

Economic Report 2025



**WORLD
EMPLOYMENT
CONFEDERATION**

The Voice of Labour Market Enablers

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Foreword

Beacon of opportunity



Marius Osterfeld
Chair of the Economic
Affairs Committee



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Labour Market Intelligence
Manager

After a strong rebound in 2022, private employment agencies faced strong headwinds in 2023. Several drivers entered into play, including a challenging economic environment, skills mismatch in a tight labour market, and geo-political tensions.

In these challenging times, private employment agencies worked further on improving their efficiency and reached out to more people in need of a job, be it via physical agency outlets or via online platforms.

Private employment agencies play a vital role in today's labour market, bridging the gap between talent and opportunity. They act as catalysts for economic growth, connecting job seekers with roles that align with their skills and aspirations while helping companies find the right people to drive their success. By fostering flexibility and efficiency, these agencies create innovative win-win outcomes for workers and employers alike.

As [WEC's recent research](#) has shown, it has never been this difficult to plan for future talent and skills. HR managers all over the world are coming to the conclusion that flexible workforce solutions are the way forward in this rapidly changing environment. Innovating constantly, agencies leverage technology to match candidates to jobs faster and provide tailored workforce solutions. Beyond placement, they empower workers through skills training, upskilling programs, and career guidance, enabling agency workers to enhance their value and access better opportunities. For businesses, agencies offer critical support to address skills gaps, meet seasonal demands, and adapt to evolving market needs. By linking aspirations with opportunity, private employment agencies drive personal and economic success.

Key findings

Key results of 2023 and early indications for 2024



2023 was a year of headwinds. **Agency work activity** in terms of hours worked declined across the globe with only a few exceptions. Labour markets were gradually loosening, inflation stood at 6.7%, still above central banks' targets, and global GDP growth was a meagre 2.3%.



As a result, the **HR services industry turnover** grew 0.5% in nominal terms in 2023, largely as a result of an increase in workers' remuneration. Sales revenues in the largest HR services market, the US, declined 11.2% in 2023, while Japan, Germany, the UK and Australian markets experienced positive nominal growth. Among smaller markets, France and Sweden have also experienced nominal declines (-0.8% and -5.4% respectively), while Japan (+8%), China (+5%), Australia (+5%) and India (+4%) all registered healthy nominal growth.



The number of **people placed in jobs** (temporary and permanent) by the HR Services industry globally remained broadly stable (-0.3%) in 2023 at just over 60 million individuals. The strong decline in the US (-13%) was balanced by strong growth in India (+16%), China (5%), the UK (11%) and Japan (2.4%).



Mixed results in terms of the number of people that the HR Services sector helped find jobs led to the **agency work penetration rate** stabilisation at 1.8% in 2023, indicating that the increase in the working age population in 2023 from the year before was proportional to the increase in the number of people placed in jobs.



Early 2024 indications suggest that the agency work activity dynamics in Europe and North America continued being challenged, while buoyant in Asia and South America. Despite the fact that the number of open job postings continued inching downwards, the gap remains, not least due to a skills mismatch arising from the green and tech transitions. This 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.



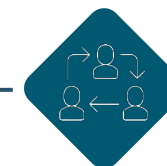
Recruitment Process Outsourcing

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

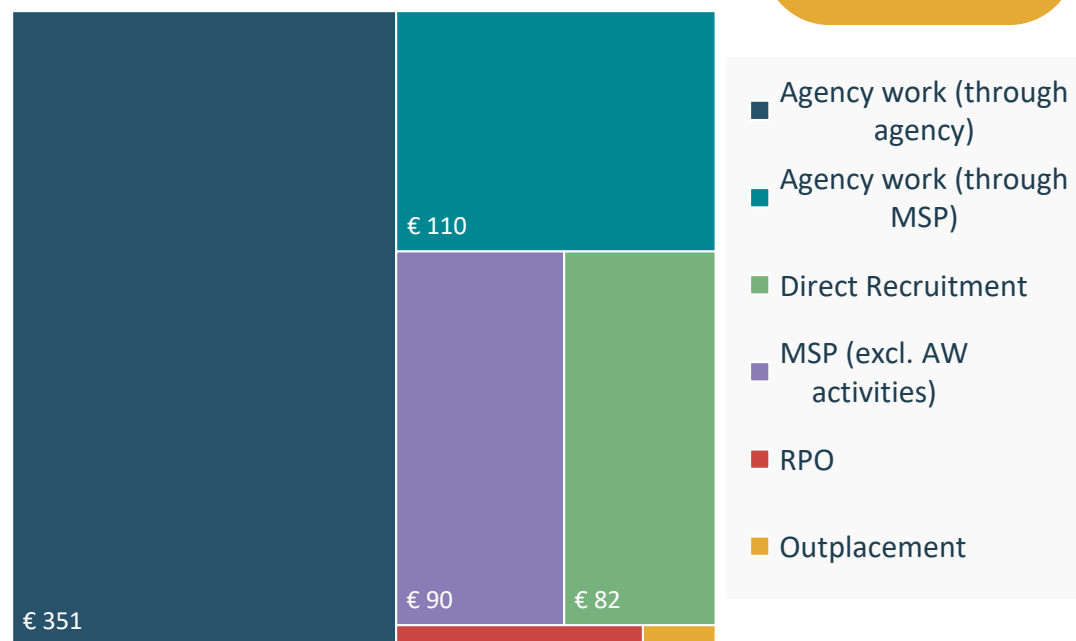
Services which enable jobs, skills and business performance to be viewed in an integrated way and with a long-term perspective. In includes primarily services such as outplacement and career transition, redevelopment and other development activities designing to help organisations and individuals to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



