

# Economic Report 2024



**WORLD  
EMPLOYMENT  
CONFEDERATION**

The Voice of Labour Market Enablers

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# Foreword

## Navigating in turbulent times



Marius Osterfeld  
Chair of the Economic  
Affairs Committee



Viktorija  
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Intelligence Manager

The HR services industry demonstrated remarkable resilience and adaptability throughout 2022, following a stellar recovery in 2021 from the global economic downturn caused by the pandemic. During an era marked by rapid change, uncertainty, complexity, and ambiguity, this annual economic report serves as a compass, shedding light on the most recent trends in the industry.

In 2022, the HR services industry remained an anchor for millions of individuals and thousands of companies worldwide, facilitating the return of job seekers to employment and filling vacancies. From innovative remote work solutions to the prioritisation of workforce well-being, organisations within the HR services ecosystem demonstrated agility by putting the needs of both clients and workers at the heart of their operations. The result was not only growth for the industry and the economies they operate in but, most importantly, the invaluable support provided to their clients in those troubled times and the positive impact they have made on the lives of millions of workers.

As we delve into the data presented in this report, it becomes clear that collaboration and innovation are key to successfully navigating the complexities of today's labour markets. Looking ahead, let this report be a cornerstone for informed decision-making and strategic planning, securing ongoing growth for the HR services industry. A benefit not only for the industry but also for society at large.

# Key findings

Key results of 2022 and early indications for 2023



Following a strong 2021, the first half of 2022 was still upbeat, but by Q4 2022 agency work activity in terms of hours worked started declining across the globe. Tight labour markets, characterised by high levels of job scarcity, peaked in 2022 helping the global unemployment rate reduce from 6.1% in 2021 to 5.9%. At the same time, production limits due to lockdowns in crucial global economies like China and the rising demand after lockdown lifts triggered inflation.



As a result, the HR services industry turnover grew 8.3% in 2022, largely as a result of an increase in workers' remuneration. Largest HR services markets' sales revenues, such as the US, grew a solid 8.3% in 2022, while Australian and Japanese markets expanded 13.4% and 12.7% respectively. Turnover in Germany grew 8.6%, while the UK registered a modest 1.8% increase. Among smaller markets, double-digit growth was registered in Canada (27.3%), Switzerland (+18.8%), China (18.3%) and India (+17.4%).



Number of people placed in jobs by the HR Services industry globally increased 4.7% in 2022 to nearly 60 million individuals. Strong development was reported by Ireland (41%), India (13.9%) and Australia (10.4%). A reduction in headcount took place in Portugal (-17%), Denmark (-12%) and Chile and Brazil (both -8%).



Despite the overall positive results in terms of the number of people that the HR Services sector helped find jobs, the agency work penetration rate was largely stable at 1.9% compared with 2021, indicating that the increase in the working age population in 2022 from the year before was proportional to the increase in the number of people placed in jobs.



Early indications suggest that in 2023, the agency work activity dynamics stayed largely negative way throughout the year. While the number of open job postings started gradually reducing, the gap is still wide, not least due to a skills mismatch. This fact points to a great need and opportunity for training and (re-)skilling of job seekers.



# Overview of the HR 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 task".

## Managed Services Providers

MSP is a service whereby a company takes on primary responsibility for managing an organization's contingent workforce programme. Typical responsibilities of an MSP include overall programme management, supplier selection and management, order distribution and often consolidated billing. And 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 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 of all its recruitment process and related recruitment supply chain partner relationships, provided the necessary skills, activities, tools, technologies, and process methodologies.

## Career Management

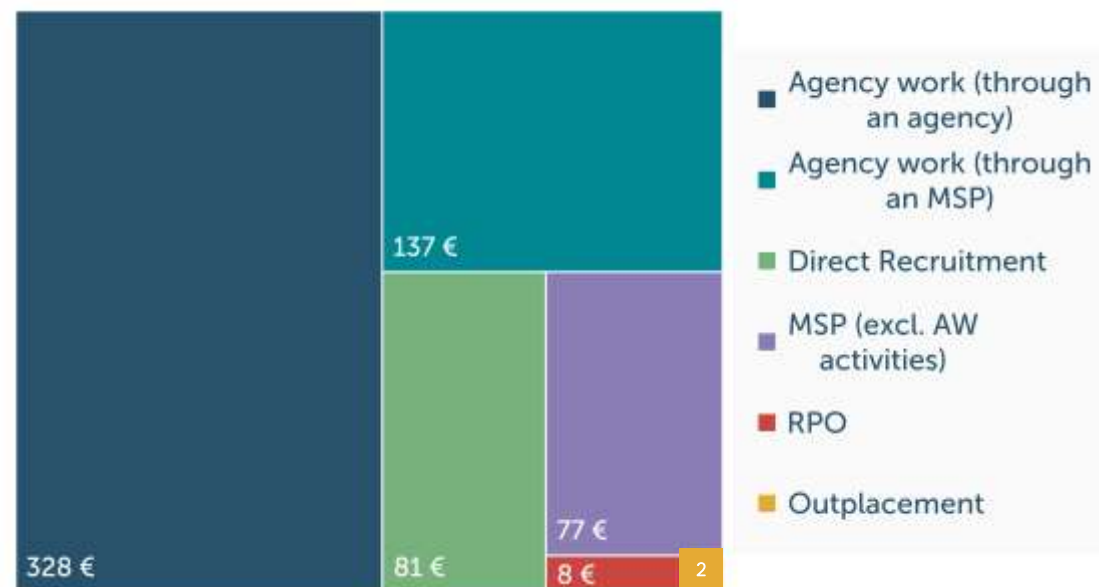
Services which enable jobs, skills and business performance to be viewed in an integrated way and with a long-term perspective. In includes primarily services such as outplacement and career transition, redevelopment and other development activities designing to help organisations and individuals to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



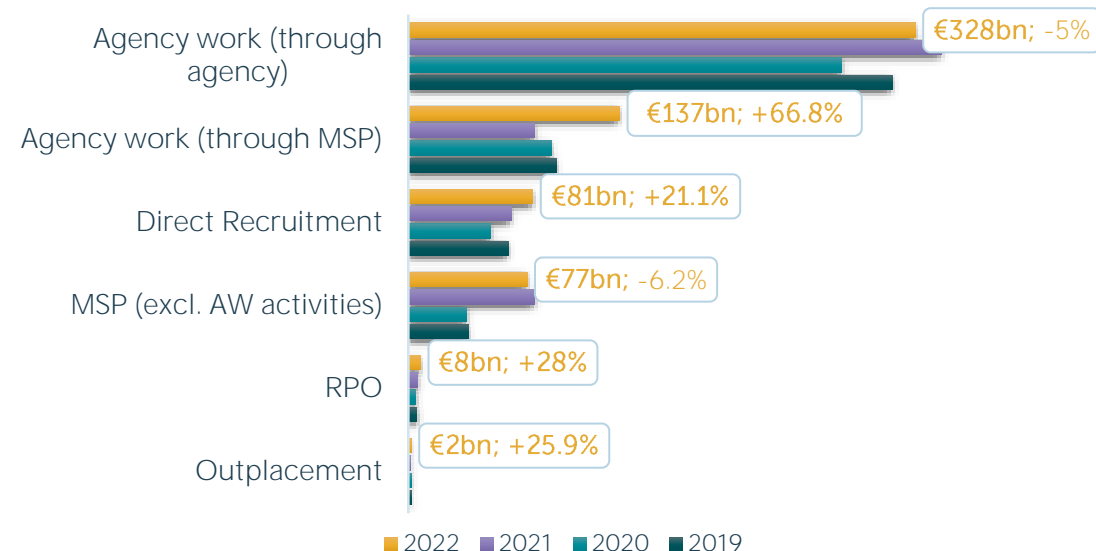
# Global sales revenues of HR services industry grew 8.3%\* in 2022

## Private Employment Services Industry Global Market 2022

**€632bn**  
**US\$666bn**

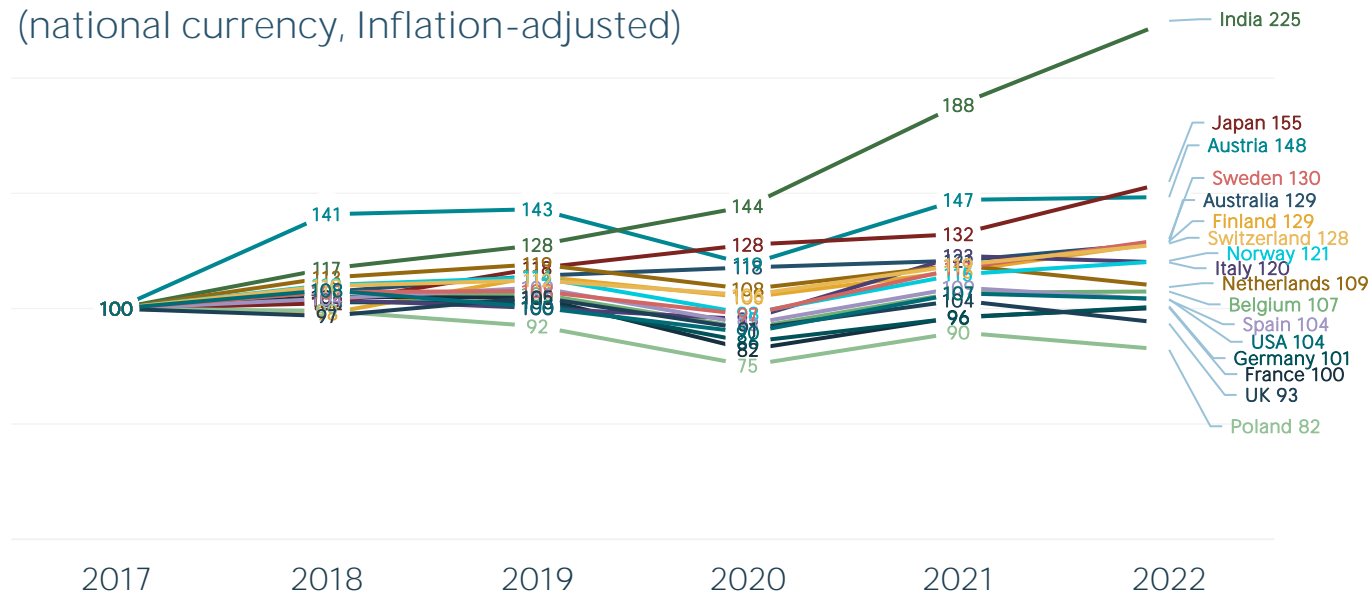


## Global HR Services Industry (€bn)



# Top 5 markets' sales revenues increased 11% between 2017-2022

HR Services Sales Revenues index in selected Countries  
(national currency, Inflation-adjusted)

