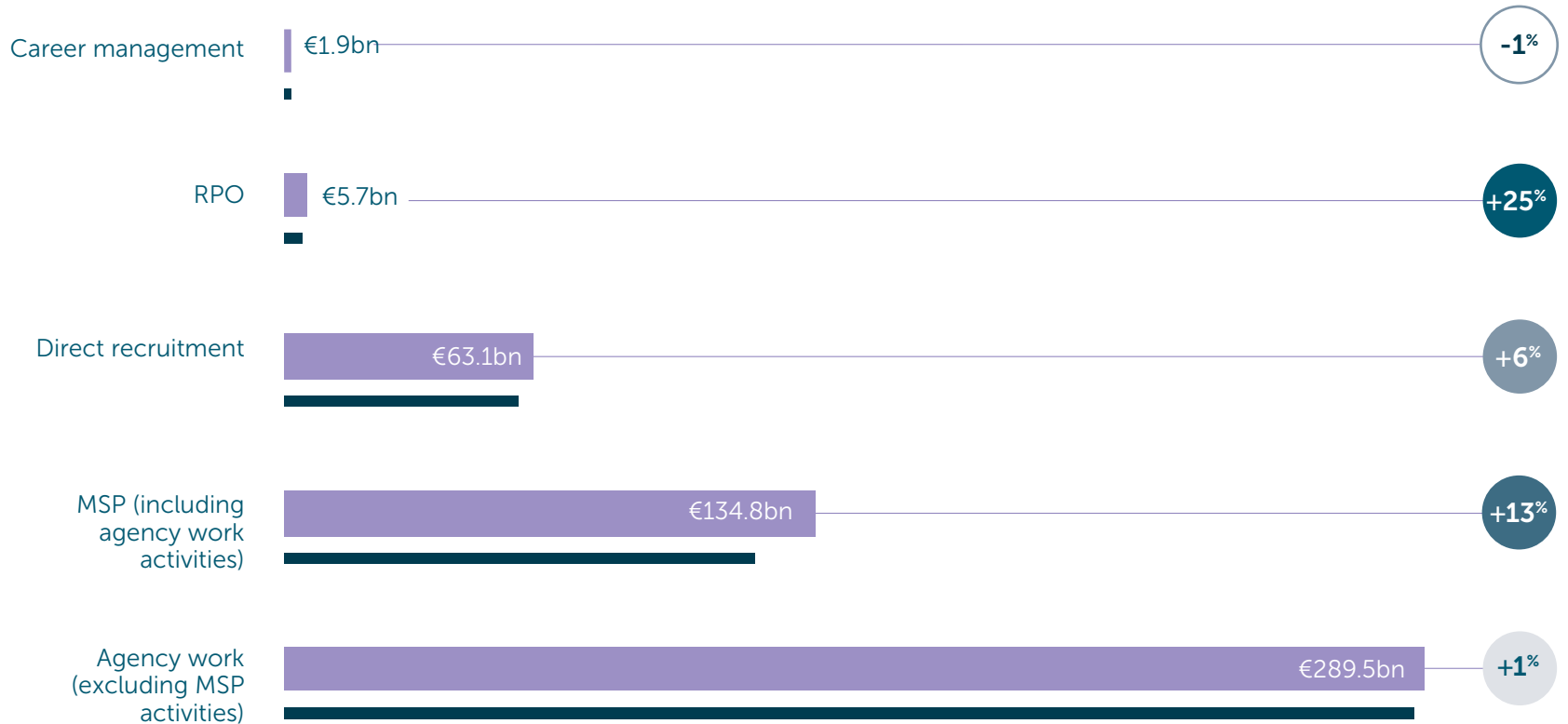
this report was released, but some countries have already reported annual contractions of agency workers' hours worked of 14% or more compared to 2019¹. The World Employment Confederation provides a regularly updated factsheet on the development of the agency work sector at global level which is available on its website. For more recent information, please consult the page dedicated to the Covid-19 pandemic.

Source: American Staffing Association; Federal Reserve Bank of St. Louis | ¹ France: -24%. Belgium: -16%. Switzerland and the Netherlands: -14%. Norway: -20%.

MSP and RPO markets experience particularly strong growth

Global sales revenues of service segments: ● 2018 ● 2019

% change
2018 | 2019



Global sales revenues for the private employment services industry grew by 5% in Euro terms in 2019.¹ Compared with the industry’s growth in 2018, this represents a stronger expansion. The agency work sector (excluding the estimated share attributed to MSP activities) grew by 1%, whereas turnover in the MSP market is up 13%, contributing a large share to the total industry growth. While the direct recruitment sector saw solid growth (+6%), RPO turnover expanded by as much as 25%. The career management sector declined slightly at a global level, down by 1% in 2019.

The depreciation of the Euro against the currencies of several large markets - such as USA, UK, India and Japan - has contributed to stronger growth rates in Euro terms. When eliminating currency effects, the global industry grew by 2%. Agency work sector turnover remained unchanged from 2018 on a constant currency basis, with negative growth in local currency in the US (-1.3%) and Japanese markets (-1.8%) turned positive; and growth in the UK (+12.2%) and Indian (+16%) markets inflated in Euro terms.

Positive growth in the global direct recruitment industry was driven primarily by strong developments in the US, Australian and Chinese markets, whose combined turnover makes up nearly two-thirds of global revenues. This was despite a contraction of direct recruitment turnover in the UK.

Strong growth in the global MSP markets can be contributed to a fast uplift in the Americas, the largest region for MSP, while the still relatively small APAC region expanded the most in turnover size. Looking at RPO, the EMEA region grew at the fastest pace.