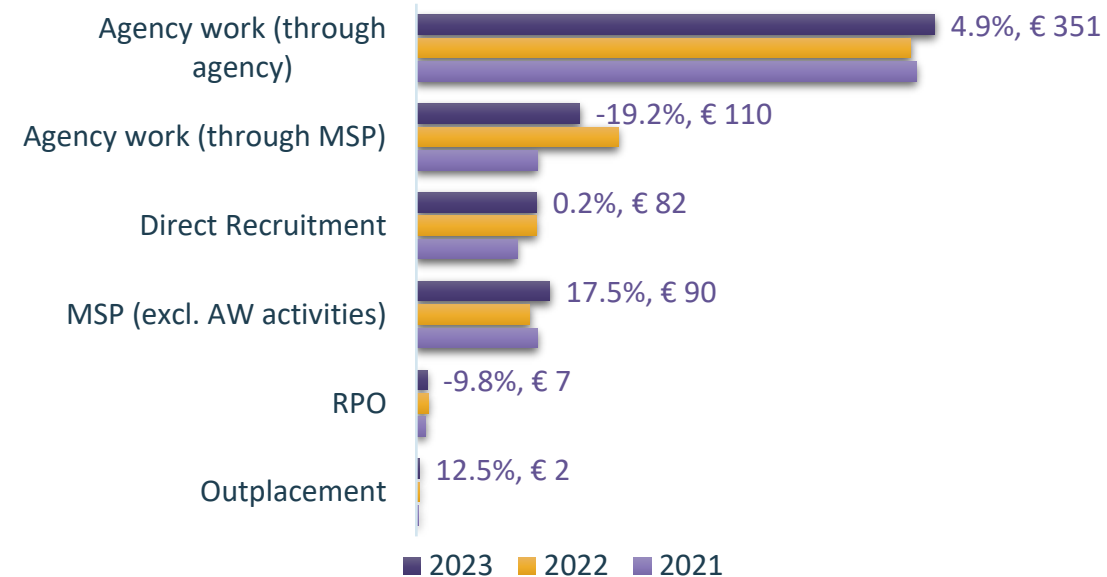
Global sales revenues of HR services industry grew 0.5%* in 2023

Private Employment Services Industry Global Market 2023

€ 643 bn
USD 711 bn

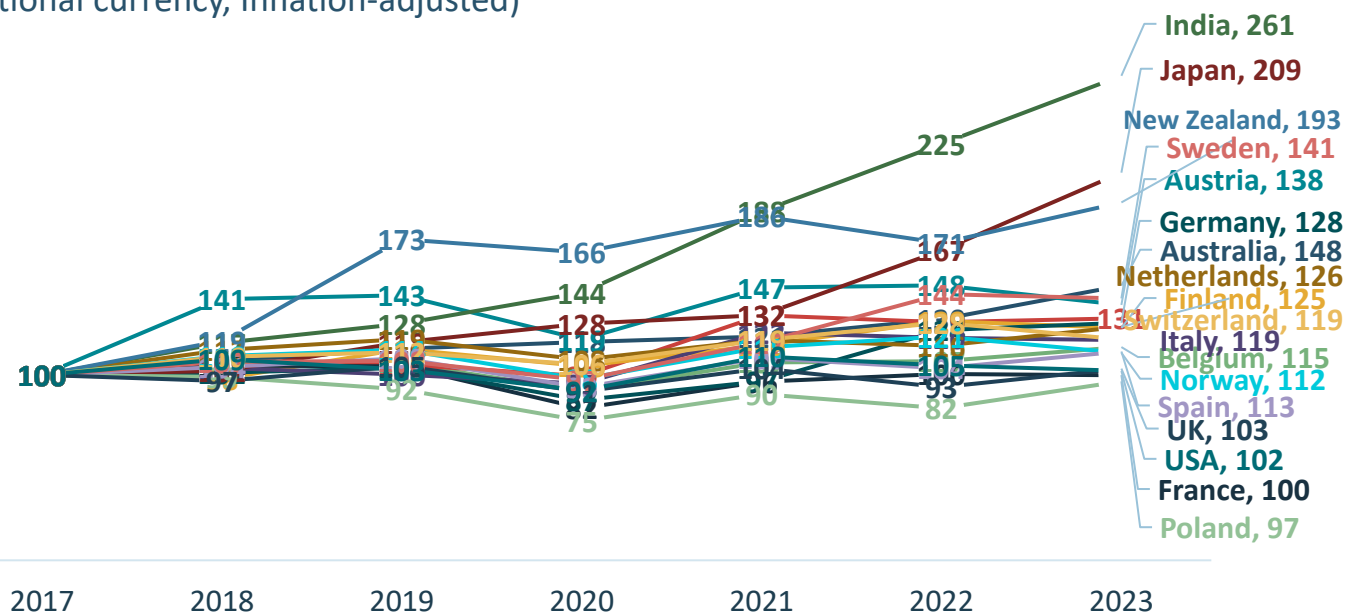


Global HR Services Industry (€bn, & y-o-y % change)



Sales revenues of the top five markets increased by 22%* between 2017-2023

HR Services Sales Revenues Index in Selected Countries
(national currency, Inflation-adjusted)



	2020	2023
India	144	261
Japan	128	209
New Zealand	166	193
Australia	118	148
Sweden	97	141
Austria	119	138
Denmark	99	131
Germany	87	128
Netherlands	108	126
Finland	105	125
Switzerland	106	119
Italy	95	119
Belgium	91	115
Spain	93	113
Norway	98	112
UK	91	103
USA	92	102
France	82	100
Poland	75	97