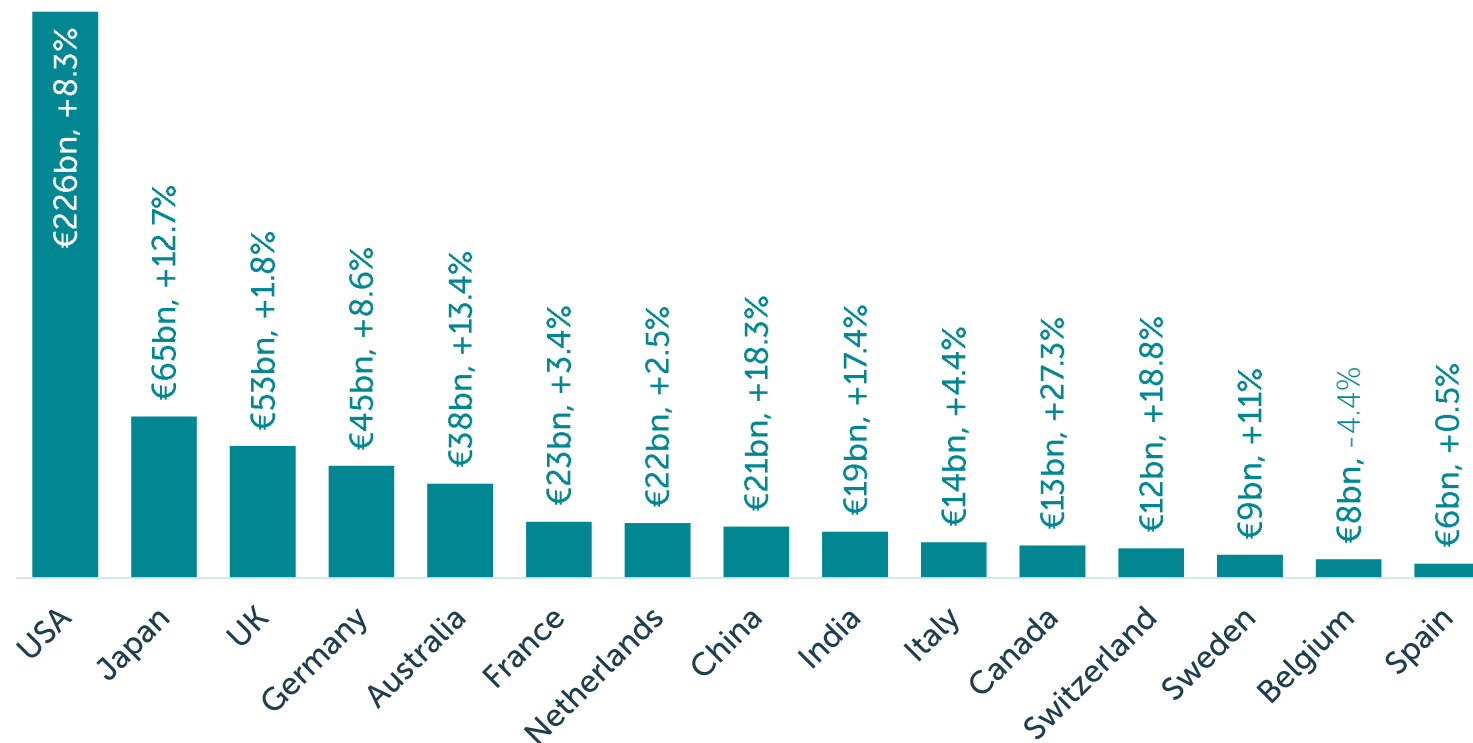


	2020	2022
India	144	225
Japan	128	155
Austria	119	148
Sweden	97	130
Finland	105	129
Australia	118	129
Denmark	99	129
Switzerland	106	128
Norway	98	121
Italy	95	120
Netherlands	108	109
Belgium	91	107
USA	90	104
Spain	93	104
Germany	86	101
France	82	100
UK	91	93
Poland	75	82

Sales revenues  
in 15 largest  
markets grew  
8.9%

—  
Evolution was varied  
across countries

Sales revenues in largest HR services markets - 2022  
(€bn, y-o-y %)





# Top five countries represent 67% of WEC global sales revenues



€ 226bn (USD 238bn)



€ 65bn (USD 68bn)



€ 53bn (USD 56bn)



€ 45bn (USD 47bn)



€ 38bn (USD 40bn)

Top five HR services markets totalled

**€426bn (USD 449bn) or 67%**

of the global total of HR services sales revenues in 2022.

All largest markets grew in 2022.

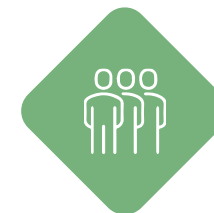
## HR services industry increased agencies & staff steadily

Global growth in 2022 was mainly driven by the Chinese market



220 068

HR Services  
Agencies



4 million

Internal  
Staff

The number of HR services agencies grew

1.9%

The number of internal staff grew

2.2%

# Number of people placed in jobs by HR services increased by a strong 4.6% in 2022

Growth was sustained in most of the largest global HR markets

## 59.5 million

Number of people placed by Private Employment Agencies globally



### 55.4 million

Number of placements through TWA's



### 4 million

Number of placements through DR



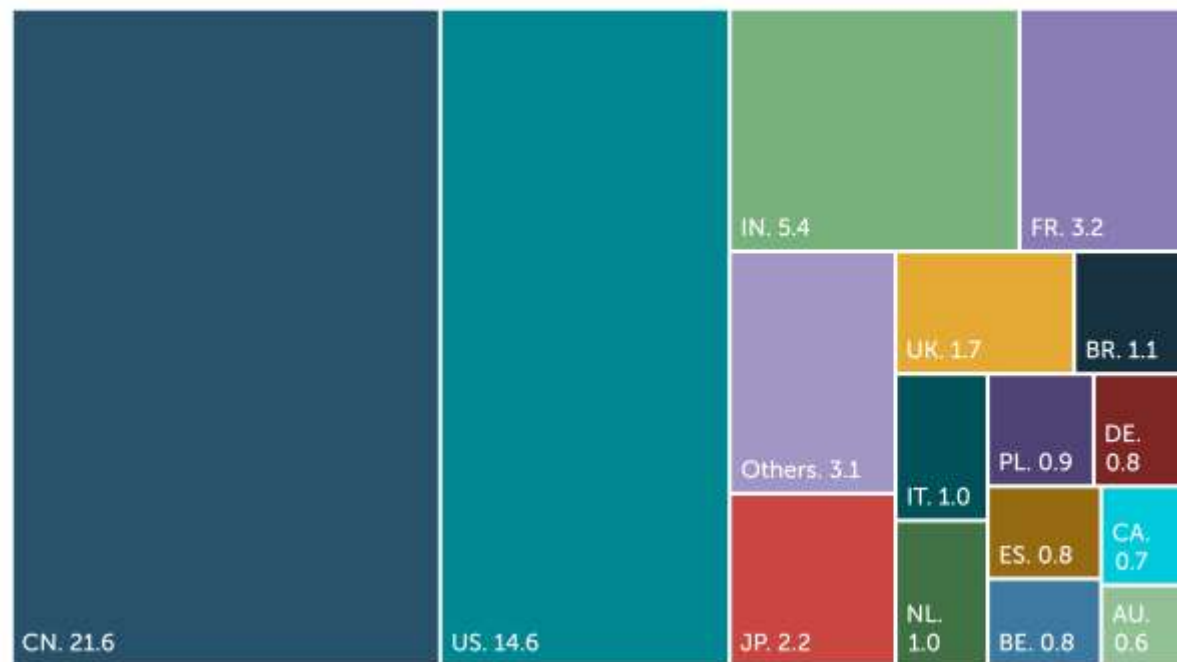
## +2.6 million

people were placed in temporary and permanent jobs by the HR services agencies in 2022, an increase of 4.6% compared with 2021.



# China, USA & India accounted for 70% of all workers placed by HR services

Job placements in largest HR services markets  
- 2022 (m)



## TOP PERFORMERS

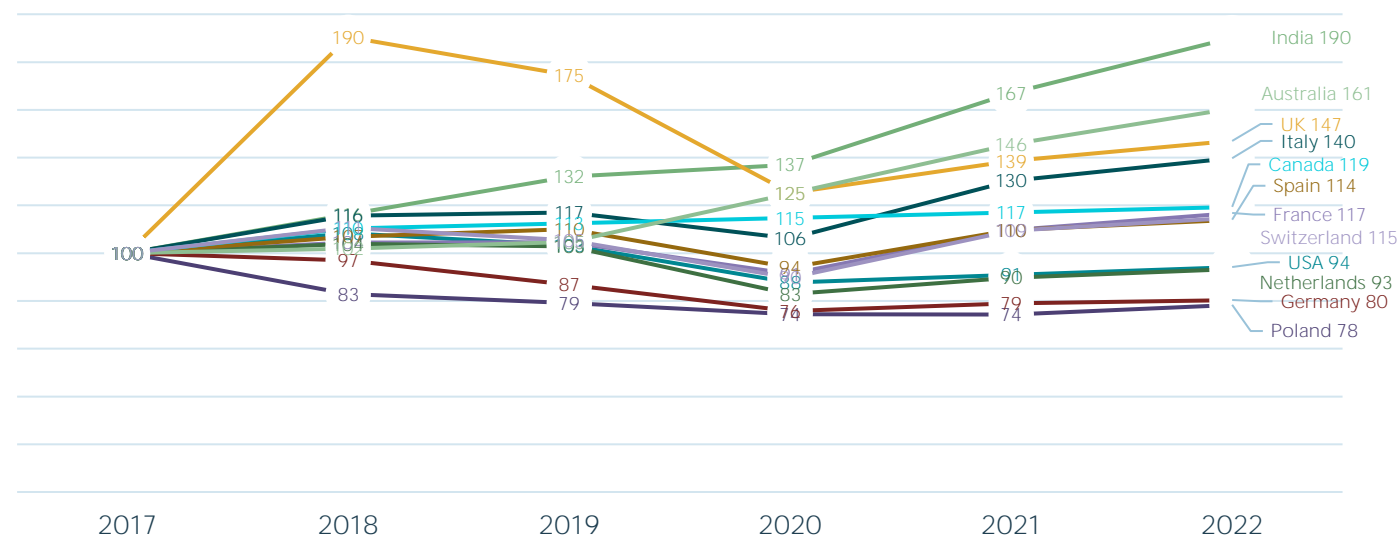


Romanian private employment agencies increased the number of people placed in jobs 91% in 2022 compared with the year before. Second biggest gain was recorded in Ireland (+41%).