The contraction of the global career management sector in 2019 is due to the decline in some of the largest markets, namely the US, the Netherlands and the UK, whose combined turnover accounts for around one half of the global sector.



¹ On a constant currency basis, the global private employment services industry grew by an estimated 2%.

2019 saw another increase in the number of service providers

In 2019, a combined 161,600 private employment agencies were operating in the 41 countries around the world where figures were available.

Branches of agencies around the world employed 3.3 million people (based on figures from 31 countries), delivering employment services to companies and individuals.

Considering those countries for which comparable figures were available for 2019 and 2018, the number of agencies operating grew by 2% in 2019, whereas the total number of internal staff was up by 1%.¹

These agencies provide client companies and workers with various HR services including agency work, direct recruitment, career management, MSP and RPO. Complementing the public employment services, they contribute to well-functioning labour markets by matching employers with jobseekers.

The majority of agencies are in Europe, followed by Asia-Pacific (APAC), North America and South America. For more regional market information, consult the "Regional Focus" section of this report.



More than 61 million people were placed in the labour market in 2019

In 2019, more than 61 million people were placed in the labour market by private employment agencies in 40 countries around the world – a year-on-year increase of 7%.⁵

As in 2018, the number of placements by temporary work and direct recruitment agencies in 2019 grew at a faster pace than the revenues of both the agency work and the direct recruitment sector. This underpins the challenge of pricing pressure and reduced margins faced by a large number of companies operating in the sector.

Most placements by the sector are attributed to the agency work industry, with more than 57 million people placed in the labour market in 2019. More than half of all people placed in jobs by the agency work sector are in the USA, China and Japan.

China and the UK account for most of the placements by direct recruitment firms, with the former alone contributing to nearly one half of all recorded placements. As China is a labour market that is traditionally centred more around open-ended employment, this is not surprising.

USA	16,000,000
China	11,740,000
Japan	4,794,355
Mexico	4,685,356
Brazil	3,353,000
India ⁽³⁾	3,300,000
France	2,750,000
UK ⁽³⁾	1,600,000
Netherlands ⁽¹⁾	1,057,661
Germany	895,472
Italy	816,000
Spain	780,000
Poland	712,327
Belgium	693,029

Canada ⁽³⁾	625,000
Colombia	415,059
Switzerland	385,674
Australia	361,000
Chile	230,000
Sweden	190,900
Finland	150,000
Russia	109,881
Slovakia	99,912
Austria	93,585
Norway	80,324
Portugal ⁽²⁾	69,211
Ireland ⁽³⁾	53,400

Agency work headcounts 2019

Czech Rep. ⁽²⁾	53,280
Argentina	43,512
Greece	41,881
New Zealand ⁽³⁾	40,600
Romania	37,933
Slovenia	34,332
Denmark ⁽²⁾	15,179
Croatia ⁽²⁾	14,176
Latvia ⁽²⁾	10,550
Hungary ⁽²⁾	8,394
Estonia ⁽²⁾	6,000
Luxembourg ⁽²⁾	4,164
Lithuania ⁽⁴⁾	3,010

Number of people placed by private employment agencies globally:

61.5

MILLION

Number of placements through direct recruitment:

4.2

MILLION

Number of placements through temporary work agencies:

57.3

MILLION

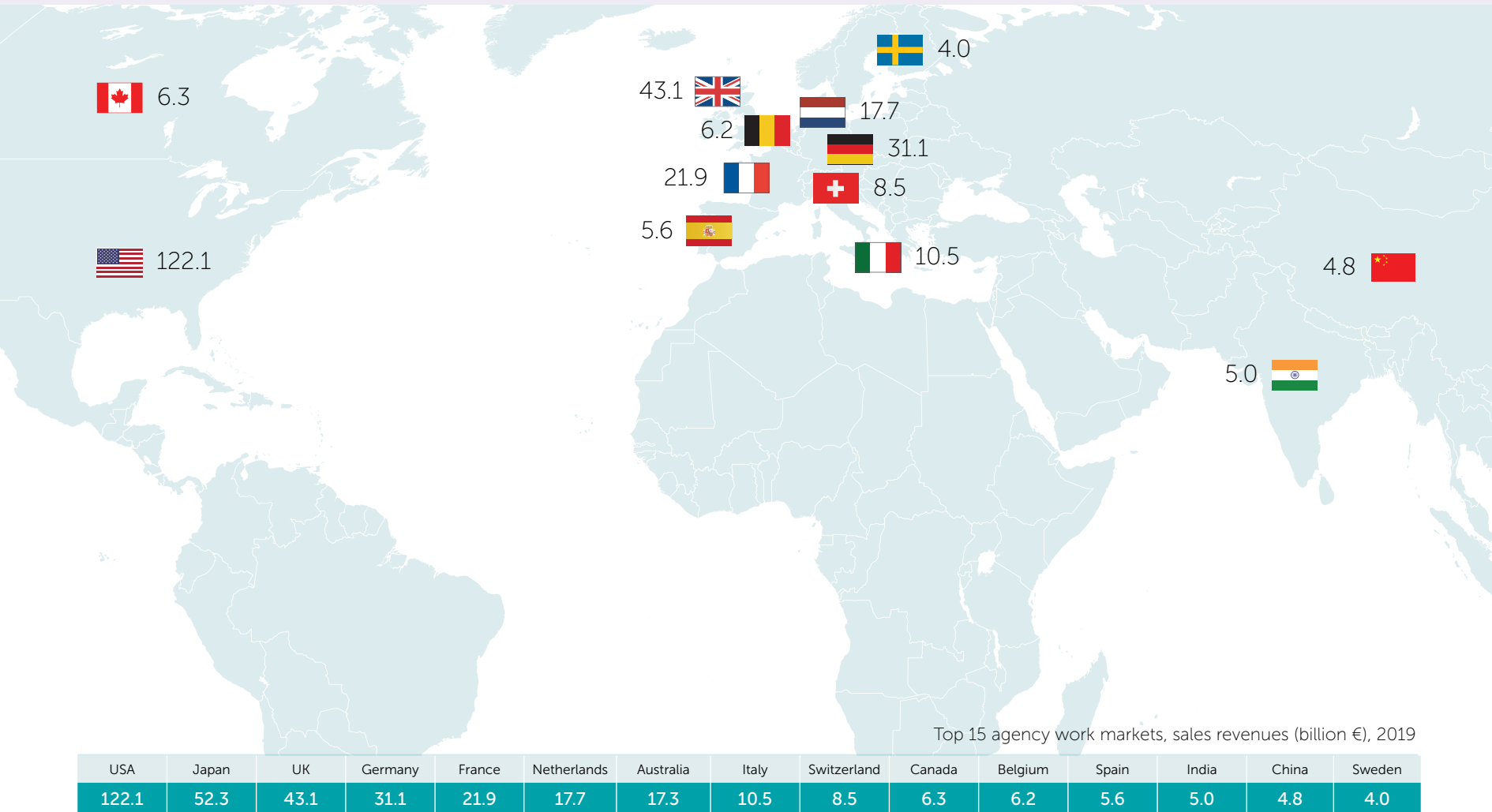
¹ Change in methodology: 2019 figure includes all agency workers, when in the past the figure only included those with an address in the Netherlands

