The World Employment Confederation is the voice of the employment industry at the global level, uniting labour market enablers from 50 countries and 8 of the largest international workforce solutions companies.

The World Employment Confederation brings unique access to and engagement with international policymakers (ILO, OECD, World Bank, IMF, IOM, EU) and key stakeholders (IOE, trade unions, academic world, think tanks, NGOs).

The World Employment Confederation strives for recognition of the economic and social role played by the employment industry in enabling work, adaptation, security and prosperity in our societies. Its members provide access to the labour market and meaningful work to 50 million people around the world and serve around 5 million organisations on a yearly basis.

The World Employment Confederation is organised under 6 regions: Europe, North America, Latin America, APAC Southern, North East Asia and Africa.

This report is a shorter extract of the full WEC Economic Report. For more extensive information check the report online.

www.wecglobal.org/economicreport2017

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World Employment Confederation
Managing Director

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Enabling Prosperity 45
   Reduce undeclared work & unemployment
   Increase inclusiveness and diversity
   Increase work incomes & purchasing power
   Enrich GDP by sales revenues
Dear reader,

As labour market enablers, the members of the World Employment Confederation contribute to a better functioning job market. Thanks to the combined 169,000 employment agencies and 1.5 million HR specialists it regroups around the world, the industry enables work, adaptation, security and prosperity.

The 2017 edition of the World Employment Confederation’s Economic Report documents these four enabling functions, by compiling robust facts and figures about the employment industry. The number of workers who were able to access the labour market after intermediation by a recruitment and employment agency reached 50 million people in 2015, including a majority of youngsters! The turnover of the industry across the globe totaled €417 billion, providing sustainable workforce solutions to 5 million organisations. There is much more information to be found in the report. I invite you to browse through it and find out for yourself.

In addition to the hardcopy of this report, a complementary online version is available with additional data. For a full overview of the report, please visit www.wecglobal.org/economicreport2017. This will make it easier for you to browse through the report and share or repost its content more easily.

If you have any questions after reading the report, please feel free to get in touch with the World Employment Confederation’s Head Office at info@wecglobal.org.

Denis Pennel
Managing Director

“
The employment industry enables work adaptation, security and prosperity, contributing to a better society”

DENIS PENNEL
World Employment Confederation
Managing Director
The employment industry has been leading in a changing world of work for decades. It does so by acting as enabler in the labour market, offering a full range of HR services, including agency work, direct recruitment, career management, recruitment process outsourcing (RPO) and managed services provision (MSP).

At a global level, the employment industry:

**KEY FINDINGS**

**Enables work**

Each year, around 50 million people access the labour market thanks to an employment agency (43 million of whom via agency work). On average, 17% of them are students working while studying (31% of agency workers are younger than 25 years old) and 44% are women. 81% of agency workers are satisfied with their work (with 34% being very satisfied). In terms of penetration rate, agency work accounts for 1.7% of the global working population. With a global turnover amounting to €417 billion and 1.5 million HR consultants, the industry generates an important economic added value to society.

**Enables security**

On average, before entering into agency work 33% of workers were unemployed, while afterwards only 21% went back to unemployment. Similarly, 43% of people starting agency work were employed before, while 71% remain in employment afterwards. From the business side, 50% of UK companies recognise that agency work is important to secure short term access to key strategic skills. Companies using innovative workforce solutions such as RPO or MSP are able to reduce hiring costs by 38%.

**Enables adaptation**

In a changing world of work, the employment industry supports over 5 million companies each year to adapt to an increasingly volatile environment. On the workers’ side, 62% of agency workers in the USA agree that they developed new skills or improved their skills while temping. In France, 90% of agency workers say temping is useful to acquire professional experience and 78% to get trained.

**Enables prosperity**

By reducing frictional unemployment, the industry contributes to public budgets, saving governments the cost of unemployment benefits. In addition, the provision of flexible workforce solutions leads to a reduction of undeclared work, increasing social charges and corporate tax being paid. Finally, the industry drives inclusiveness and participation to the labour market: 34% of agency workers are younger than 25 years old and 44% are women.
The employment industry enables work, adaptation, security & prosperity.