# Top 15 markets\* placed 12% more people in jobs in 2022 compared with 2017

Headcount index for selected countries (2017 = 100)

HR services headcount index, selected markets

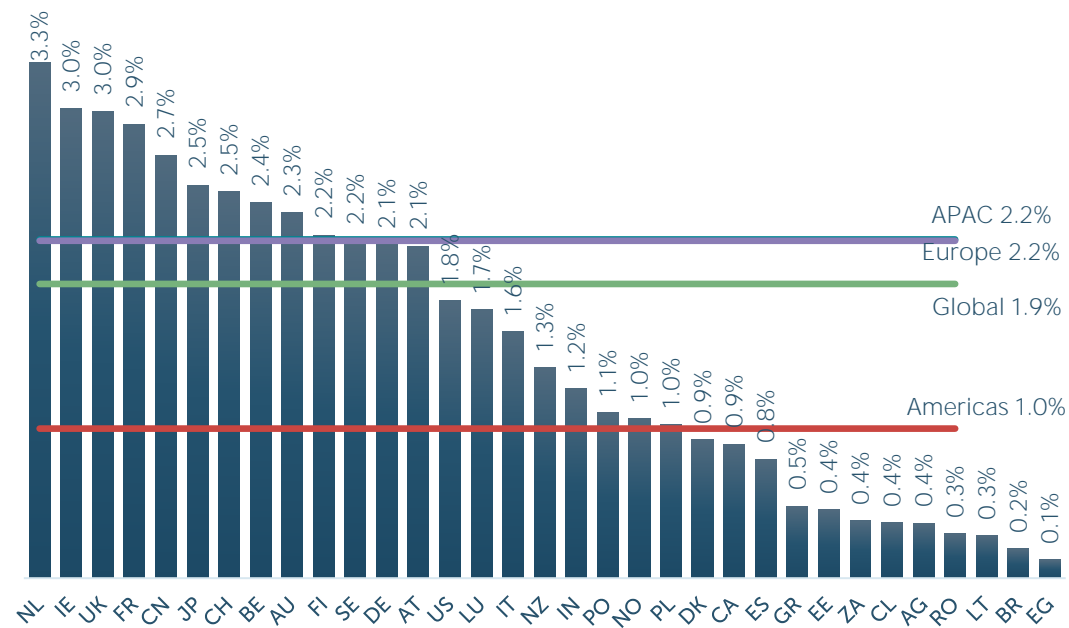


	2020	2022
India	137	190
Australia	125	161
UK	125	147
Italy	106	140
Brazil	100	129
Canada	115	119
France	91	117
Switzerland	90	115
Spain	94	114
Belgium	92	113
TOP 15	96	111
Japan	100	111
USA	88	94
Netherlands	83	93
Germany	76	80
Poland	74	78

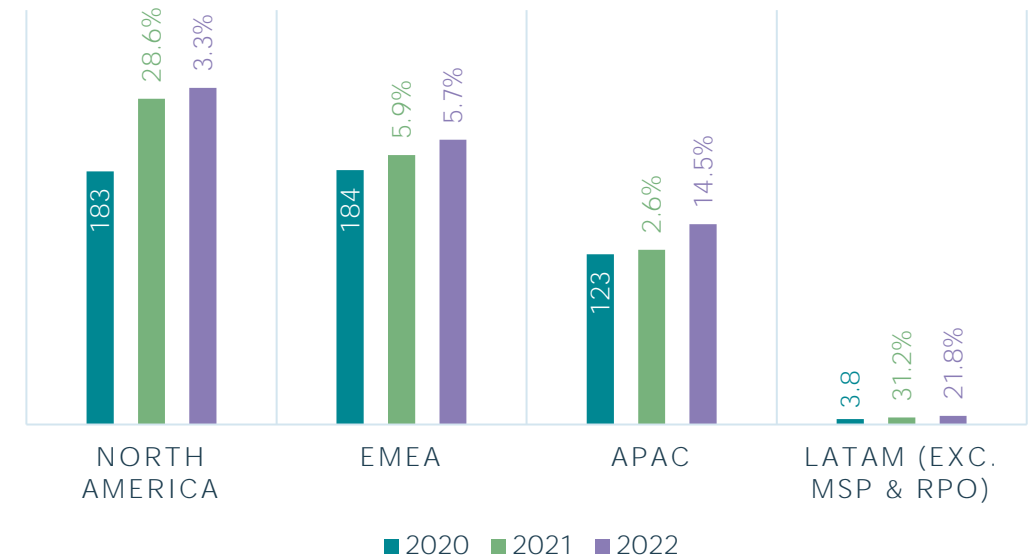


# Global penetration rate for agency work remained broadly stable

Penetration rate - 2022 (%)

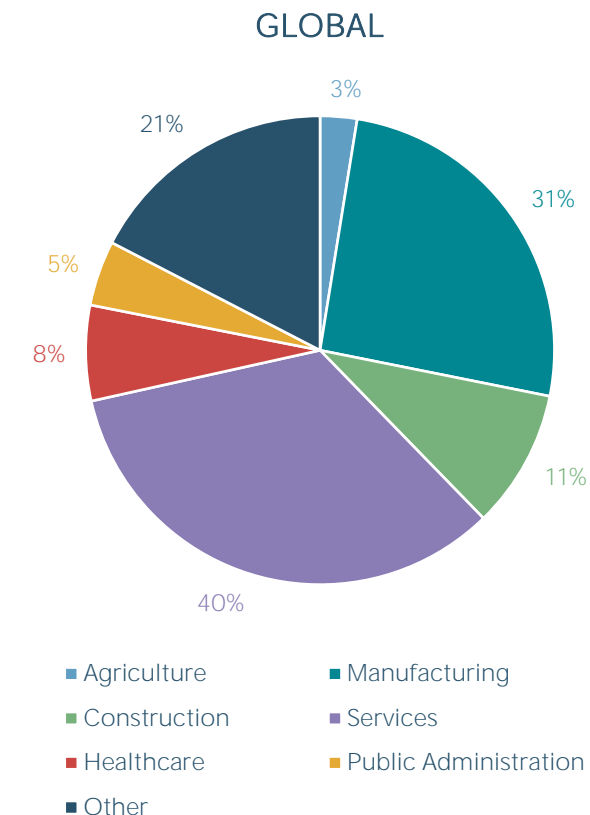
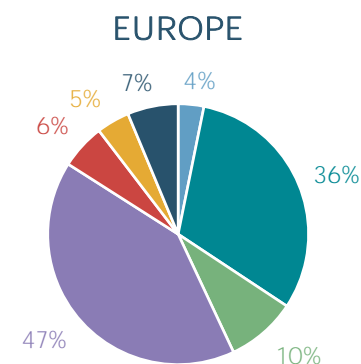
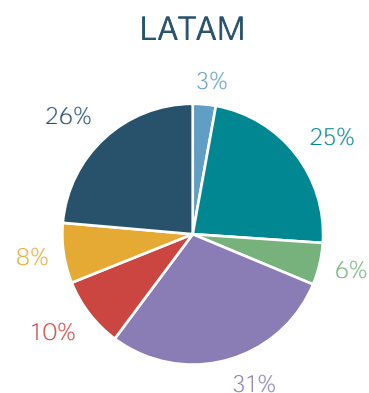
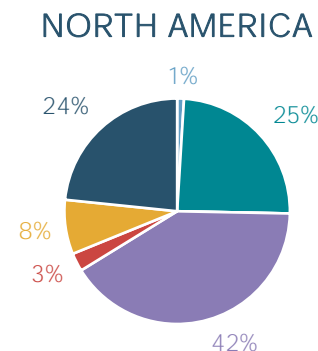
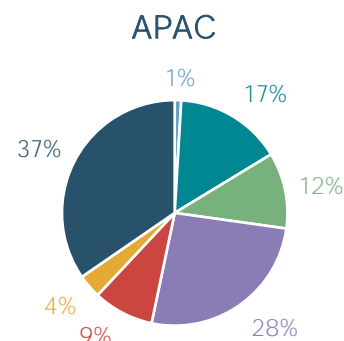


Evolution of agency work penetration rate by region (2020 in €bn, 2021 & 2022 in % change)



HR services  
are vital for all  
economic  
sectors

Services is the  
primary sector for  
agency workers'  
employment



## Agency workers continue to play a pivotal role in healthcare

In most countries, level of engagement of agency workers in healthcare was sustained also in the years following the pandemic