² Eurostat (figures likely underestimate the number of agency workers)

³ 2018

⁴ FTEs

Market evolution varies across the largest agency work markets





In 2019, the 15 largest agency work markets represented 91% of the sector’s global turnover. The three largest markets – the USA, Japan and the UK – contribute 56% of the total, with the US agency work industry being by far the largest market, accounting for nearly one-third of the global figure.

The largest region is Europe, with 9 of the largest 15 agency work markets being located there. Those markets contribute 38% to the sector’s global revenues. The evolution in the size of those markets varied considerably, with some having seen strong growth in 2019, such as the UK (+13%), the Netherlands (+4%)¹, Switzerland (+5%) and Spain (+4%), while other markets saw a decline. In Germany, the sector contracted by 9% in 2019. This is partially attributable to a legislative change resulting in increased sectoral restrictions, but also due to a sharp decline in the crucial automotive industry. Italy also saw a contraction (-5%), after several years of growth, which can be explained by less favourable legislation introduced in 2018. Sweden and France were also among the retreating markets, down by 8% and 1% respectively. While differences across countries are stark, the combined turnover of the 9 largest European markets grew by 1.4% in 2019.

Across the Atlantic, the US agency work market grew by 4% in Euro terms, while actually having slightly contracted in US dollar terms (-1.3%). A tight labour market with a slowdown in employment growth overall are factors that explain the decline.

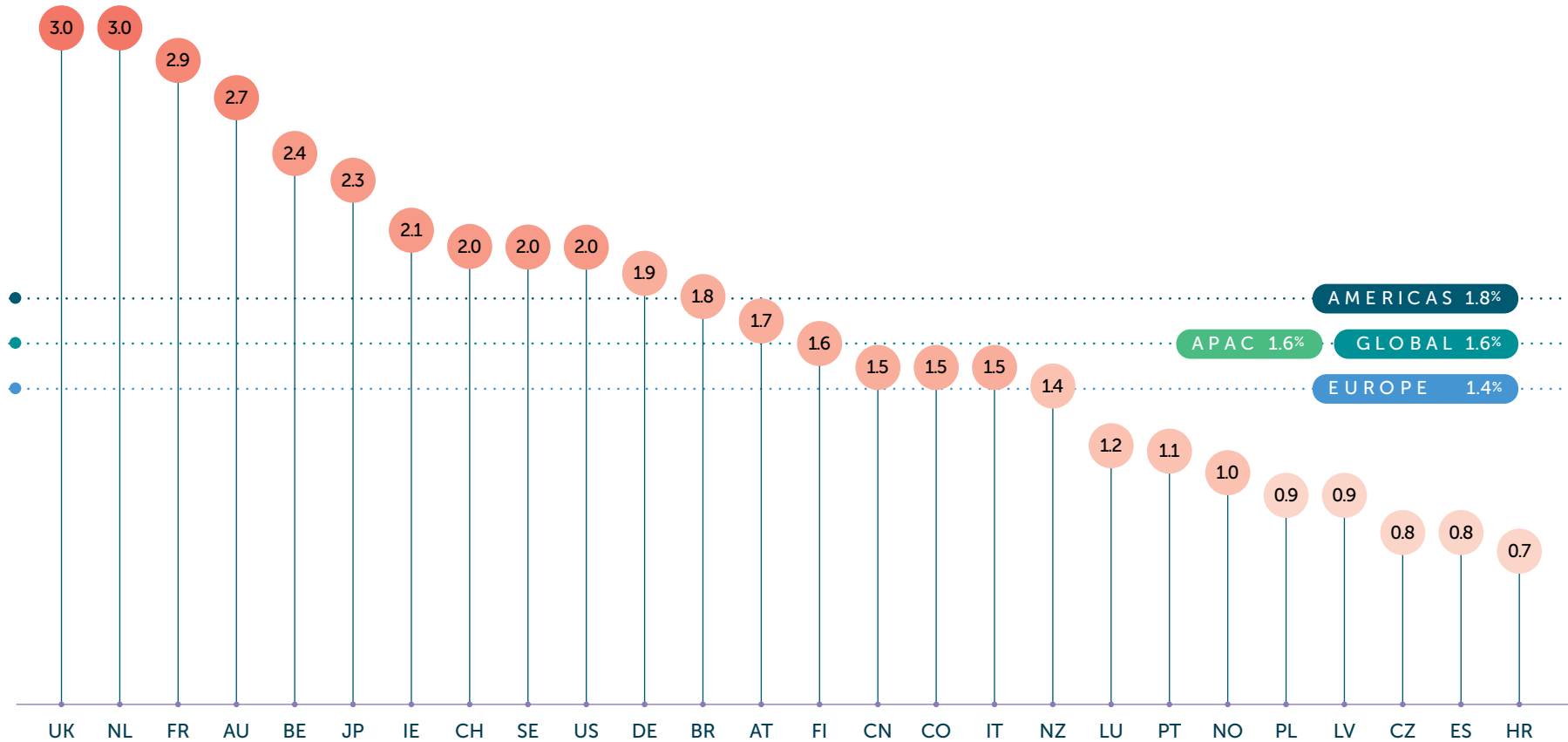
Turning to the largest markets in the APAC region, most saw relatively pronounced growth in 2019, with the Australian market up 6% (+8% in local currency), while the Chinese and Indian markets experienced double digit growth rates – up 17% and 19% respectively. The exception is Japan, which saw a slight decline in local currency terms (-2%).