By doing so, the industry:
- gives hope
- develops confidence
- builds trust
- delivers pride

As a result, employment and recruitment agencies act as social integrators, agility creators, trusted labour market advisors and growth drivers.
The range of services delivered by the members of the World Employment Confederation

- LABOUR MARKET INTELLIGENCE:
  - Supply & demand of work
  - Regulatory environment
  - Skills mapping
  - Labour market surveys
  - Thought leadership
  - Agency Work
  - Direct (perm & temporary)
  - Contract for servicing
  - Self-employed
  - Apprenticeship

- TALENT ACQUISITION:
  - Sourcing candidates
  - Employee referrals
  - Skills assessment
  - Testing
  - On boarding
  - Off boarding

- PLACEMENT:
  - HR Consulting
  - Workforce Analytics
  - Strategic Workshop Planning
  - Job Search counselling
  - Capacity building
  - Process excellence

- ADVISORY SERVICES:
  - RPO
  - MSP
  - BPO
  - Human Cloud

- MANAGED SERVICES:
  - Training
  - Outplacement
  - Career Transitions
  - Welfare-to-Work
  - Coaching
  - Compensation & Benefits
  - Leadership Development
  - Performance Assessment

- CAREER MANAGEMENT:
  - Coaching
  - Leadership Development
  - Compensation & Benefits
  - Performance Assessment
In 2015, the employment industry succeeded to support 50 million people entering and progressing in the labour market at the global level. Thanks to the wide range of HR services it offers (including agency work, direct recruitment, career management, recruitment process outsourcing and managed services provision), the industry contributes to a better functioning labour market and achieved a €417 billion global turnover.

Acting as social integrators, agility creators, trusted labour market advisors and growth drivers, the 169,000 employment agencies the World Employment Confederation gathers – supported by the 1.5 million staff working as HR consultants, branch managers and administrative assistants – simplify the increasing complexity of the world of work.

By enabling work, adaptation, security and prosperity, the employment industry gives hope, develops confidence, builds trust and delivers pride to both individuals and companies.
Number of agencies

- **Europe**: 40%
- **Asia Pacific**: 25%
- **South America**: 20%
- **North America**: 13%
- **Africa**: 2%

Number of internal staff

- **Europe**: 19%
- **Asia Pacific**: 52%
- **South America**: 18%
- **North America**: 10%
- **Africa**: 1%

**WEC Economic Report 2017**

169,000 employment & recruitment agencies and 1.5 million internal staff to help people navigate the labour market.
The Employment industry in 2015 helped around 50 million people access the labour market at global level.

NB: Number of individuals only covers activities from the members of the World Employment Confederation.
**Top 15 countries ranked by sales revenues (2015)**

The Agency Work market amounted to €374 billion in 2015 (MSP activities included), with the USA being the leading country in terms of market shares (31%) followed by the UK (11%) and Japan (10%).

In terms of regional split, North America is the largest region (36%), followed by Europe (accounts for 35%) and Asia/Pacific (22%).
Agency Work represents a limited part of the global working population (1.7%), with a higher penetration rate in the USA (2.2%), Japan (2.0%) and Europe (1.9%).
### Top 15 countries ranked by sales revenues (2015, in million €)

<table>
<thead>
<tr>
<th>#</th>
<th>Country</th>
<th>Sales Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>USA</td>
<td>18,938</td>
</tr>
<tr>
<td>2</td>
<td>UK</td>
<td>4,121</td>
</tr>
<tr>
<td>3</td>
<td>Australia</td>
<td>4,059</td>
</tr>
<tr>
<td>4</td>
<td>Canada</td>
<td>3,000</td>
</tr>
<tr>
<td>5</td>
<td>Japan</td>
<td>2,682</td>
</tr>
<tr>
<td>6</td>
<td>Germany</td>
<td>2,004</td>
</tr>
<tr>
<td>7</td>
<td>France</td>
<td>1,000</td>
</tr>
<tr>
<td>8</td>
<td>Switzerland</td>
<td>621</td>
</tr>
<tr>
<td>9</td>
<td>Ireland</td>
<td>600</td>
</tr>
<tr>
<td>10</td>
<td>New Zealand</td>
<td>423</td>
</tr>
<tr>
<td>11</td>
<td>Belgium</td>
<td>161</td>
</tr>
<tr>
<td>12</td>
<td>Brazil</td>
<td>141</td>
</tr>
<tr>
<td>13</td>
<td>Austria</td>
<td>114</td>
</tr>
<tr>
<td>14</td>
<td>Russia</td>
<td>102</td>
</tr>
<tr>
<td>15</td>
<td>Poland</td>
<td>83</td>
</tr>
</tbody>
</table>