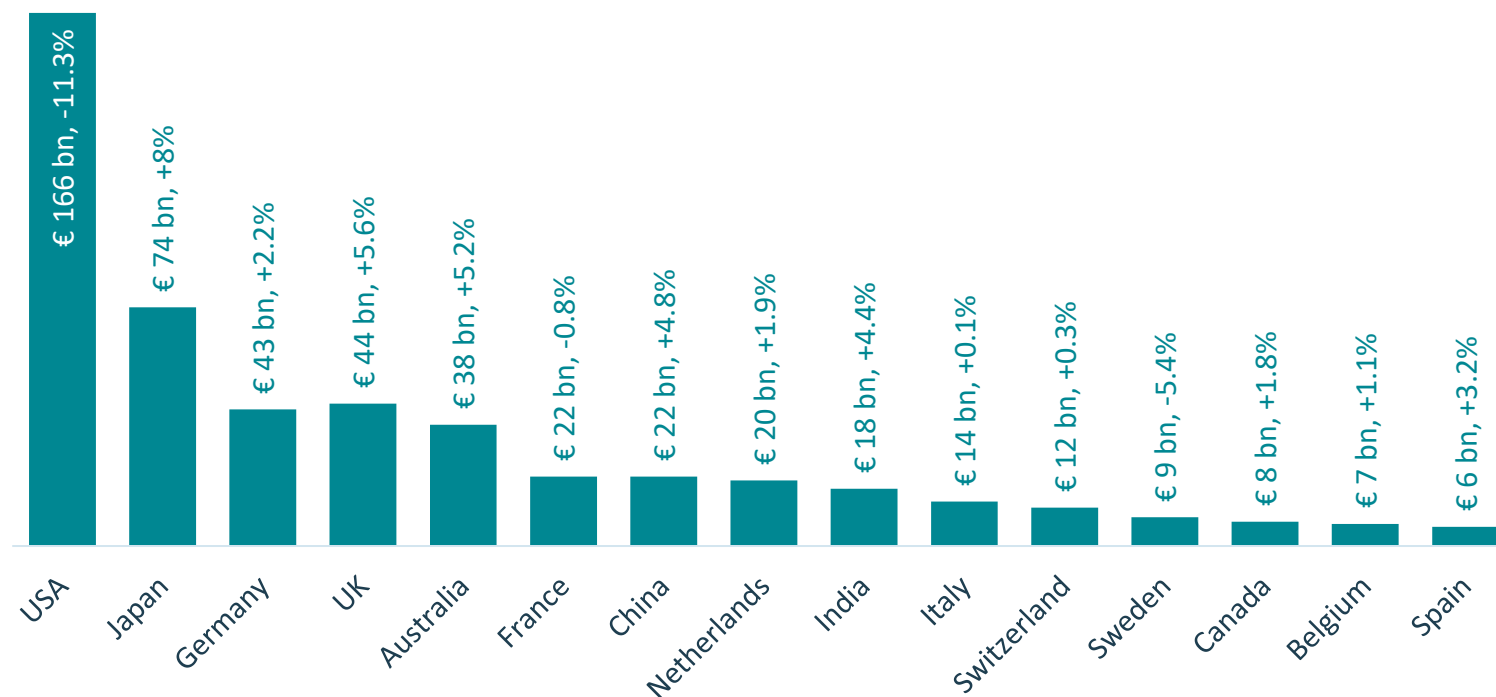
* The index is calculated in real terms, i.e., inflation and foreign exchange rate adjusted.

Source: WEC members, SIA
In-house calculations

Sales revenues in the 15 largest markets shrank 2.6% in 2023

Evolution was varied across countries

Sales revenues* in largest HR services markets - 2023
(€bn, y-o-y %)



* Here, HR Services includes Temporary Agency Work and Direct Recruitment

Sources: WEC Members, SIA

In-house calculations. Values are in nominal terms (not adjusted for foreign exchange rates or inflation).



Top five countries account for 58% of industry's global sales revenues



€ 166bn (USD 184bn)



€ 74bn (USD 82bn)



€ 43bn (USD 47bn)



€ 44bn (USD 49bn)



€ 38bn (USD 42bn)

Top five HR services* markets totalled

€365bn (USD 404bn) or 58%

of the global total of HR services sales revenues (TAW& DR) in 2023.

All largest markets except the USA grew in 2023.

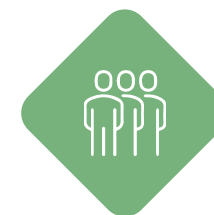
HR services industry increased agencies & held staff steady

Staff growth in 2023 was
mainly driven by the
Belgian, New Zealand &
the UK markets



226 600

HR Services
Agencies



4 million

Internal
Staff

The number of HR services agencies grew

4.2%

The number of internal staff held stable

-0.2%

The number of people placed in jobs by HR services inched downwards (-0.2%) in 2023

Position was sustained in most of the largest global HR markets

60 million

Number of people placed by Private Employment Agencies globally



56.1 million

Number of placements through TWA's



3.9 million

Number of placements through DR



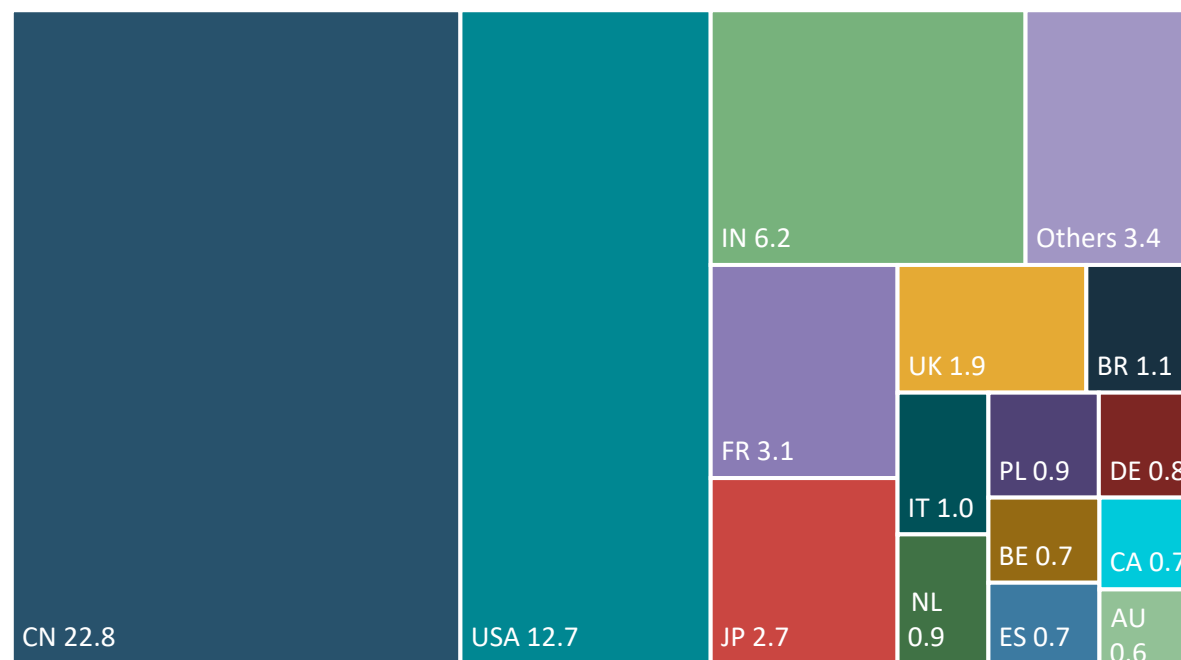
0.1 million

fewer people were placed in temporary and permanent jobs by the HR services agencies in 2023, a decline of -0.2% compared with 2022.