The year before the global pandemic already marked a period of slowdown for many of the largest agency work markets. 2020 was characterised by unprecedented downturns of the sector, both in terms of revenues and volume of workers. For more detail on the impact of the crisis on the sector, please consult pages 6 and 7 of this report.

¹ Estimate based on CBS figures

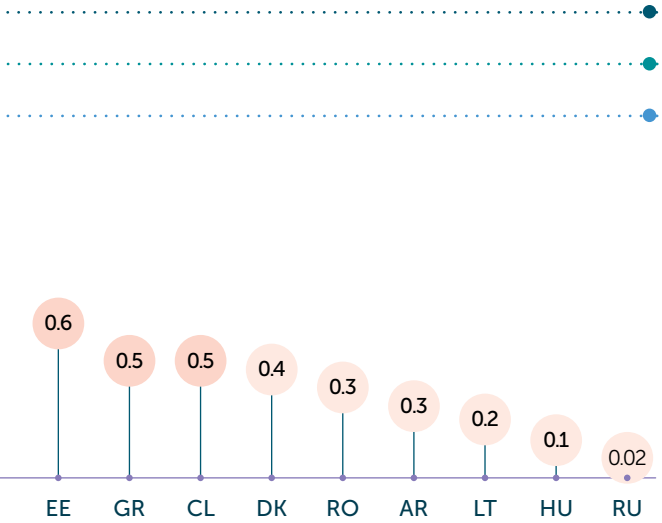
Most large agency work markets have penetration rates higher than the global average

Agency work penetration rate, 2019 (%)



In 2019, the global weighted average penetration rate stood at 1.6%, unchanged from 2018. This rate represents the share of agency work in overall employment and can be subject to various factors. Labour market regulation typically plays an important role, as more restrictive policies in terms of hiring flexible workers tend to reduce the share of agency workers. Some countries can be characterised as having a more liberal approach to labour market regulation and hiring and firing, weighing the trade-off between efficiency and responsiveness in labour market transitions on the one hand and job protection on the other. Another factor can be the maturity of the agency work sector within a country. A higher penetration rate typically indicates an industry that has moved closer to maturity, while low penetration rates showcase to an extent the potential future growth of the sector in the country.

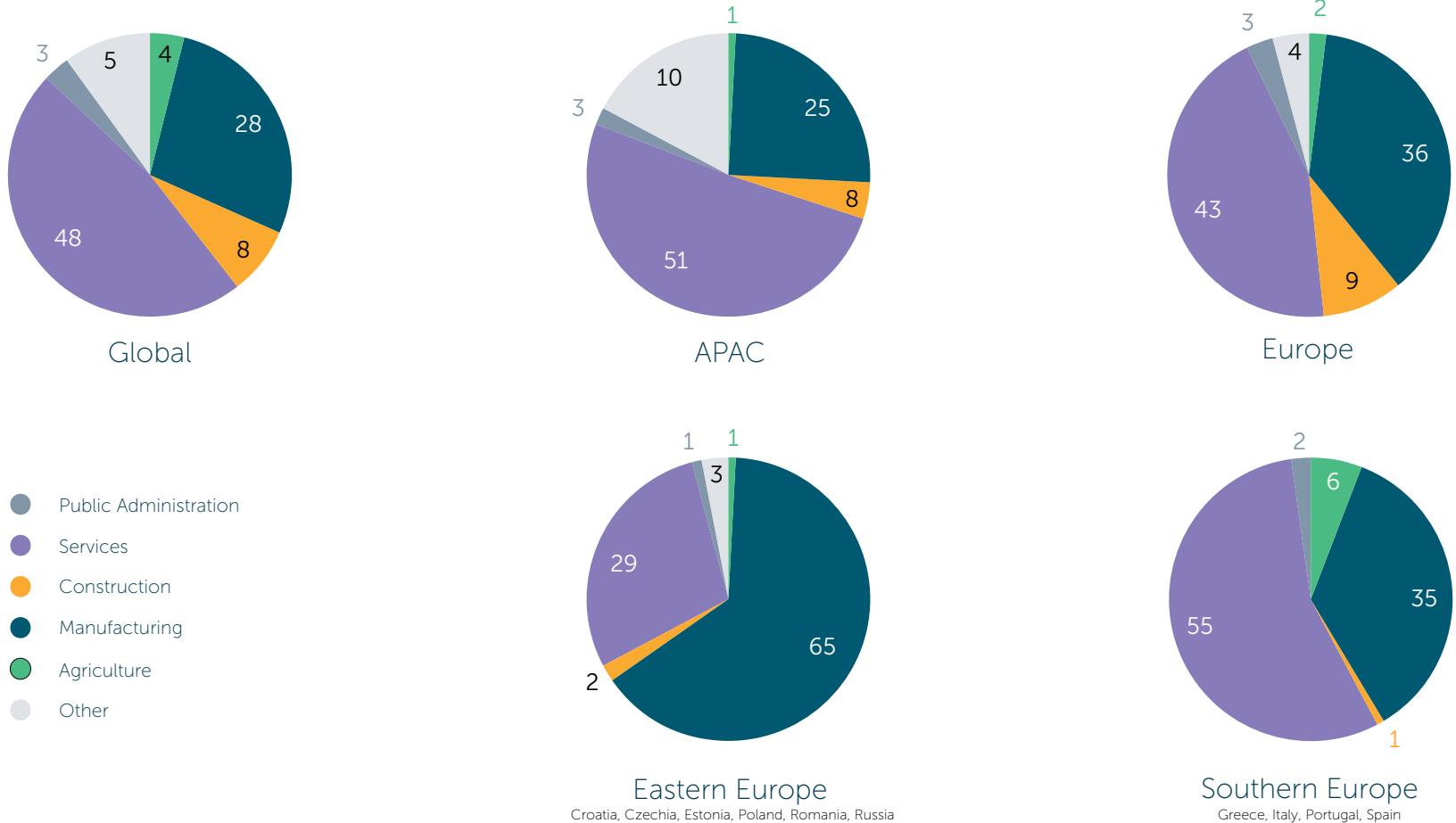
Many of the largest agency work markets showcase a penetration rate that is above the global rate, suggesting a higher level of industry maturity in countries such as the UK, the Netherlands and France.