The global Direct Recruitment market amounted to €36.8 billion in 2015, with the USA dominating in terms of country shares (50%) followed by the UK (11%) and Australia (11%).
Business drivers for providing outplacement

Under what circumstances might a company decide to use outplacement services?

- Restructuring
- Mergers & Acquisitions
- Leadership change
- Division/plant closings
- Poor company performance
- Poor individual performance

Global: 68%, 53%, 43%, 40%, 35%, 33%
Americas: 69%, 59%, 50%, 45%, 35%, 36%
Europe: 71%, 48%, 36%, 37%, 34%, 32%
Asia Pacific: 60%, 43%, 43%, 31%, 39%, 25%

Source: Right Management – Why organisations rely on outplacement – 2016
The global market size for Recruitment Process Outsourcing (RPO) is estimated at €3.3 billion for 2015. North America dominates the market (44% of market share), followed by the EMEA region (31%) and Asia Pacific (22%).

Source: Staffing Industry Analysts - Annual 2015 average exchange rate used between $ and € = 0.9017
The global market size for Managed Services Provision (MSP) is estimated at €95 billion for 2015 and grew by 13% compared to 2014. North America continues to dominate the market (59% of market share), followed by Europe (34%).

Source: Staffing Industry Analysts - Annual 2015 average exchange rate used between $ and € = 0.9017
1- Enabling Work

Each year, around 50 million people access the labour market thanks to an employment agency (43 million of whom via agency work). On average, 17% of them are students working while studying and 81% of agency workers are satisfied with their work (with 34% being very satisfied). In terms of penetration rate, agency work accounts for 1.7% of the global working population. With a global turnover amounting to €417 billion and 1.5 million HR consultants, the industry generates an important economic added value to society.

50 million people access the labour market thanks to an employment agency each year

with €417 bn global turnover, the industry generates an important economic added value to society

81% of agency workers are satisfied with their work (with 34% being very satisfied)
CREATE MORE WORK OPPORTUNITIES

In India, agency work creates jobs that would not otherwise exist: 92% of companies would not hire permanent jobs if agency work was not available. 83% of companies would opt for external/internal flexibility solutions rather than recruiting directly.
**Situation before and after working as an agency worker**

<table>
<thead>
<tr>
<th></th>
<th>Unemployed</th>
<th>Agency Work</th>
<th>Fixed term</th>
<th>Open ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed</td>
<td>1%</td>
<td>14%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Agency Work</td>
<td>47%</td>
<td>5%</td>
<td>51%</td>
<td>52%</td>
</tr>
<tr>
<td>Fixed term</td>
<td>25%</td>
<td>52%</td>
<td>35%</td>
<td>30%</td>
</tr>
<tr>
<td>Open ended</td>
<td>25%</td>
<td>5%</td>
<td>38%</td>
<td>30%</td>
</tr>
</tbody>
</table>

**PROVIDE A STEPPING STONE**

While 50% of agency workers were unemployed or inactive before temping, only 25% of them get back to unemployment 12 months later.

Average: 25%

Average inactive: 12%

Together: 50%

Average unemployed: 38%
PROVIDE A STEPPING STONE

Opportunity to get a permanent contract is main reason to work through agency work (USA)

Note: multiple responses allowed. Reasons with <10% excluded from graph.

Find it’s a way to get a permanent job

Source: American Staffing Association, 2014 Staffing Employee Survey
Satisfaction of agency workers with their work

On average, 81% of agency workers are satisfied with their work (with 34% being very satisfied)

Note: USA: categories are: "somewhat satisfied (18%) + very satisfied (33%)" and "extremely satisfied"

Source: the World Employment Confederation national federation members
DELIVER QUALITY AND MEANINGFUL WORK

In Norway, agency workers are satisfied with most of their working conditions.