China, USA & India accounted for 69% of all workers placed by HR services in 2023

Job placements (TAW & DR) in largest HR services markets - 2023 (m)



DRIVING FORCES

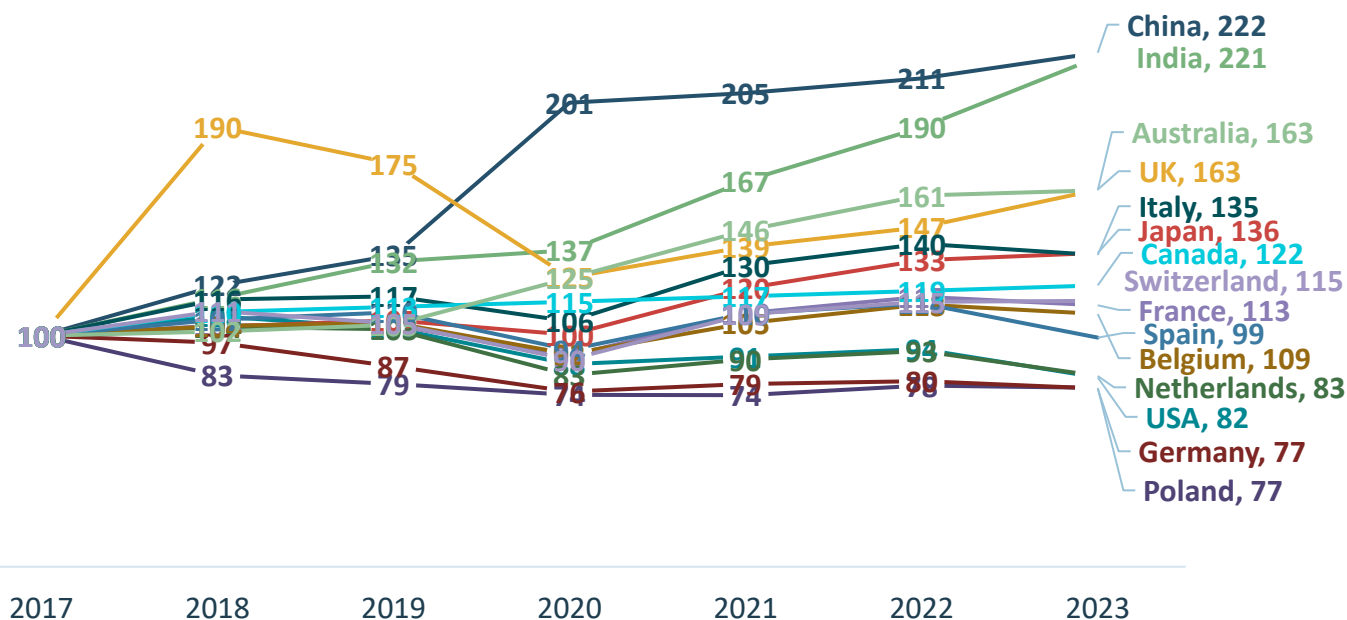


- China and India, combined, placed nearly 2m more people in jobs in 2023 than in 2022.
- The biggest decline occurred in the USA: 1.9m less in 2023 compared with 2022.

Top 15 markets placed 36% more people in jobs in 2023 compared with 2017

Headcount index for selected countries (2017 = 100)

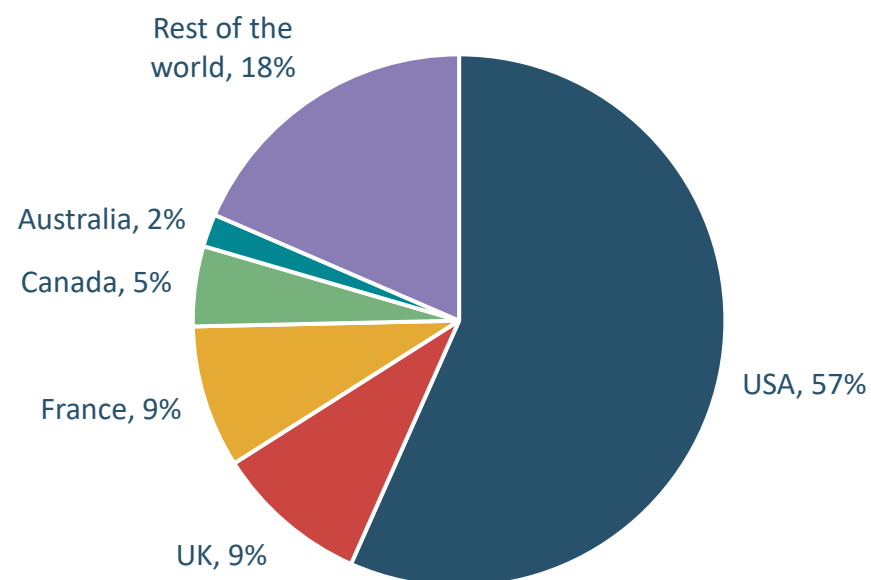
HR services headcount index, selected markets



	2020	2023
China	201	222
India	137	221
UK	125	163
Australia	125	163
TOP 15	121	136
Japan	100	136
Italy	106	135
Brazil	100	129
Canada	115	122
Switzerland	90	115
France	91	113
Belgium	92	109
Spain	94	99
Netherlands	83	83
USA	88	82
Poland	74	77
Germany	76	77

Career management companies provided support to over half a million people in 2023

Career transition support of individuals by country
- 2023 (m)