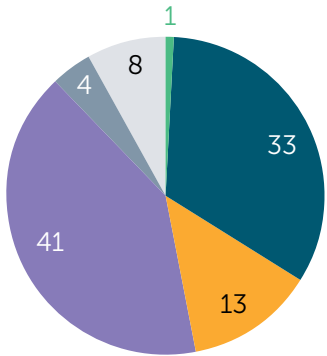


Note: Rates are calculated by dividing the number of agency workers in full-time equivalents (sources: WEC members; estimates based on Eurostat figures) by the working-age population (source: ILO). Regional rates were calculated by dividing the sum of FTEs by the sum of the working-age population. The European rate is lower than reported in the past, due to a contraction of the agency workforce in several markets and the inclusion of additional smaller agency work markets in the calculation.

Services sector employs majority of agency workers, with regional differences

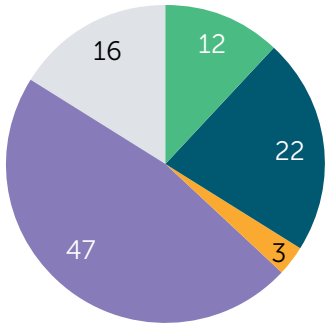
Sectoral distribution of agency workers across regions (%)





Central & Northern Europe

Austria, Belgium, Denmark, Finland, France, Germany, Netherlands, Norway, Sweden, Switzerland.



South America

The largest share of agency workers at a global level work in the services sector (48%), while nearly one-third are employed in the manufacturing industry (28%). Construction is the third largest sector at 8%, while the agricultural sector employs just 4% of agency workers globally.

Comparing the sectoral distribution of agency workers to that of the overall employed population at global level, we see that the agency work sector is in line with those trends. Half of global employment is in the services industry, according to statistics published by the World Bank. This share has been consistently growing over the past decades, as economies shift away from the agricultural and manufacturing sectors on their development paths.

In the regional breakdown, we can make some noteworthy observations. The more developed regions showcase a lower-than-average share of agency work employment in the agricultural sector, while having an above-average share in the services industry. Agency work employment in the agriculture sector is particularly high in the countries within the South American region, while the manufacturing sector comprises a majority of agency workers in Eastern European countries.

Top three markets make up nearly two-thirds of global turnover in direct recruitment

Top 15 markets in direct recruitment, sales revenues (billion €), 2019



The global market for direct recruitment services is estimated to be worth €63 billion in 2019, an increase of 6% from 2018. The three largest markets are the USA, China and Australia and represent nearly two-thirds of the global turnover (63%). The US direct recruitment market alone contributes more than one-third of sector revenues (35%).

With 39% of global turnover, the Asian Pacific region is the largest. Along with Australia and China, Japan and India are also among the top 15 largest markets. Growth has been particularly strong in the Japanese and Chinese direct recruitment markets in 2019, up 30% and 17% respectively.