Note: n=2137

Source: NHO - 2016
Agency workers would recommend agency work to friends and relatives

On average, 75% of agency workers would recommend agency work to friends and relatives.
On average, 53% of assignments are longer than 3 months.

Source: National federations of World Employment Confederation

DELIVER QUALITY AND MEANINGFUL WORK
In Norway, 46% of agency workers got a job within 1 week.

**How fast did you get an assignment through the employment agency? (Norway)**

- **Within three days:** 16%
- **Within a week:** 21%
- **Within two weeks:** 15%
- **Within a month:** 18%
- **Within two months:** 6%
- **The same day I got in touch:** 9%
- **After more than two months:** 8%
- **Don’t know:** 6%

Source: NHO - 2016
As a jobseeker, who would you trust best to find a job? (France)

<table>
<thead>
<tr>
<th>Trust</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends or relatives</td>
<td>44%</td>
</tr>
<tr>
<td>Private employment agencies</td>
<td>16%</td>
</tr>
<tr>
<td>Others</td>
<td>12%</td>
</tr>
<tr>
<td>Job boards</td>
<td>11%</td>
</tr>
<tr>
<td>Public employment services</td>
<td>10%</td>
</tr>
<tr>
<td>Online job vacancies</td>
<td>6%</td>
</tr>
</tbody>
</table>

Employment agencies are second best channel to find work for job seekers (France), ahead of public employment services.
2- Enabling Adaptation

In a changing world of work, the employment industry supports over 5 million companies each year to adapt to an increasingly volatile environment. On the workers’ side, 62% of agency workers in the USA agree that they developed new skills or improved their skills while temping. In France, 90% of agency workers say temping is useful to acquire professional experience and 78% to get trained.
DELIVER DIVERSIFIED WORKFORCE SOLUTIONS

Members of the World Employment Confederation represent a large range of HR services, allowing to provide for tailor-made solutions to people and companies.

Over 16 different HR services are provided by the World Employment Confederation members.

Services provided by the members of the World Employment Confederation

- Agency work: 100%
- Direct recruitment: 73%
- Career management: 35%
- RPO: 31%
- MSP: 23%
- VMS: 23%
- Payrolling: 35%
- Project sourcing: 23%
- HR consultancy: 38%
- Training: 31%
- Outsourcing: 35%
- Self-employment: 12%
- Online work platforms: 8%
- Personal services: 19%
- Welfare-to-work: 19%
- Other: 19%

Source: National federations of World Employment Confederation
What were the main benefits of using agency work? (USA)

62% I developed new or improved work skills
59% It helped strengthen my resume
59% I received on-the-job experience
49% It helped me get my foot in the door for a permanent job
40% I gained self-confidence
35% I developed better work habits
30% I don’t feel it made me more employable
11% Other
5%

Source: American Staffing Association, 2014 Staffing Employee Survey

IMPROVE EMPLOYABILITY BY UPSKILLING

62% of US agency workers say agency work made them more employable

Note: multiple responses allowed
90% of agency workers say temping is useful to acquire professional experience and 78% to get trained (France)

### Why agency workers say temping is useful (France)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Very useful</th>
<th>Fairly useful</th>
<th>Not very useful</th>
<th>Not at all useful</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Get a permanent or fixed-term contract</td>
<td>26%</td>
<td>34%</td>
<td>42%</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>Fund studies</td>
<td>37%</td>
<td>36%</td>
<td>36%</td>
<td>35%</td>
<td>33%</td>
</tr>
<tr>
<td>Learn different skills</td>
<td>25%</td>
<td>12%</td>
<td>14%</td>
<td>14%</td>
<td>6%</td>
</tr>
<tr>
<td>Get trained</td>
<td>10%</td>
<td>13%</td>
<td>5%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Acquire professional experience</td>
<td>2%</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
</tr>
</tbody>
</table>

**IMPROVE EMPLOYABILITY BY UPSKILLING**

90% of agency workers say temping is useful to acquire professional experience and 78% to get trained (France)
600,000 agency workers trained via bipartite funds in 6 European countries in 2015