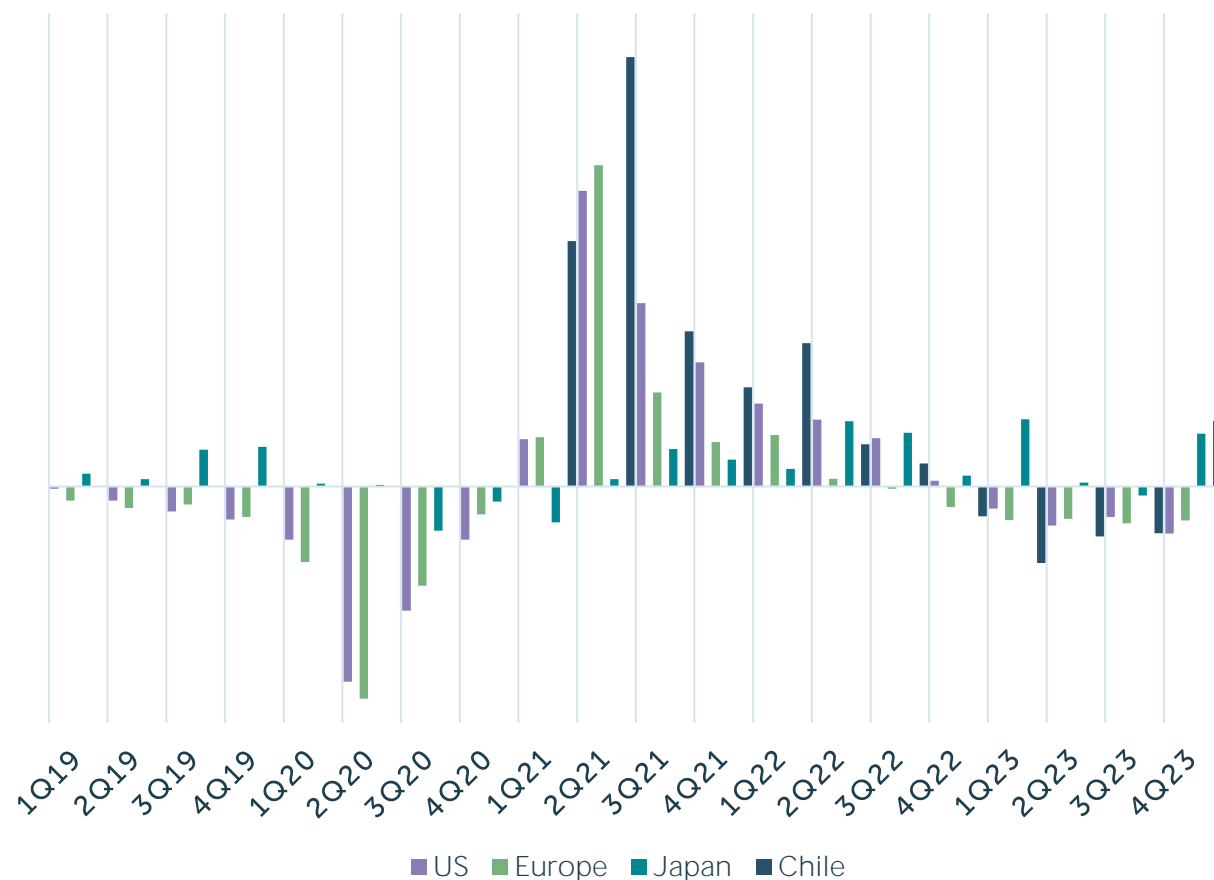
Agency workers in healthcare (% of all agency workers)



# 8%

The global (unweighted) share of agency workers in healthcare sector inched upwards in 2022.

## Agency work activity for selected countries / regions – quarterly dynamics (y-o-y, %)

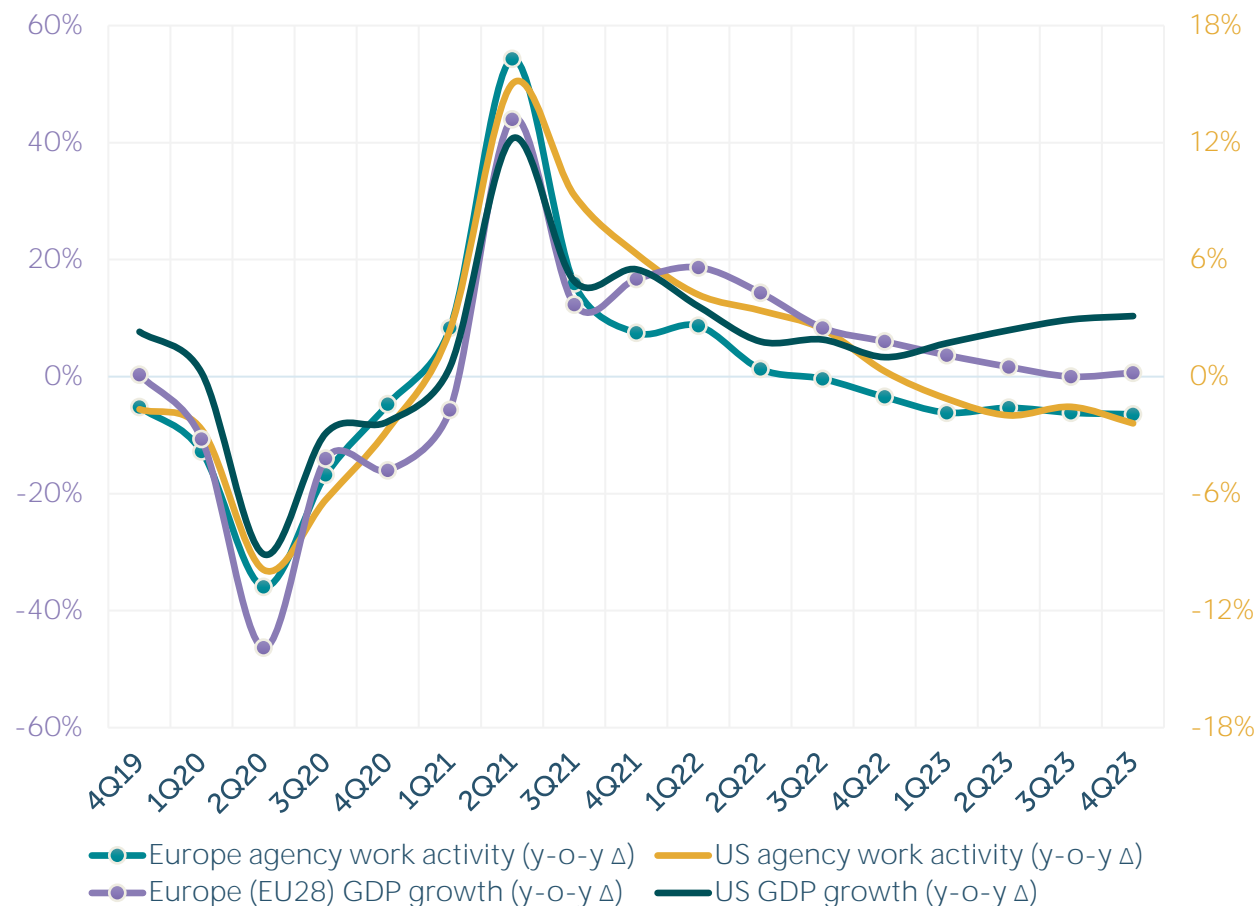


2023 was a challenging year for the global agency work industry



2023 showed an overall decline in the agency work activity, with Japan and Chile showing a decisive uptick in the last quarter of the year.

## US & European quarterly agency work activity vs GDP dynamics (y-o-y, %)



# HR services industry activity is the oil in the economic engine

HR services help businesses grow by searching & placing skilled workforce

2023 was a special year in the USA



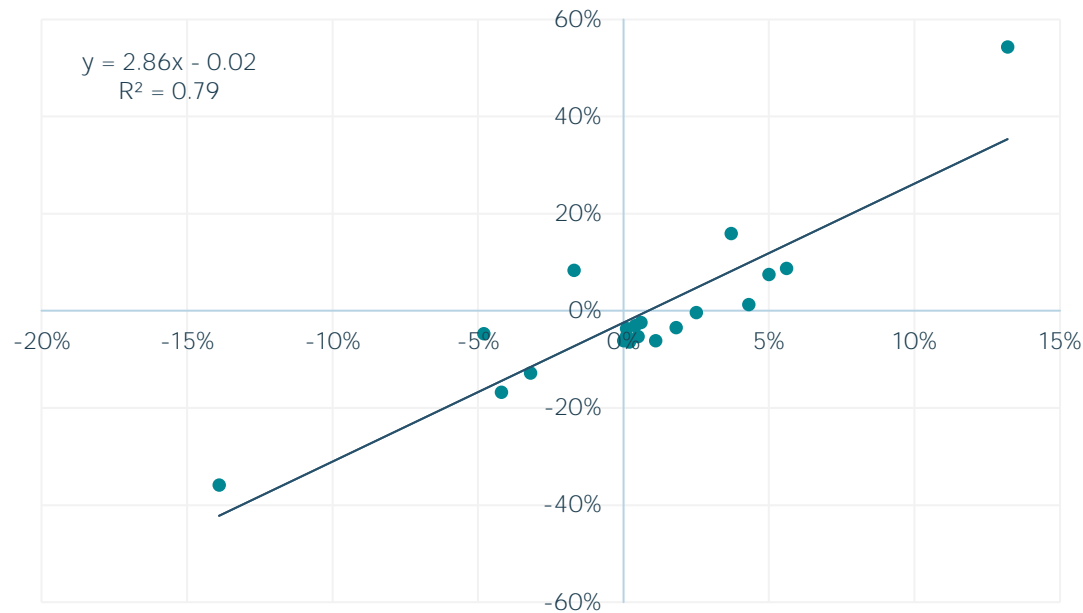
Markets were still tight after strong growth in job placements in 2022. The room for manoeuvre for HR services industry was smaller in 2023 ("The Great Stay") while the economy was still going strong.