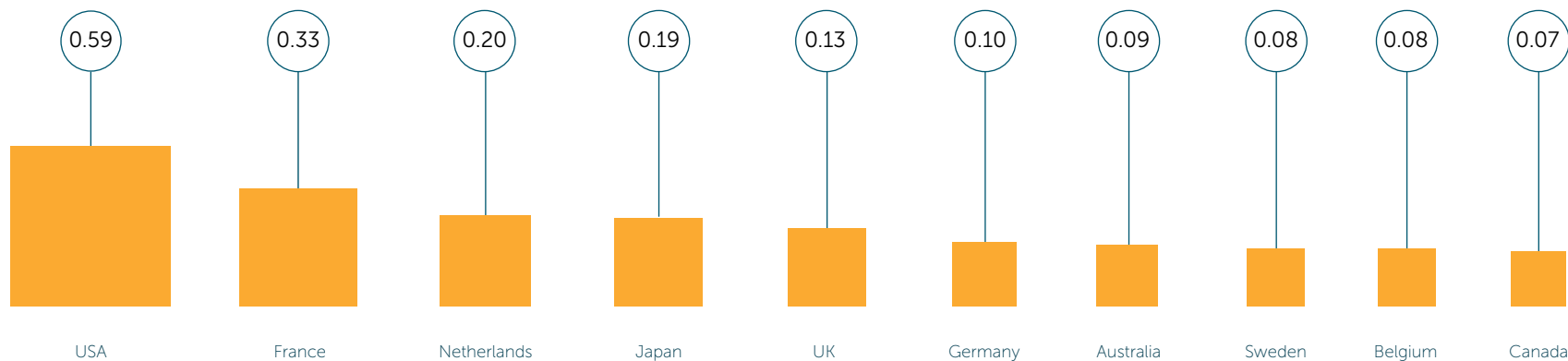
Europe represents 24% of the global direct recruitment sector revenues in 2019 - primarily driven by the UK and German markets. In Europe, most large markets saw a decline in direct recruitment turnover in 2019, with the UK market having contracted by as much as 17%.

In North America by contrast, both the US and Canadian markets saw strong growth with turnover from the direct recruitment industry up by 9% and 10% in Euro terms respectively, although part of this strong growth is due to the depreciation of the Euro against the US and Canadian dollar.

At a global level, the direct recruitment sector grew faster than the agency work sector in 2019, potentially due to a further tightening of labour markets across many countries that year.

Career management contracts pre-pandemic, while future looks promising

Top 10 largest career management markets, sales revenues (billion €), 2019



The global career management sector saw a 1% decline in 2019 with an estimated value of €1.9 billion.

The two largest markets are the USA and France, which are estimated to represent almost one half of the sector's global turnover (48%). Together with the Netherlands, Japan and the UK, they make up the top 5 largest markets which contribute around three-quarters of total revenues.

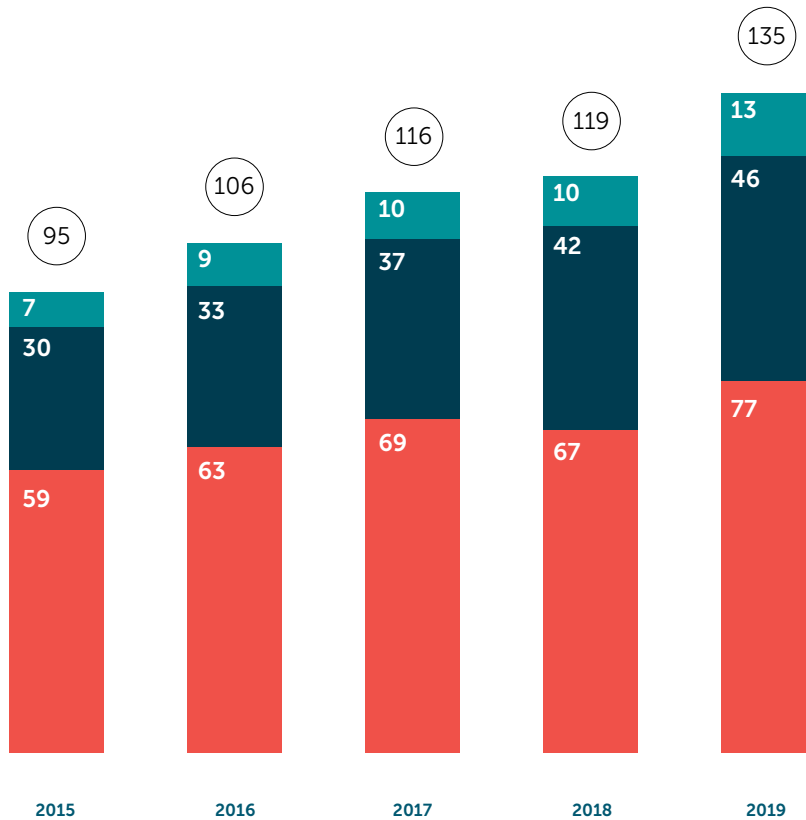
Most of the largest career management markets either remained stable or saw a decline in 2019, with the American, Dutch and British markets being down 2%, 2% and 3% respectively. The German and Australian markets expanded on the other hand, up 2% and 5%.

The year before the Covid-19 pandemic upended the global economy, labour markets were becoming increasingly tight, with more open jobs than jobseekers in many countries. This partly explains the contraction of demand for career transition and outplacement services - the major share of career management activities. With the global pandemic, many workers were displaced and companies needed to restructure. Career transition support is therefore likely to grow in demand in 2021. A company survey conducted in December 2020 amongst the sector's main professional associations, WEC and ACF International, indicates that the sector is expected to grow by up to 10% across the North America, Europe and APAC regions.

MSP markets record double-digit growth over three years across regions

Managed Services Providers, regional market value (billion €)

● Americas
 ● EMEA
 ● APAC
 ○ Global



The global MSP market spend is estimated at a value of €135 billion in 2019 - equivalent to an increase of 13% from 2018. The Americas are the largest region in terms of the share of global revenues, generating 57% of market spend. The MSP market in the Americas saw strong growth in 2019, up 15% compared to 2018. Generating more than half of global MSP revenues, the USA is by far the largest market in the region and globally. The second largest region is Europe, the Middle East and Africa (EMEA), contributing one-third to global MSP spend. Nearly half of the region's MSP spend is generated in the UK, which is also the second largest MSP market globally. The EMEA region saw moderate growth of 8% in 2019. Just under one-tenth of global MSP spend is generated in the APAC region, which, at 23% in 2019, saw the strongest growth of all regions in terms of MSP spend. Australia contributes more than two-fifth to the APAC region's MSP market value.