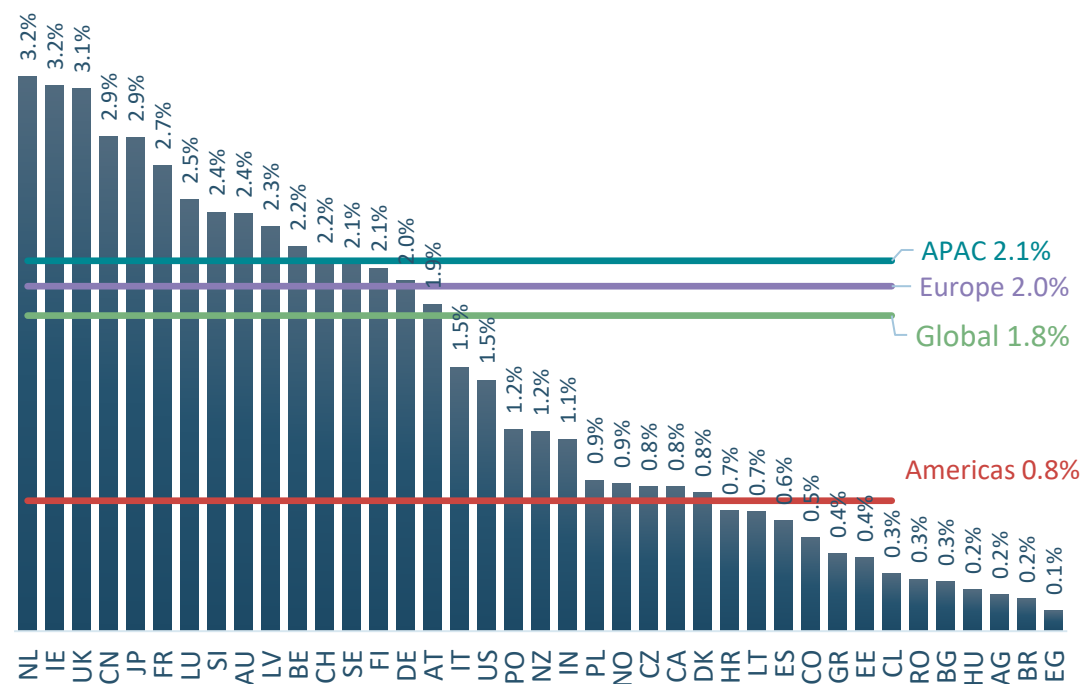
CAREER TRANSITION SUPPORT



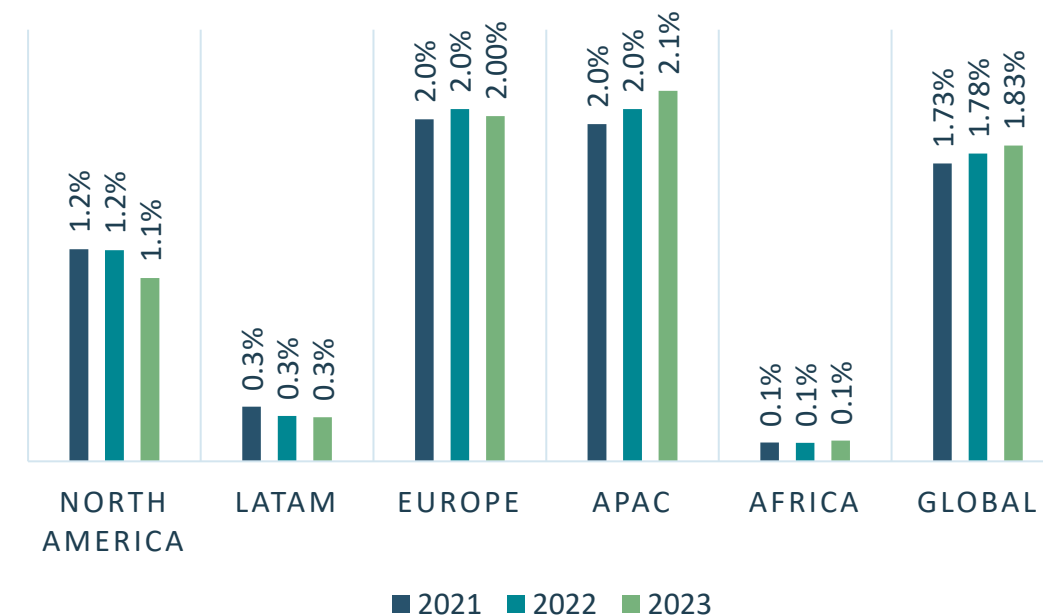
WEC member companies specializing in career management, supported 520 thousand individuals working in over 15 thousand companies around the world in 2023.

Global agency work penetration rate remained stable at 1.8%

Penetration rate - 2023 (%)

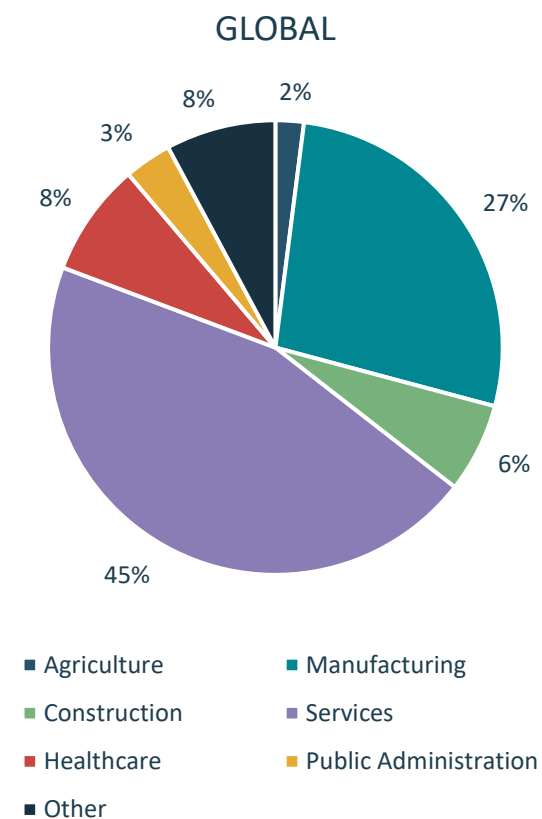
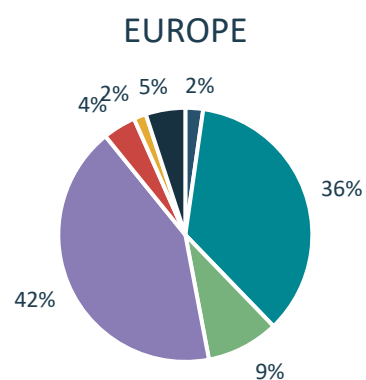
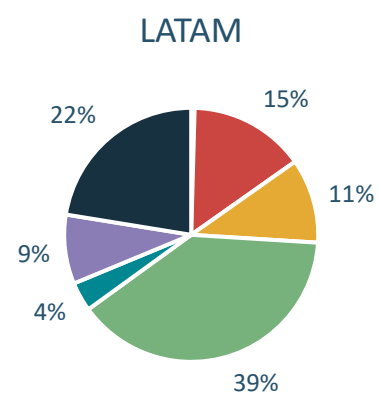
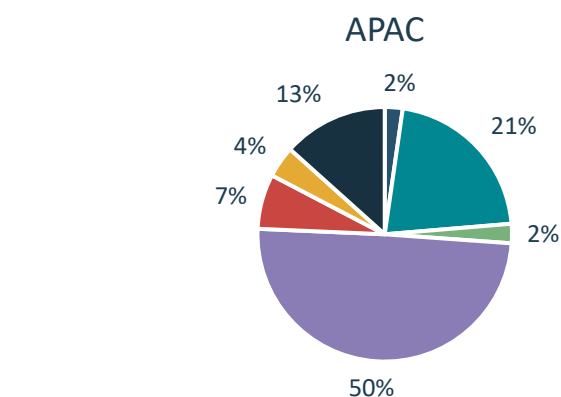