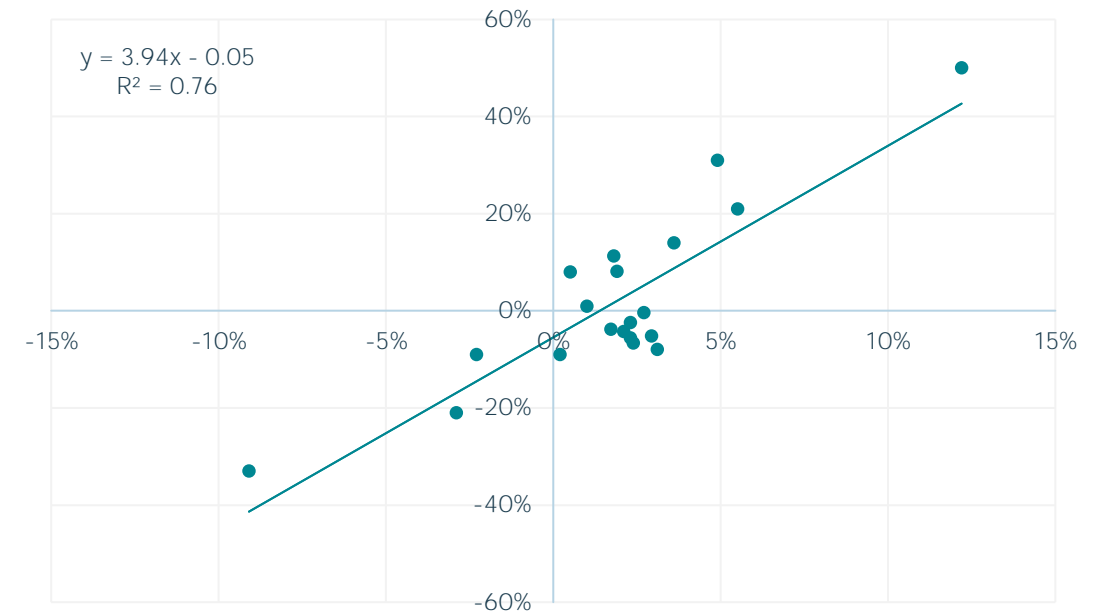
# Change in agency work activity is a reliable predictor of a change in economic sentiment

Agency Work is strongly correlated with the GDP across geographies

Correlation: **European** agency work dynamics & GDP dynamics, 2019-2023



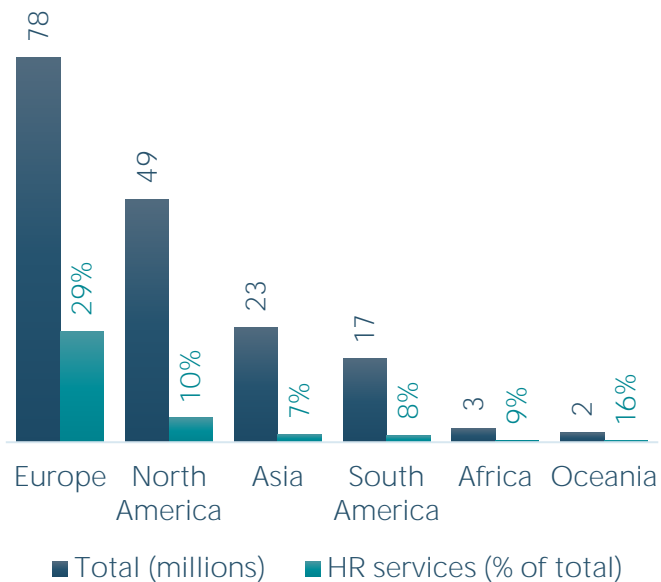
Correlation: **US** agency work dynamics & GDP dynamics, 2019-2023



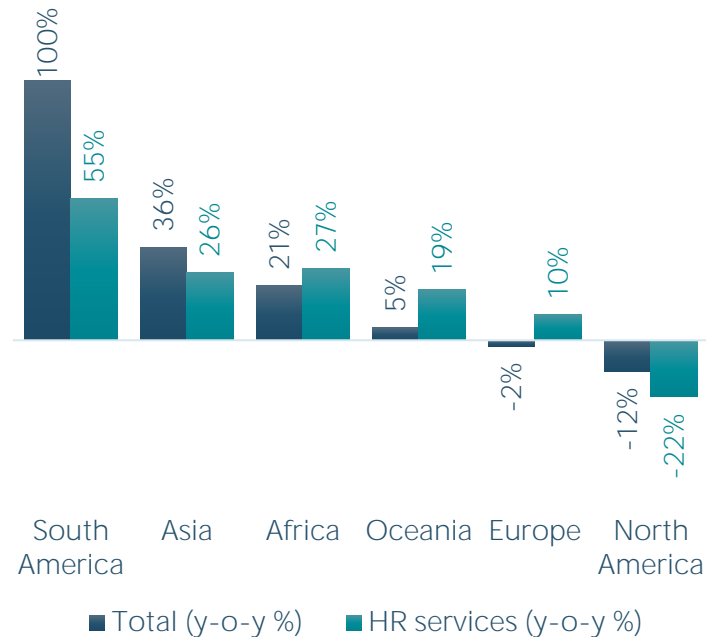
# The online job market has been expanding

## Europe is the world's largest online jobs market

Number of unique online jobs postings by region - 2023



Dynamics of unique online job postings by region - 2023



Online job postings by HR services agencies represented

18%

of all online job postings in 2023.



HR services companies' online job ads increased

5.3%

globally in 2023 compared with 2022.



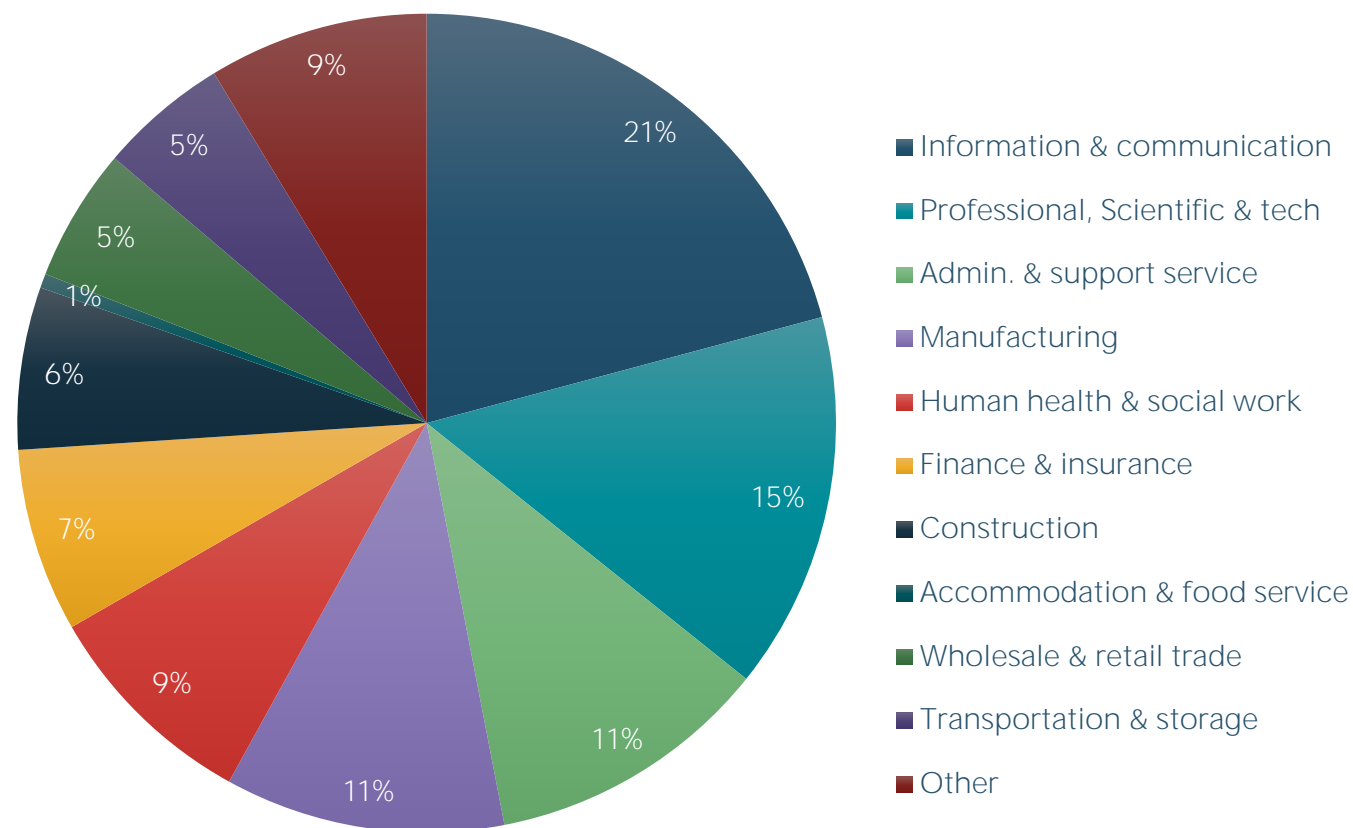
HR services are placing people in jobs across all economic sectors