The global MSP market experienced considerable growth in recent years, with global market spend having expanded by nearly 30% over the course of three years. All regions saw double-digit growth rates between 2016 and 2019, with the smaller EMEA and APAC regions having experienced particularly strong growth.

Firms which specialise in MSP are third-party service providers taking over a client company's contingent workforce management. The major share of MSP spend (75% in 2019 according to Staffing Industry Analysts) comprises temporary employees and independent contractors - meaning that the spend of a large part of MSP programmes can, in effect, be attributed to revenues from the agency work sector. The remaining share of MSP spend is raised by statement of work and/or outsourcing activities by the service provider.

RPO markets keep growing steadily, with EMEA topping the list

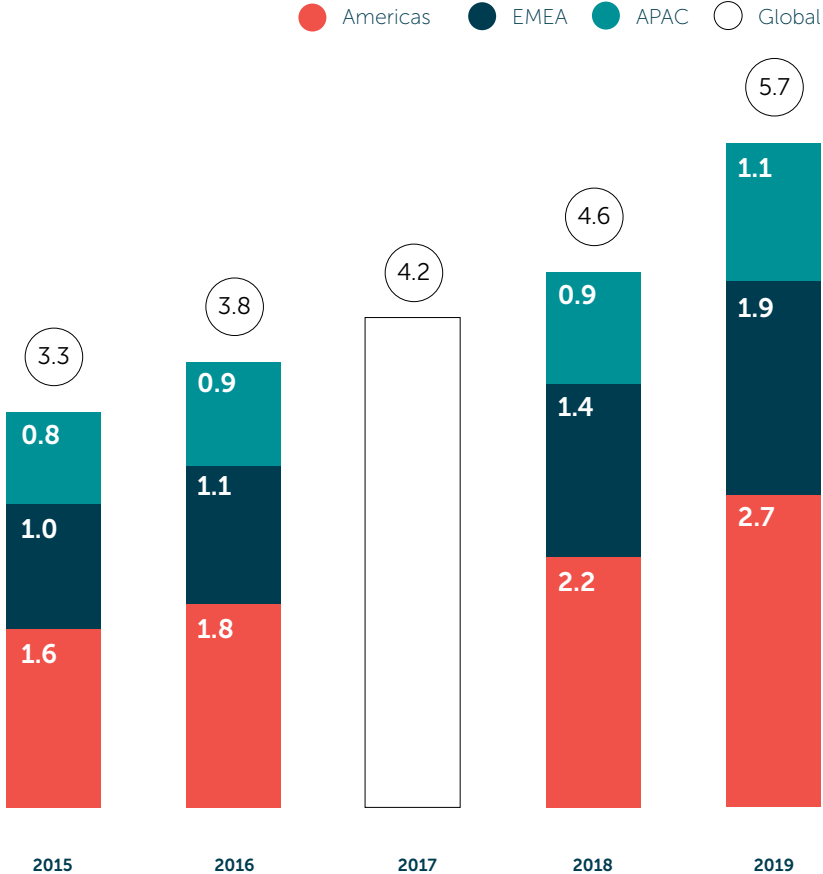
Recruitment Process Outsourcing, regional market value (billion €)

The global market value for RPO has reached €5.7 billion in 2019, an increase equivalent to 25% compared with 2018. All regions (Americas, EMEA and APAC) saw double-digit growth in 2019, with the EMEA region topping the list at 33%. However, the Americas remain the largest region in terms of market value, generating 47% of global revenues, and having expanded by 20% since 2018. The smaller APAC region contributes one-fifth to the global RPO market and saw an annual growth of 24% in 2019.

Looking further back, the global RPO market has expanded significantly across all regions, growing by a staggering 50% between 2016 and 2019. The EMEA region in particular grew by 66%, while the Americas and APAC regions are up 50% and 30% respectively in that three-year time span.

The years leading up to the global Covid-19 pandemic were characterised by increasingly tight labour market conditions, in which many firms struggled to hire suitable employees. This trend helps explain the solid growth performance of RPO services, as companies - and in particular large ones - turn to specialists to manage their hiring processes.

RPO is a service whereby a third-party provider takes over a client's recruiting department. Going beyond the provision of a contingent workforce, RPO providers characteristically also specialise in recruiting a firm's direct employees, without remaining a part of the resulting employment relationships.





Source: Staffing Industry Analysts. Note: No figures for 2017 available. 2017 growth is estimated at 13% by Staffing Industry Analysts.

North America is the largest placer of agency workers due to size of US market



Countries included in figures:

-  Canada
-  Mexico
-  USA



North America is the largest region when looking at various metrics of the private employment services industry - mostly due to the size of the US market alone. The region was responsible for 37% of workers placed in jobs in 2019. 75% of the region's placements were in the USA. One-third of global agency work revenues were generated in North America, while the USA accounted for 94% of the region's sector revenues. 36% of global revenues from direct recruitment in 2019 are attributed to North America, with the USA again claiming most of the region's share. The region also contributes half of all global MSP and RPO revenues.

Further contraction of largest South American market reduces the region's industry size

Countries included in figures:

 Argentina

 Brazil

 Chile

 Colombia



South America is the smallest region when taking into account the above indicators. 7% of global placements take place in this region, while only 1% of global agency work revenues are generated there. Brazil is by far the largest market in the region, with 83% of the region's placed workers, 75% of operating agencies and nearly two-thirds of South America's agency work revenues. While most of the region's agency work markets saw growth in 2019, Brazil's agency work market experienced a significant contraction. As the largest market, Brazil leads the region overall into a decline in 2019.