Evolution of agency work penetration rate by region (%)



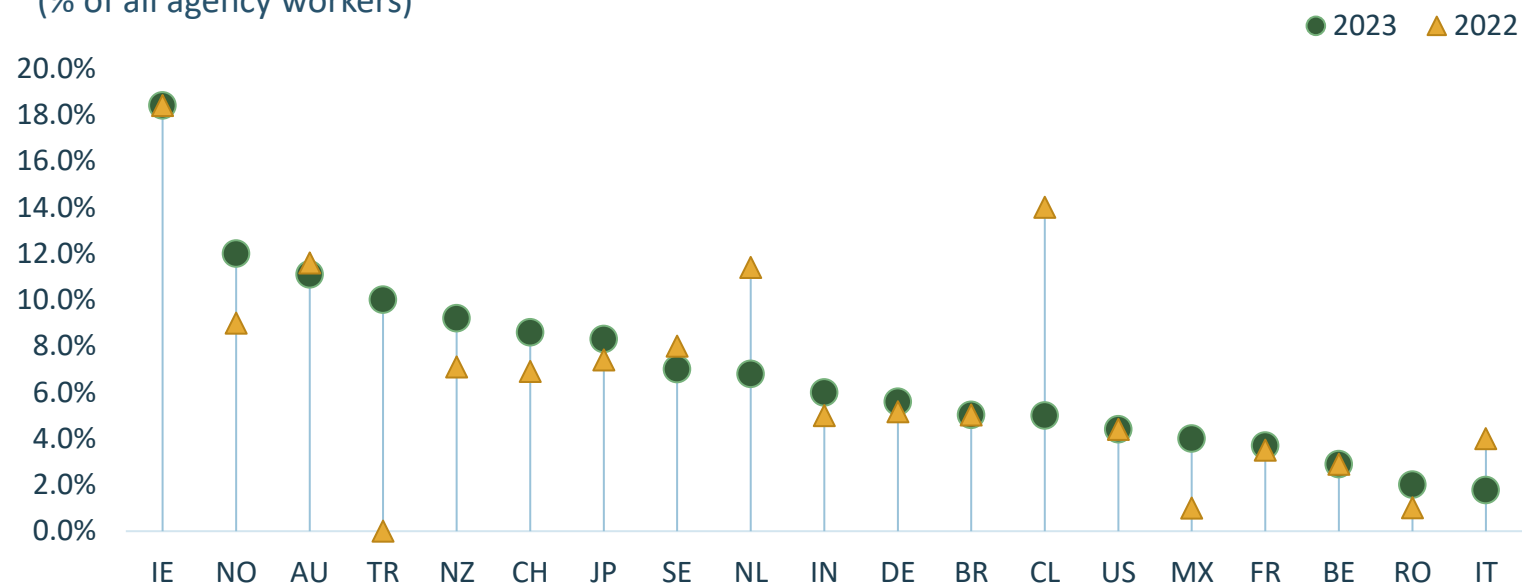
HR services are vital for all economic sectors

Services is the primary sector for agency workers' employment



Agency workers continue to play a pivotal role in healthcare

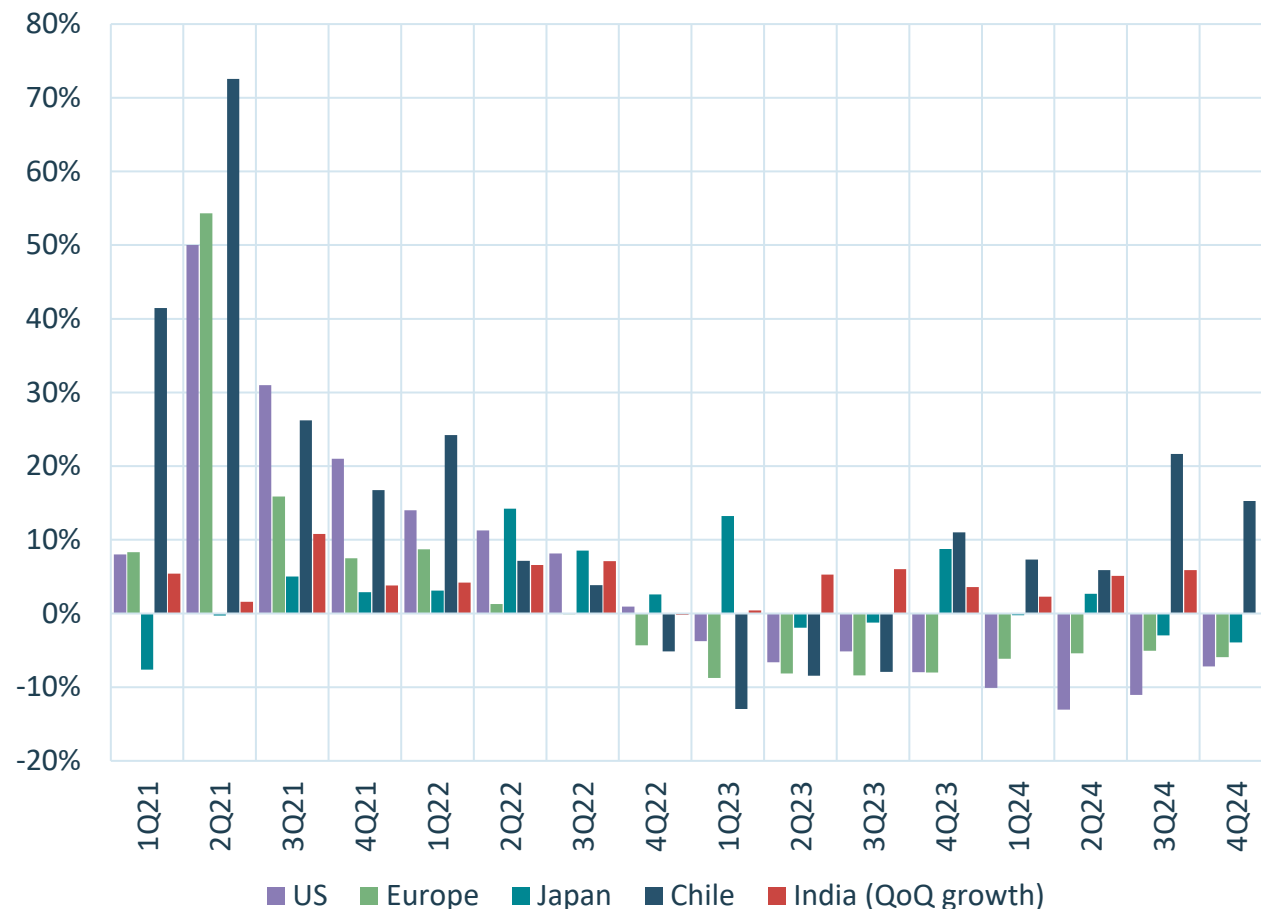
Agency workers in healthcare
(% of all agency workers)



5.2%

The global share of agency workers in healthcare sector in 2023.