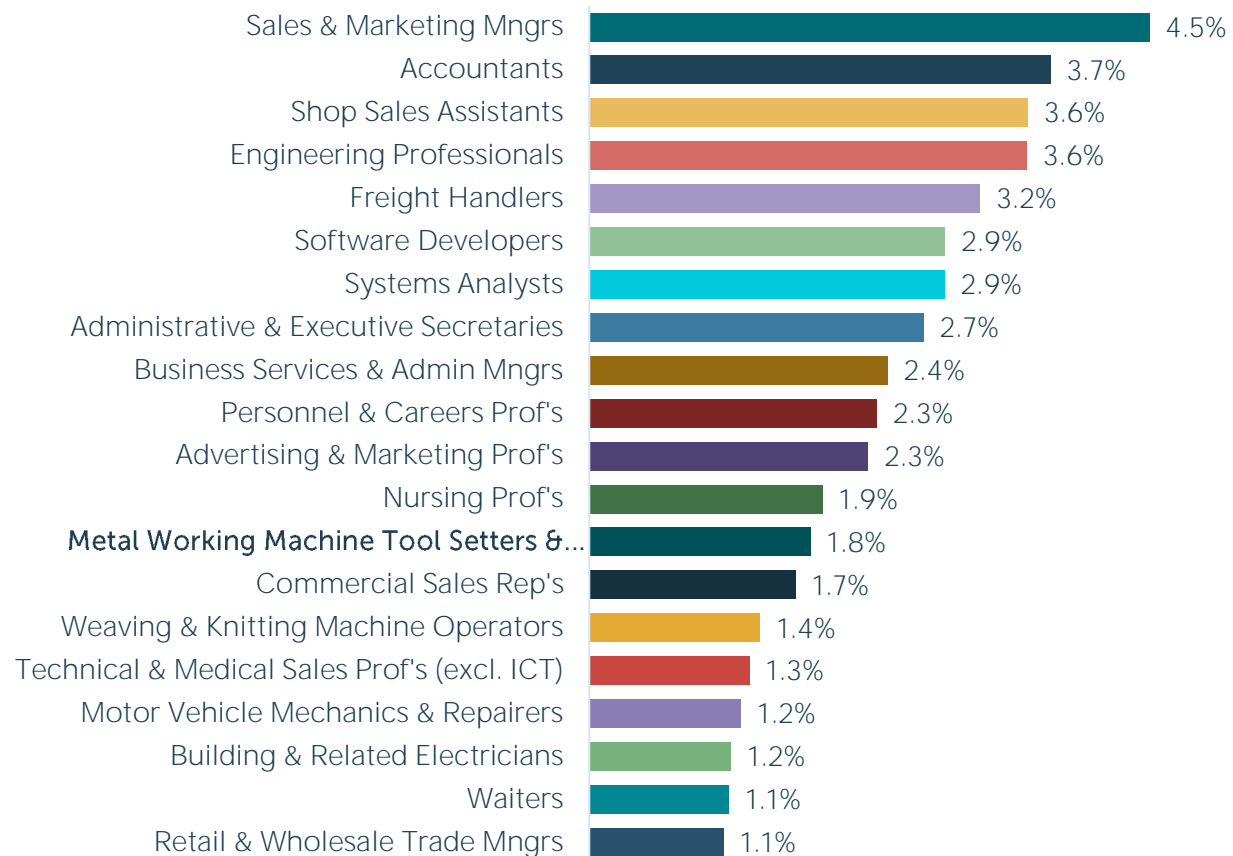
20.8%

Is the share of the Information and communication services industry in all online HR services agencies' job postings in 2023.

Number of unique staff agencies' online postings by industry - 2023



## Top 20 occupations sought by HR services in online jobs markets - 2023 (% of all occupations)



A wide variety of occupations are sought by HR services agencies online

47  
%

of all  
occupations



Top 20 occupations represent nearly a half of all occupations that were sought online by HR services companies in 2023.

# Agency work creates employment opportunities for women around the globe

Share of women in agency workforce depends largely on the industries agency workers are placed in

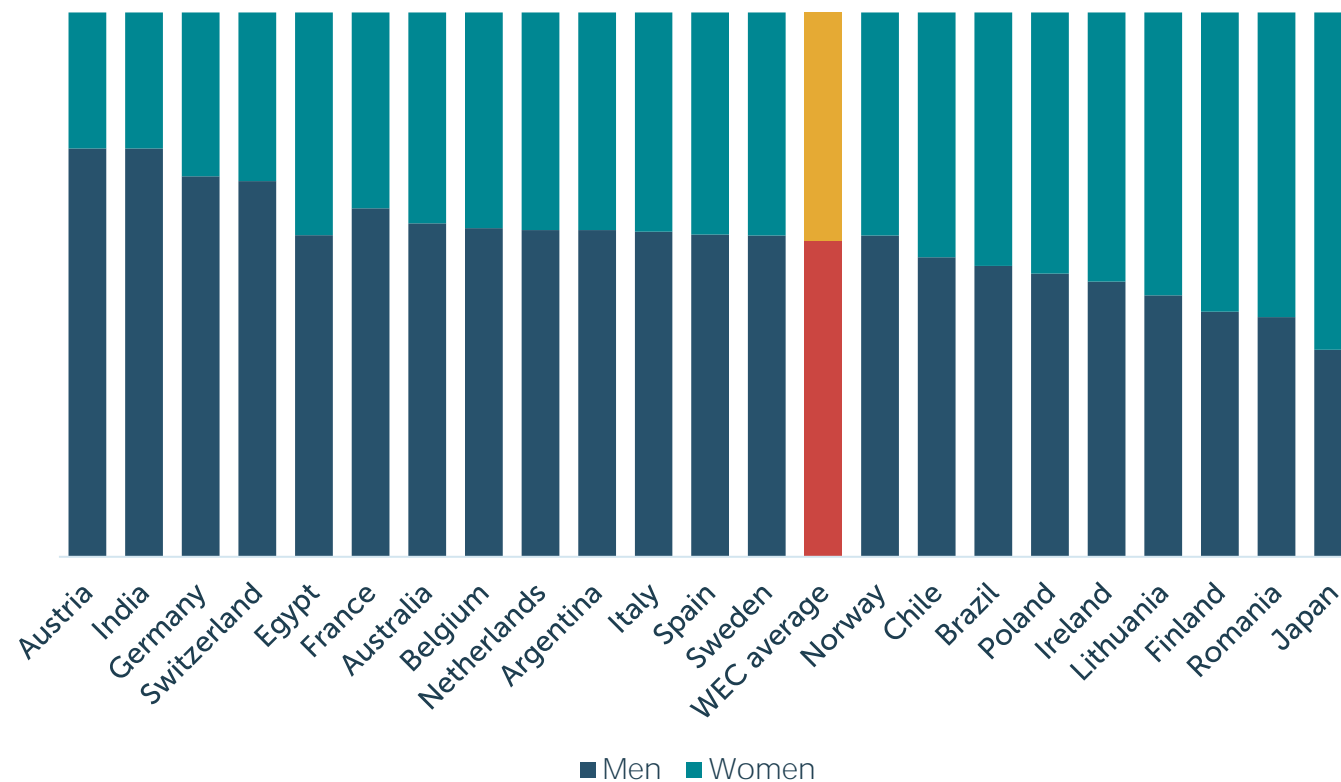


## 58% vs 42%

is the global average split of agency workers into, respectively, men and women in 2022.

The global share of women in the entire labour force in 2022 was 39.7%.

Agency workers by gender - 2022  
(% of all agency workers)