Europe sees diverging trends across agency work markets



Europe is the largest region in terms of agency work revenues, generating 43% of the global sector's turnover in 2019. With nine out of the 15 largest agency work markets globally located in Europe, this is not a surprise. 2019 saw countries' market evolution vary considerably across Europe, with Finland, the Netherlands, Norway, Spain and the UK having experienced growth, while France, Germany, Italy, Poland and Sweden saw contractions. Next to agency work revenues, Europe holds the highest number of operating private employment agencies and also generates 24% and 32% to global direct recruitment and MSP revenues respectively.

Countries included in figures:

Austria	Lithuania
Belgium	Luxembourg
Bulgaria	Netherlands
Croatia	Norway
Czech Rep.	Poland
Denmark	Portugal
Estonia	Romania
Finland	Russia
France	Slovakia
Germany	Slovenia
Greece	Spain
Hungary	Sweden
Ireland	Switzerland
Italy	Turkey
Latvia	UK

Australia, China and Japan drive strong position of APAC region

Countries included in figures:

 Australia

 China

 India

 Indonesia

 Japan

 New Zealand



The Asian and Pacific region is home to several of the global private employment services industry's largest markets. China is the region's largest placer of workers with 58% of the region's placements, while Japan generates the highest share of agency work revenues (64%). Australia is a strong market for direct recruitment and MSP. Overall, the APAC region is responsible for 35% of global placements, generates one-fifth of global agency work revenues and is the strongest region globally in terms of direct recruitment revenues, contributing 39% to global sector turnover, largely due to Australia, China and Japan.

Glossary of Terms Used and Acronyms

Agency Work

Agency work is a triangular employment relationship, defined in ILO Convention 181 as: “Services consisting of employing workers with a view to making them available to a third party, who may be a natural or legal person (“user enterprise”) which assigns their tasks and supervises the execution of these tasks”. It can be named Dispatched Labour in Asia, Labor Hire in Africa or Temporary Staffing in the USA.

Career Management

Career Management services enable jobs, skills and business performance to be viewed in an integrated way and with a long-term perspective. It includes primarily services such as outplacement and career transition, redeployment and other development activities designed to help organisations and individuals to manage changes in the practices, processes, conditions and basis of employment.

Daily Average Number of Agency Workers (in FTEs)

Total number of hours worked by all agency workers in a country over a period of one year divided by the average number of hours worked over a period of one year by a worker with a full-time job with an open-ended contract.

Direct Recruitment

Services for matching offers of and applications for employment, without the private employment agency becoming a party to the employment relationships which may arise therefrom (Source: ILO Convention 181), including search and selection.

Managed Services Provider (MSP)

MSP is a service whereby a company takes on primary responsibility for managing an organisation’s contingent workforce programme. Typical responsibilities of an MSP include overall programme management, reporting and tracking, supplier selection and management, order distribution and often consolidated billing. The vast majority of MSPs also provide their clients with a vendor management system (VMS) and may have a physical presence at the client’s site. An MSP may or may not be independent of a staffing provider.

Penetration Rate

Daily average number of agency workers (in FTEs) divided by the working population (as defined by the ILO as follows: “The employed comprise all persons of working age who during a specified brief period, such as one week or one day, were in the following categories: a) paid employment (whether at work or with a job but not at work); or b) self-employment (whether at work or with an enterprise but not at work).”

Private Employment Services / Employment Industry

Agency work is usually one of several other HR services provided by recruitment and employment agencies, along with direct recruitment, career management, RPO and MSP. The collective name for these services is private employment services. The employment agency provides a professional service to a user company by taking over (a part of) the recruitment and HR process. In this sense, private employment services are comparable to other professional and business services such as auditing and accounting, communications and marketing, facilities management, etc.

Recruitment Process Outsourcing (RPO)

A service by a third-party specialist provider, to assume the role of the client’s recruiting department by owning and managing part or all of its recruitment process and related recruitment supply chain partner relationships, providing the necessary skills, activities, tools, technologies and process methodologies.

The data presented in this report is for the calendar year 2019, unless stated otherwise. Sources vary depending on the data, although the majority of the figures are collected by the World Employment Confederation from its national federation members. This is primarily the case for the agency work market. Some national federations gather data directly from their respective members, whereas others collect data from public sources or research partner institutions. The World Employment Confederation also partners with Staffing Industry Analysts (SIA), allowing for a more complete assessment of the industry across the various HR services (e.g. MSP, RPO). Whenever a figure did not come directly from members of the World Employment Confederation, it is indicated throughout the report.

For the calculation of the total global market size of the private employment services industry, five service segments have been included: agency work, direct recruitment, MSP, RPO and career management services. Due to the fact that a major share of MSP activities fall into the agency work category, there exists the risk of double counting sales revenue figures. This is especially true, since the sources used to gather sales revenue figures differ for the two service segments in question.

To minimise the extent of double counting, a certain share of total MSP sales revenues was subtracted and attributed to the total agency work sales revenues. This share is estimated by Staffing Industry Analysts to be around 75%.

It must be noted that some figures presented in this report may be underestimating the true picture of the global industry, since the World Employment Confederation does not have members in every country providing statistics. This is specifically the case for the number of agencies and internal staff. Note also that a lack of information on specific countries does not mean that private employment services are not provided in that country.

In case of questions on the statistics presented or on the methodology applied, please contact Robin Lechtenfeld, Labour Market Intelligence Officer at the WEC Head Office (robin.lechtenfeld@wecglobal.org)

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