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

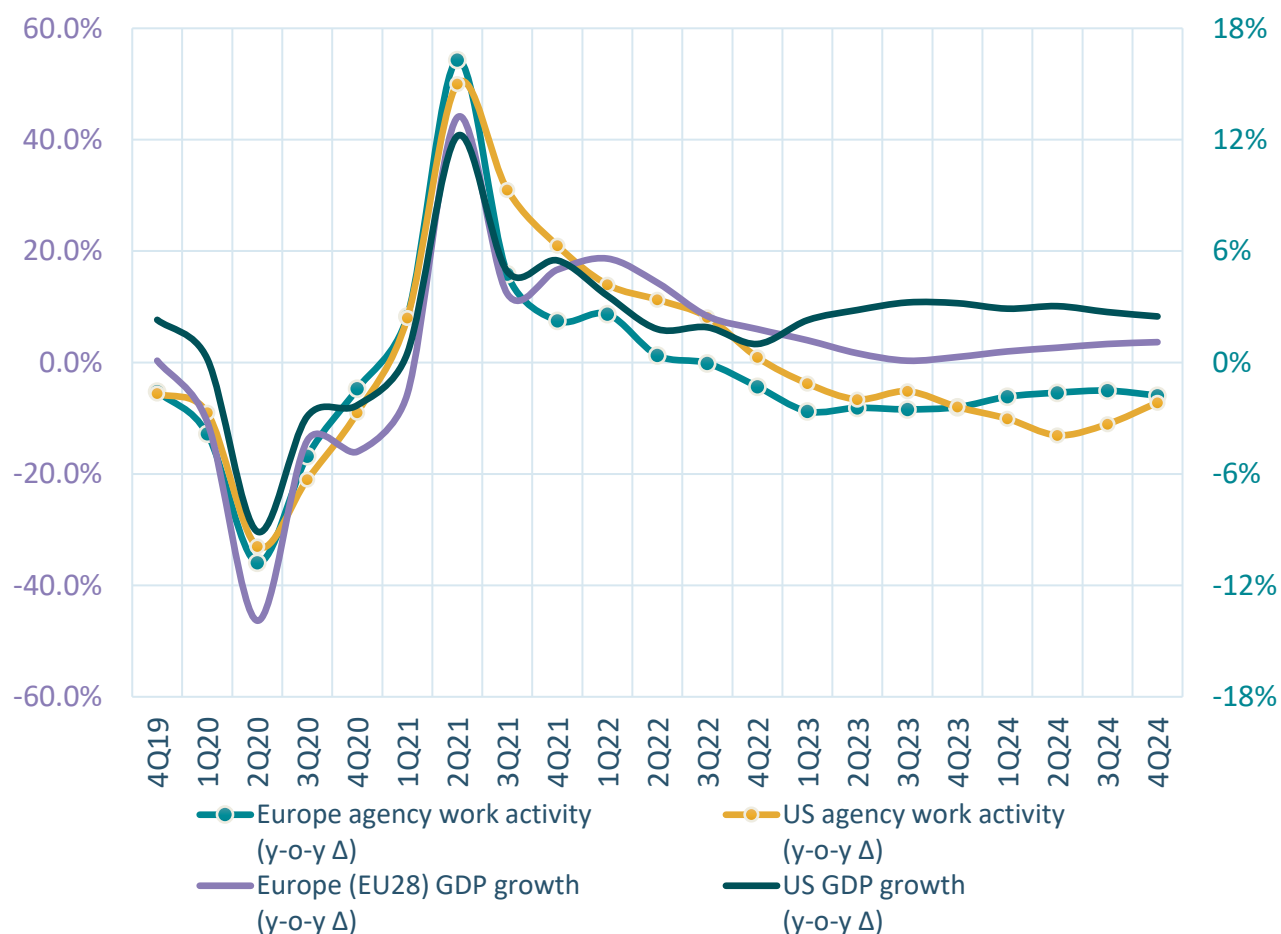


2024 was a (second in a row) challenging year for the global agency work industry



Agency work activity was in decline in the US, Europe and Japan, while upbeat in Chile and India.

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

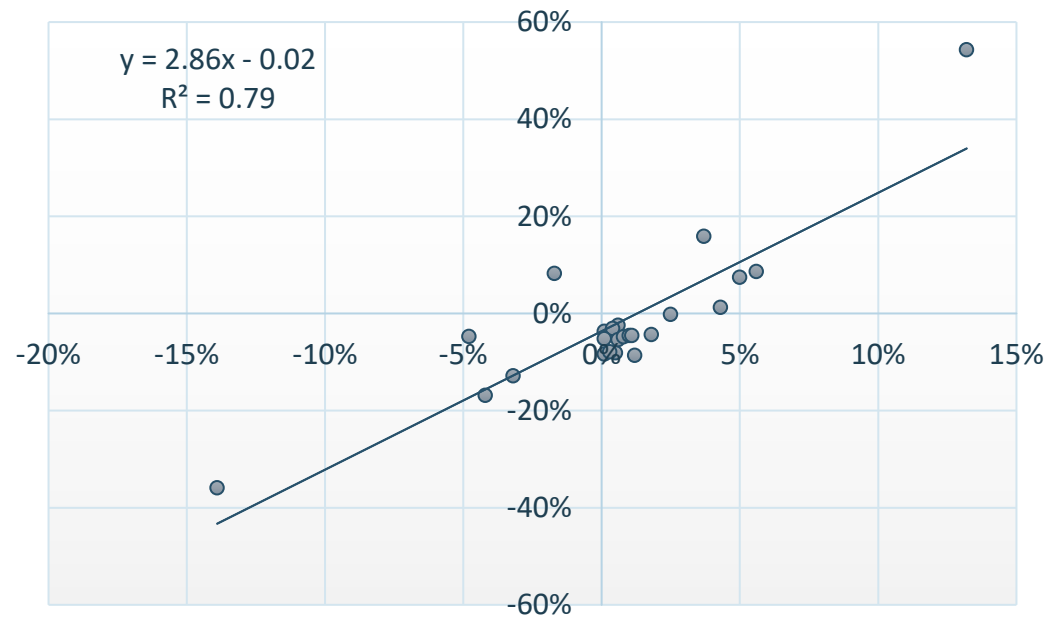
A weakening economy had a dampening effect on agency work markets

Continued political tensions, strong focus on elections in 2024 as well as weakening economy had a dampening effect on the European and the US private employment agencies markets.