## Agency work supports youth in accessing labour markets

The agency workers' age structure is also influenced by national demographics



# 50%

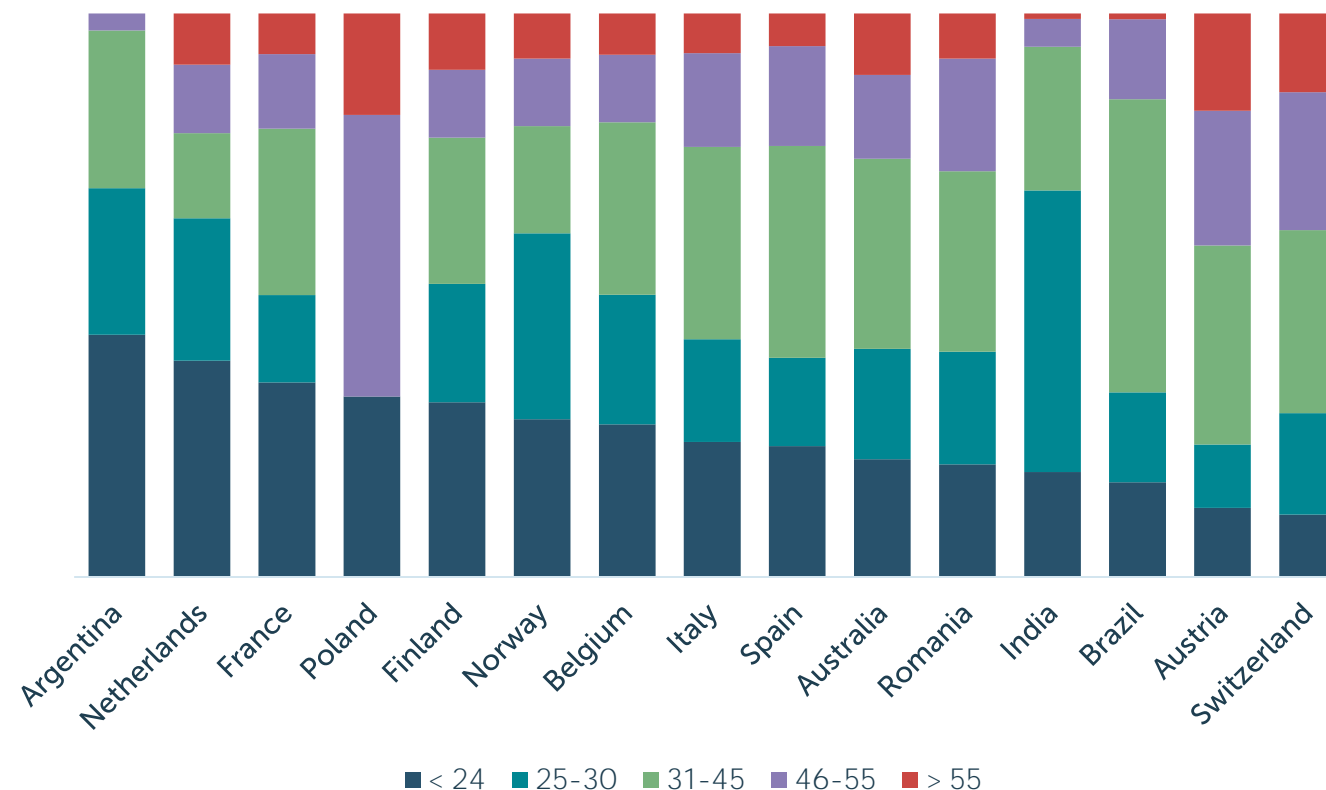
of agency workers are under 30



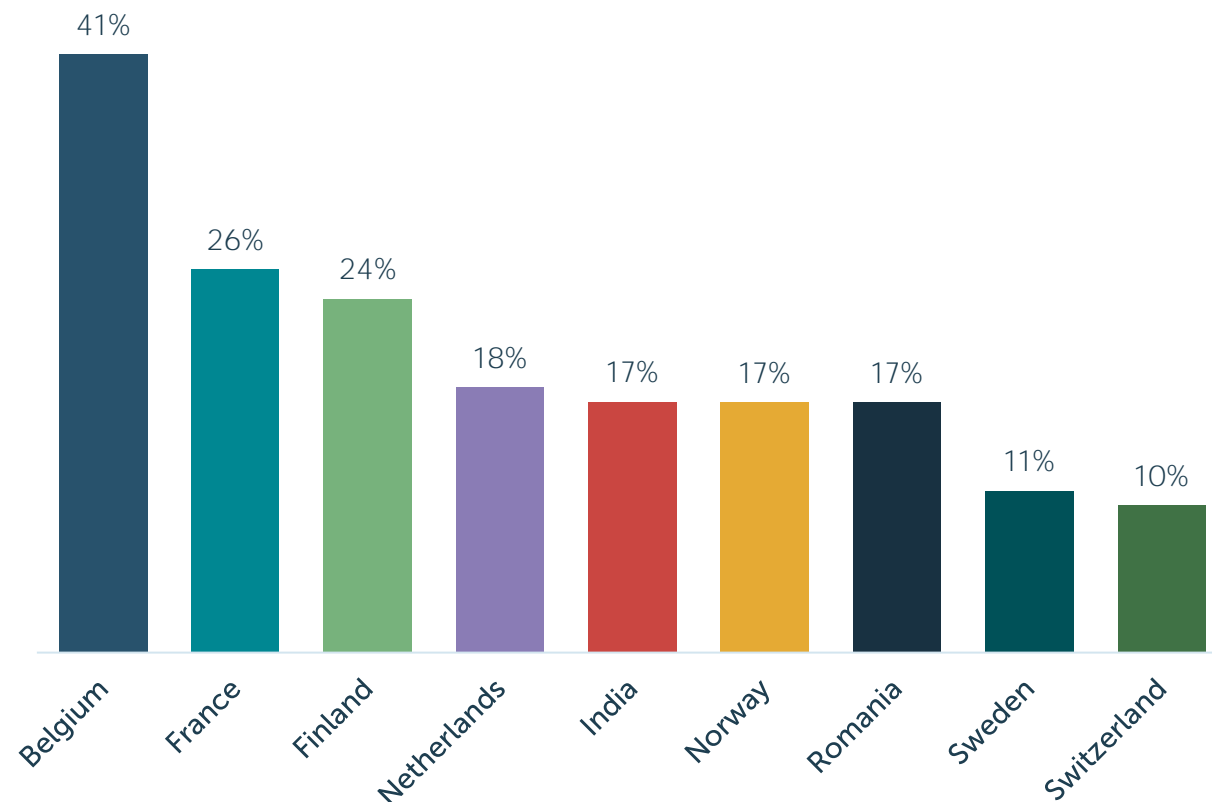
# 25%

of agency workers are aged 45 and over

Agency workers by age - 2022  
(% of all agency workers)



## Students among agency workers - 2022 (% of all agency workers)



Agency work  
offers appealing  
pathway to  
employment  
for students

20% of agency workers,  
on average, are  
students.



## On average, agency workers are well-educated

Average level of qualification of agency workers is conditional upon limitations on use of agency work in specific sectors or types of jobs



# 45%

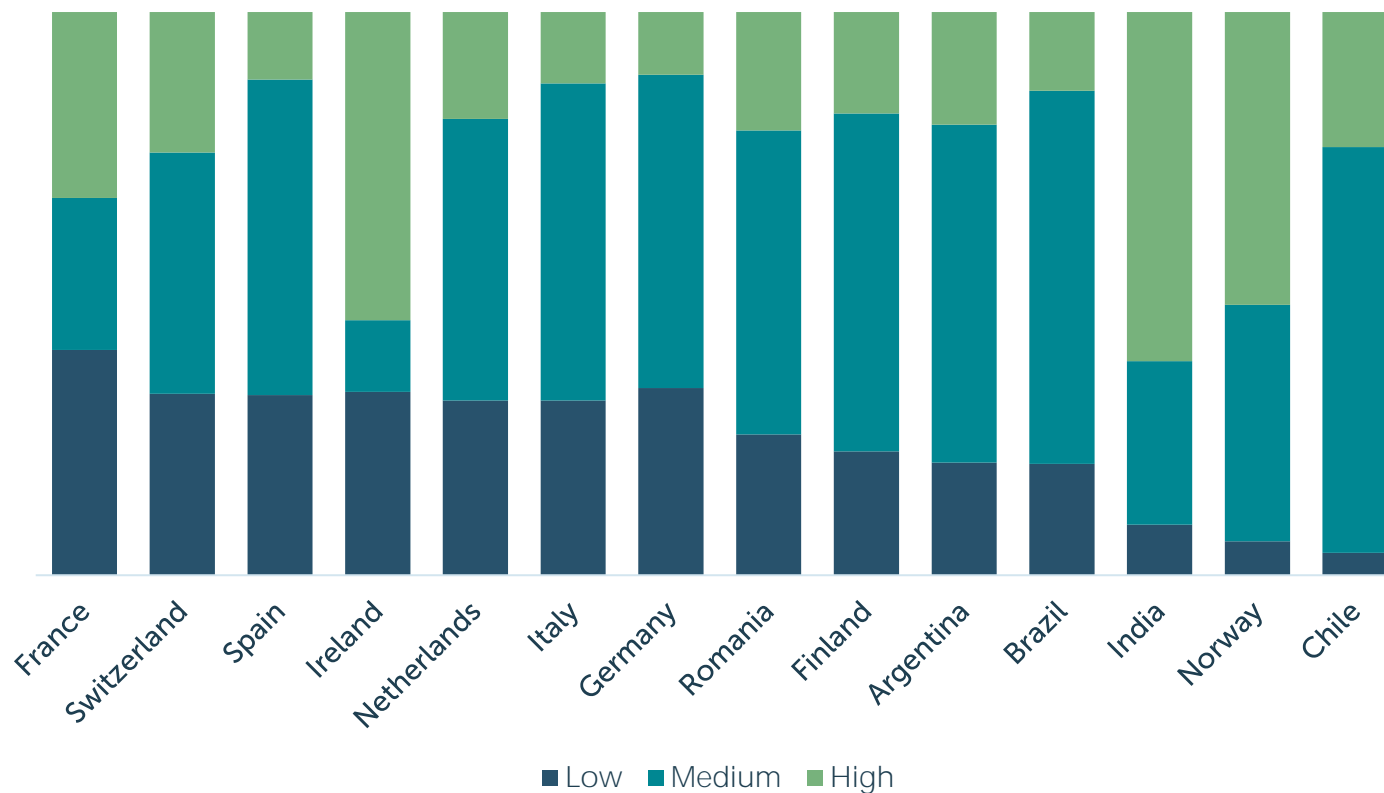
of agency workers, on average, have a secondary (medium) level of education.



# 33%

of agency workers, on average, have higher education.

Level of education of agency workers - 2022  
(% of all agency workers)



All types of jobs can be filled by agency workers, even high-skilled ones

Level of skills depends on profession and on the economic sector



19%

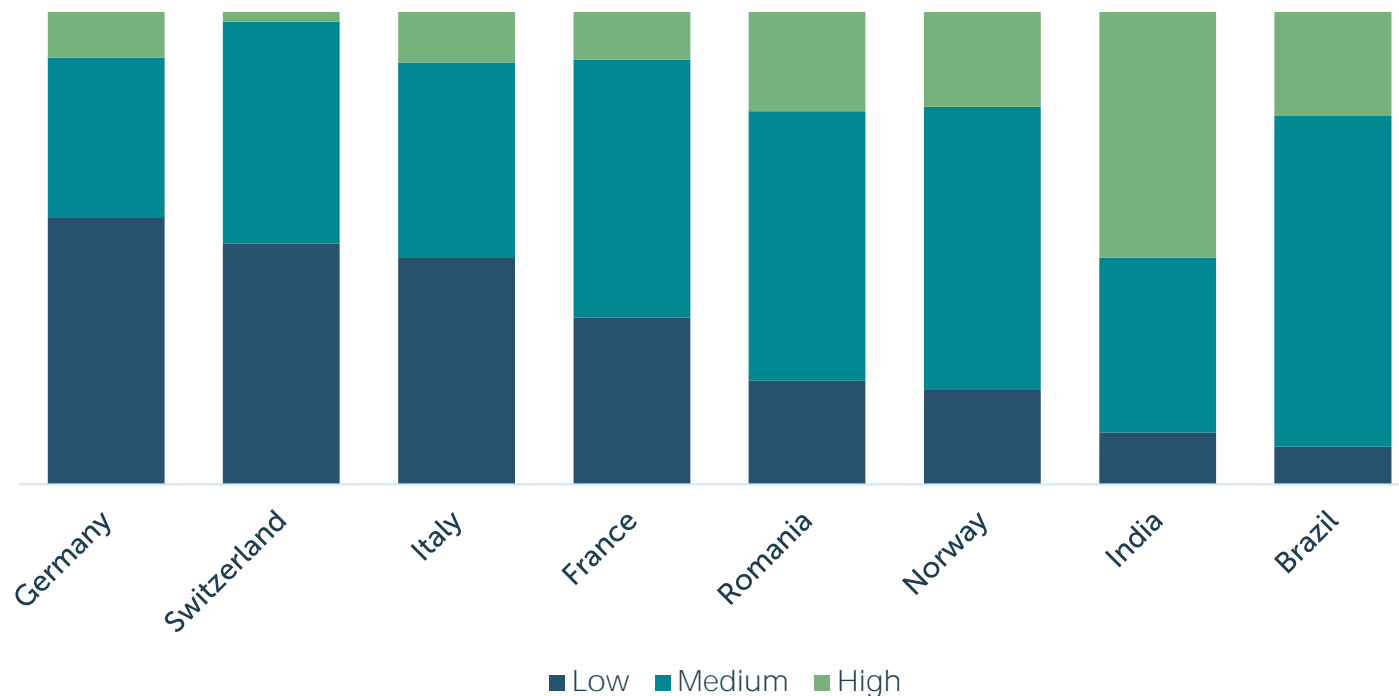
of agency workers are expected to have high level of skills