€604+ million invested by the employment industry on training agency workers in 2015

**Budget spent on training agency workers via bipartite funds - 2015**

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of workers trained</th>
<th>Budget of bipartite training funds (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>7,516</td>
<td>€30 mio</td>
</tr>
<tr>
<td>Belgium</td>
<td>8,652</td>
<td>€1,3 mio</td>
</tr>
<tr>
<td>France</td>
<td>225,000</td>
<td>€340 mio</td>
</tr>
<tr>
<td>Austria</td>
<td>7,516</td>
<td>€30 mio</td>
</tr>
<tr>
<td>Italy</td>
<td>224,000</td>
<td>€220 mio</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2,210</td>
<td>1 mio €</td>
</tr>
<tr>
<td>Netherlands</td>
<td>100,118</td>
<td>€2.5 mio</td>
</tr>
</tbody>
</table>

**Note:** these figures do not comprise number of agency workers directly trained by companies.

Source: National federations of World Employment Confederation
FACILITATE WORK TRANSITION & MOBILITY

Serving almost every economic segments, the employment industry facilitates workers’ transitions from one sector to another

Note: In the UK, a small portion of the agency workers listed in the Public Administration (notably in the Healthcare & Education sectors) are active in the private sector.

Source: National federations of World Employment Confederation & Offices for National Statistics

Sectoral distribution of agency workers
In Belgium, outplacement services are experiencing a rise again

Outplacement services support 16,442 persons in transition of them being aged 45+

Source: Federgon – Annual Report 2016

FACILITATE WORK TRANSITION & MOBILITY

Outplacement services accompany 3 million people finding a new job (global)

Source: Federgon – Annual Report 2016
FACILITATE WORK TRANSITION & MOBILITY

The employment industry is able to source and match very different levels of skills, depending on the needs expressed by companies.

Skills required by job executed

Source: National federations of World Employment Confederation
The employment industry reduces the time lag between recovery and job creation: there is a close correlation between the evolution of number of hours worked and the evolution of GDP (while it usually takes 3 to 6 months for the overall employment rate to adapt to the economic fluctuations).
ADAPT WORKFORCE TO PRODUCTION NEEDS

1. Flexi staffing allows a business to manage transient manpower demand/supply fluctuations due to business cyclicalities, and/or temporary absence of regular employees.
2. Costs associated with payroll processing and administration, payment of benefits, etc. can be transferred to the flexi staffing agency.
3. Employers can test flexi workers on the job for their skills and temperament, and top performers can later be absorbed into the regular payroll.
4. Utilisation of flexi staff reduces search and recruitment time as well as cost.
5. In an environment of economic uncertainty coupled with rigid labour laws, businesses are reluctant to expand regular payroll before being certain about business growth.
6. Enables businesses to focus on their core activities, while outsourcing support services.
7. Easy availability of un-skilled flexi workers has encouraged many businesses to follow just-in-time flexi hiring.

Reasons that are “Important to very important” for companies to hire agency workers

Germany

84% Flexibility; short notice adaptation of capacity
73% Availability of workers
43% Trying out workers
34% Labour costs of hiring
21% Bureaucracy involved in hiring staff

India

63% Flexibility in manpower planning
49% Compliance efficiency
41% Uninterrupted hiring
39% Enable focus on core business
34% Try out potential hires
20% Complex layout laws
17% Just in time availability

Source: Zeitarbeit in Deutschland – Treiber für Flexibilität und Wachstum. IW Consult GmbH, 2011
Source: based on the responses of senior HR officials of select Rs 5 billion plus companies from 15 different sectors
3- Enabling Security

On average, before entering into agency work, 33% of workers were unemployed, while afterwards only 21% went back to unemployment. Similarly, 43% of people starting agency work were employed before, while 71% remain in employment afterwards. From the business side, 50% of UK companies recognise that agency work is important to secure short term access to key strategic skills. Companies using innovative workforce solutions such as RPO or MSP are able to reduce hiring costs by 38%.