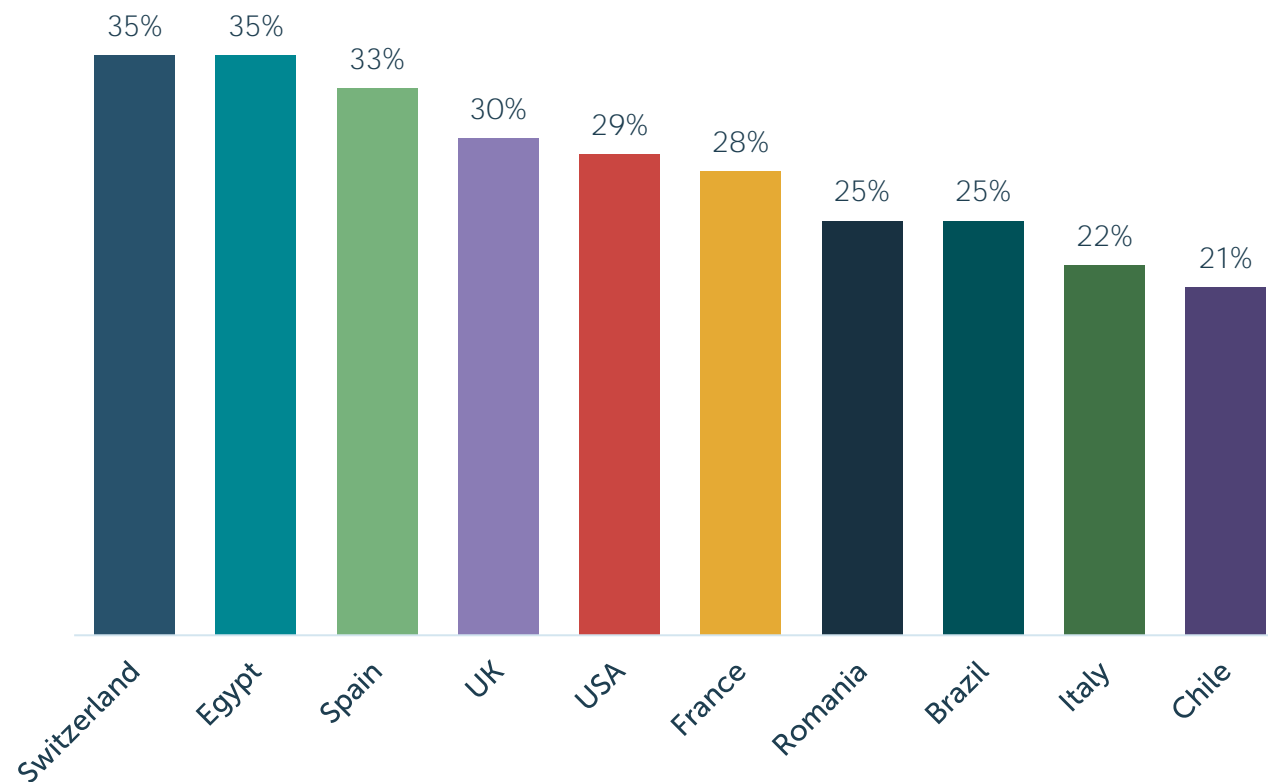
53%

of agency workers are expected to have a medium level of skills

Skills required from agency workers – 2022  
(% of all agency workers)



### Rate of conversion of agency workers' contracts from temporary to permanent – 2022 (% of all agency workers)



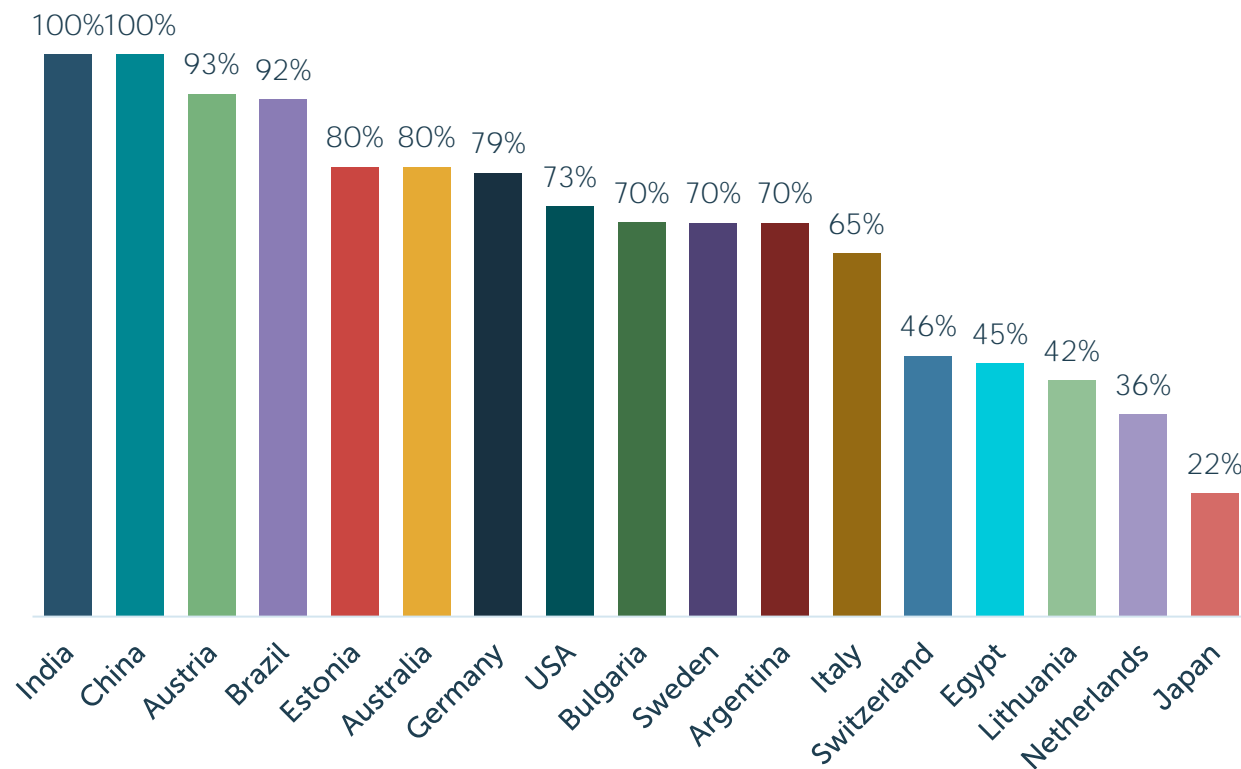
Agency work is a proven gateway to a permanent contract

Where allowed by law, converting a temporary contract into a permanent one is popular

**28%** of temporary agency workers were offered a permanent contract in 2022



## Share of agency workers working full-time - 2022 (% of all agency workers)



Agency work is not  
just part-time

Even when temporary,  
agency workers' contracts are  
most often full-time jobs

68%

of agency workers (on  
average) were  
working full-time in  
2022

# North America

Canada  
Mexico  
USA



 Indicator	2022
 Number of people placed in jobs (m)	15.4
 Number of private employment agencies	27,500
 Number of internal staff	475,600
 Sales revenues (€bn)	243.7

Argentina  
Brazil  
Chile  
Colombia  
Peru

 Indicator	2022
 Number of people placed in jobs (m)	1.6
 Number of private employment agencies	10,900
 Number of internal staff	465,200
 Sales revenues (€bn)	6.1

# Europe

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

 Indicator	2022
 Number of people placed in jobs (m)	12.4
 Number of private employment agencies	93,750
 Number of internal staff	497,500
 Sales revenues (€bn)	225.6

# Asia-Pacific (APAC)

Australia  
China  
India  
Indonesia  
Japan  
New Zealand

 Indicator	2022
 Number of people placed in jobs (m)	29.8
 Number of private employment agencies	84,900
 Number of internal staff (m)	2.6
 Sales revenues (€bn)	152.2



# Glossary of terms and acronyms used

## 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, Labour 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 Full Time Equivalents - 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 Providers (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 2022, 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, Outsourcing). 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 significant 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. In 2022, this share was estimated by Staffing Industry Analysts to be around 71%.

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 Viktorija Proskurovska, Labour Market Intelligence Manager at the WEC Head Office ([Viktorija.Proskurovska@wecglobal.org](mailto:Viktorija.Proskurovska@wecglobal.org))

# About the World Employment Confederation



## The World Employment Confederation

serves as the voice of the HR services industry at the global level, representing both national federations and workforce solutions companies worldwide. Our diverse membership encompasses a broad spectrum of HR services, including agency work, direct recruitment, career management, Recruitment Process Outsourcing (RPO), and Managed Service Provider (MSP) solutions.

## Our mission

revolves around securing recognition for the pivotal role played by the HR services industry in fostering well-functioning labour markets and advocating on behalf of our members to enable appropriate regulation. By fostering an environment conducive to sustainable growth of the HR services sector, our ultimate goal is to deliver better labour market outcomes for all.

By bridging the supply and demand gaps in labour markets, creating pathways to employment, enabling agile organisations, balancing flexibility with protection and deploying digital solutions responsibly, the HR services industry plays a central role in addressing labour market challenges and delivering people-centric solutions.

# WEC National Federations

A membership representing ~90% of the global sales revenue of the industry



- › Canada
- › Mexico
- › USA



- › Argentina\*
- › Brazil
- › Chile
- › Colombia



- › Austria
- › Belgium
- › Bulgaria
- › Czech Republic
- › Denmark
- › Estonia
- › Finland
- › France
- › Germany
- › Greece
- › Ireland
- › Italy
- › Latvia
- › Lithuania
- › Luxembourg
- › Netherlands
- › Norway
- › Poland
- › Portugal
- › Romania
- › Russia\*\*
- › Spain
- › Sweden
- › Switzerland
- › Turkey
- › UK



- › Egypt
- › South Africa



- › China
- › Japan
- › South Korea



- › Australia
- › India
- › Indonesia
- › New Zealand
- › Philippines

\* Membership of FAETT suspended for the year 2024 (Argentina is represented by two federations)

\*\* Membership suspended for the year 2024



## WEC Corporate Members





## WEC Partners

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### Our Strategic Partners

#### Talent Marketplace



### Our Affiliate Partners

#### Law & Regulation



#### Data & Research



#### Skilling & Education



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