- 33% of workers were unemployed before agency work, while only 21% went back to unemployment.
- 43% of people starting agency work were employed before, while 71% remain in employment.
- Using innovative workforce solutions such as RPO or MSP reduces hiring costs by 38%.
**DELIVER PORTABLE RIGHTS**

The employment industry has developed innovative solutions to implement portable & transferable social rights via bipartite sectoral funds.

Bipartite funds in European countries offer extra social protection to agency workers

<table>
<thead>
<tr>
<th>Country</th>
<th>Social benefits</th>
<th>Training</th>
<th>Healthcare Schemes (complimentary)</th>
<th>Health &amp; Safety at work</th>
<th>Inclusion &amp; coaching</th>
<th>Pension (third pillar)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT</td>
<td>SWF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>BE</td>
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<td>FR</td>
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<td>NL</td>
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<tr>
<td>CH</td>
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</tr>
</tbody>
</table>
The French social fund for the agency work sector (Fastt) delivered 70,000 services in favour of agency workers in 2015 by designing innovative solutions.

<table>
<thead>
<tr>
<th>Access to housing</th>
<th>Transportation</th>
<th>Credit</th>
<th>Child care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health insurance</td>
<td>Holidays</td>
<td>Social assistance</td>
<td>Temporary accommodation</td>
</tr>
</tbody>
</table>

268,000 information requests managed
70,000 services delivered
€22 million invested for agency workers

268,000 information requests managed
70,000 services delivered
€22 million invested for agency workers
**SECURE ACCESS TO TALENTS**

For 50% of UK companies, agency work is important to providing short term access to key strategic skills. This rose to 57% amongst the largest companies (250+ employees).

All who recruit agency workers (n=136)

---

**How would you say that agency workers are for your organisation in terms of the following?**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Responses stating the factor is quite or very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peaks in demand</td>
<td>67%</td>
</tr>
<tr>
<td>Responding to growth</td>
<td>47%</td>
</tr>
<tr>
<td>Fast-changing organisational requirements</td>
<td>51%</td>
</tr>
<tr>
<td>Covering leaves or absences</td>
<td>63%</td>
</tr>
<tr>
<td>Reducing costs</td>
<td>49%</td>
</tr>
<tr>
<td>Managing uncertainty</td>
<td>35%</td>
</tr>
<tr>
<td>Providing short term access to key strategic skills</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: REC Jobs Outlook report – a2016
## Top 3 reasons for choosing agency work

### Belgium (2016)
1. As a stepping stone to permanent work (39%)
2. To earn an additional income (10%)
3. To gain useful working experience (6%)

### Norway (2015)
1. Agency work is a good entry door to working life (40%)
2. Work as agency worker is easier to get than other job (37%)
3. Want to see different workplaces and gain all-round work experience (23%)

### France (2015)
1. Agency work allowed me to find work quickly (52%)
2. Couldn’t find a permanent job (37%)
3. Hope to get a permanent job via agency work (22%)

### Sweden (2015)
1. The agency offered an interesting assignment (38%)
2. I want to see different workplaces and acquire different experiences (33%)
3. Work as agency worker is easier to get than other job (32%)

### USA (2014)
1. It is a stepping stone to a permanent job (49%)
2. Was unable to find a permanent job (40%)
3. To obtain work experience (28%)

### UK (2014)
1. I could not find permanent work (53%)
2. To find work quickly (43%)
3. To earn money quickly (26%)

### Denmark (2016)
1. It is a stepping stone to a permanent job (25%)
2. Work as agency worker is easier to get than other job (17%)
3. To gain more work experience (12%)

Source: National federations of World Employment Confederation

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### ACT AS CAREER AGENT

The employment industry supports workers in many different ways: quick access to work but also possibility to gain work experience.
INCREASE BUSINESS COMPETITIVENESS

Most efficient organisations rely to a greater extend on agency and temporary workers to conduct their business.

n=192

Source: Aberdeen Group

How do the best-in-class see agency and temporary workers?

Vital component of our business: we rely heavily on contingent workers or a moderately significant component of our business

- Best-in-class: 90% (Vital)
- All others: 73% (Vital)

Slightly significant component of our business or do not utilise contingent labor on a significant scale

- Best-in-class: 10% (Slightly significant)
- All others: 23% (Slightly significant)

Source: Aberdeen Group
Most efficient organisations are more likely to use a Managed Services Provider (36% vs 21%) to support the management of agency and temporary workers.
INCREASE BUSINESS COMPETITIVENESS

RPO usage has a big impact on HR KPIs. Companies that invest in an RPO provider are able to reduce hiring costs by 38%.

Source: Aberdeen Group, May 2016
4- Enabling Prosperity

By reducing frictional unemployment, the industry contributes to public budgets, saving governments the cost of unemployment benefits. In addition, the provision of flexible workforce solutions leads to a reduction of undeclared work, increasing social charges and corporate tax being paid. Finally, the industry drives inclusiveness and participation to the labour market: 34% of agency workers are younger than 25 years old and 44% are women.
Agency work contributes to reduce frictional unemployment by ensuring a better and faster match between supply and demand of work.
Statewise agency work penetration (% of workforce)

States with higher agency work penetration than national average of 0.51% in 2015

- Delhi: 2.79%
- Haryana: 1.67%
- Karnataka: 0.94%
- Maharashtra: 0.87%
- Gujarat: 0.58%
- Tamil Nadu: 0.58%

States with lower agency work penetration than national average of 0.51% in 2015

- Andhra Pradesh: 0.38%
- Rajasthan: 0.36%
- Uttar Pradesh: 0.36%
- West Bengal: 0.35%
- Madhya Pradesh: 0.30%

India: Low average unemployment rate of 2.59% in states with agency work penetration higher than national average of 0.51%

1 Refers to undivided Andhra Pradesh

Source: Nielsen estimates using N550 and Ministry of Labour data
INCREASE INCLUSIVENESS AND DIVERSITY

People are looking for different types of jobs and individualized working conditions, reflecting the end of the one-size-fits-all approach.

The employment industry provides a full range of arrangements to meet this diversity of expectations.

### Type of work sought (US)

- **Full-time**: 75%
- **Part-time**: 53%
- **Temporary or Contract**: 36%
- **Freelance or Independent Contractor**: 31%
- **Seasonal**: 31%

Source: American Staffing Association Workforce Monitor™, an online survey conducted Dec. 22-28, 2015, among 1,008 U.S. adult job seekers, by Harris Poll.
The employment industry offers work solutions to a range of people and increases inclusiveness, especially for young people and women.

At global level, 44% of agency workers are women and 31% are under the age of 25.
INCORRECT WORK INCOMES

Many students use agency work to fund their studies.
In the USA, sales revenues of the employment industry has never been so high, reaching $147 billion in 2015, contributing to reducing unemployment and creating work opportunities that would not exist otherwise.
ENRICH GDP BY TAXES AND SOCIAL CHARGES

By employing millions of workers, the employment industry contributes significantly to public budgets by paying social charges and corporate taxes. By reducing levels of unemployment, the industry contributes to reduce public spendings on unemployment allowances.

**France**
- €260 million of local taxes (contribution économique territoriale)
- €170 million of corporate tax
- €4.7 billion of social security contributions (companies)
- €3 billion of social security contributions (employees)

**UK**
- 76% of value added to the UK economy by the industry was derived from temporary employment activities.
- £35 billion of economic added-value in 2015/2016
- Employment industry contributes more to the UK economy than advertising, arts and recreation, and the food and beverage industry.
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 as Dispatched Labour in Asia, Labor Hire in Africa or Temporary Staffing in the USA.

Career management
Main service segments are individual outplacement services, executive outplacement services, group outplacement services and other employment transition services. In these segments, outplacement services companies provide a range of employment and career services. These include resume writing, interview skills, job search strategies, coaching and career guidance. Employers generally pay all of the costs associated with these services.

Daily average number of agency workers (FTE)
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 executive search & selection.

Managed Services Provision (MSP)
MSP is a service whereby a company takes on primary responsibility for managing an organization's contingent workforce program. Typical responsibilities of an MSP include overall program 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 on the client’s site. An MSP may or may not be independent of a staffing supplier.

Penetration rate
Daily average number of agency workers (in full-time equivalents) 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 & MSP. The broad range of these services are called 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 & accounting, communications & 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, provide the necessary skills, activities, tools, technologies, and process methodologies.
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