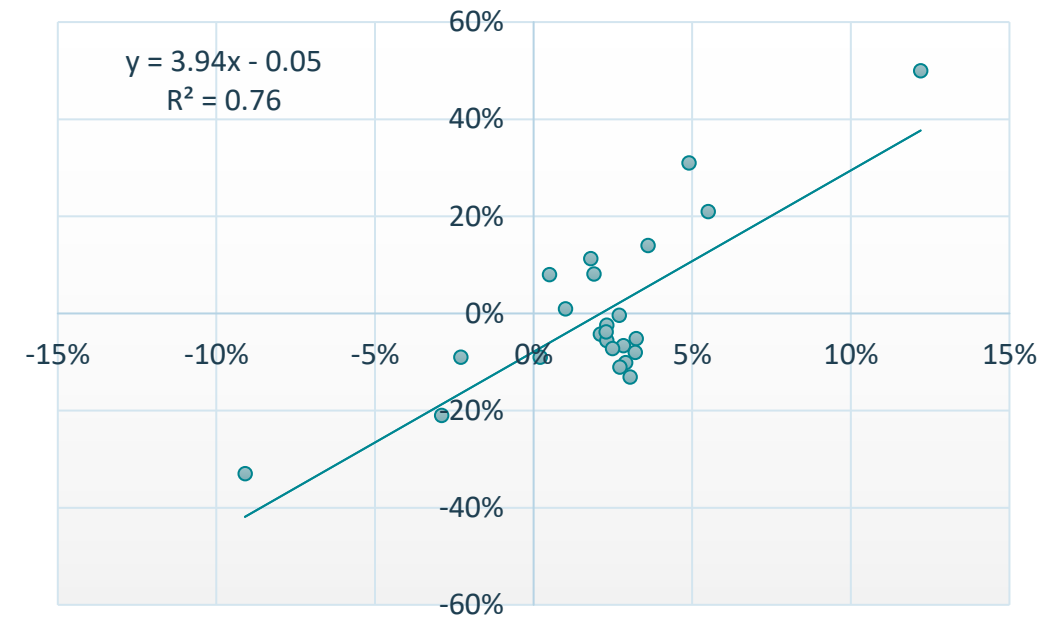
Change in agency work activity is a reliable predictor of a change in economic sentiment

Agency Work is strongly correlated with the GDP across geographies

Correlation: **European** agency work dynamics & GDP dynamics, 2019-2024



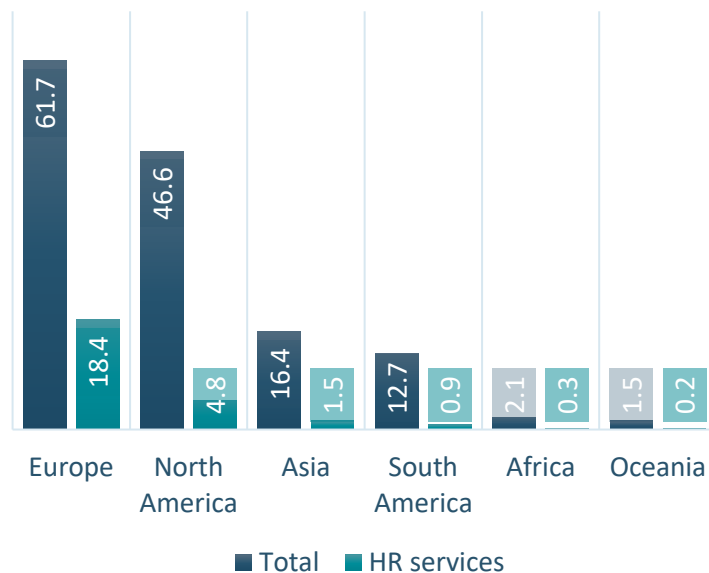
Correlation: **US** agency work dynamics & GDP dynamics, 2019-2024



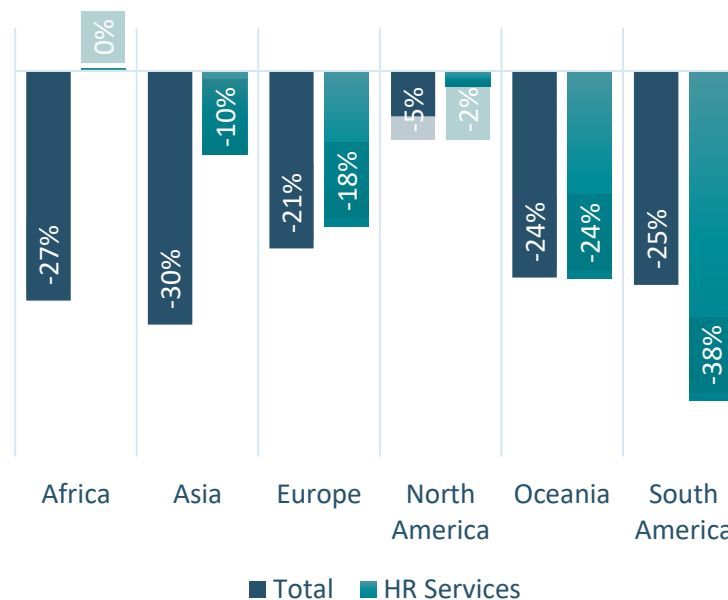
The online job market has been shrinking

Europe remains the world's largest online jobs market

Number of unique online job postings by region – 2024 (m)



Dynamics of unique online job postings by region – 2023 (y-o-y % change)



Online job postings by HR services agencies represented

18%

of all global online job postings in 2024.



HR services companies' online job ads decreased

-16%

globally in 2024 compared with 2023.



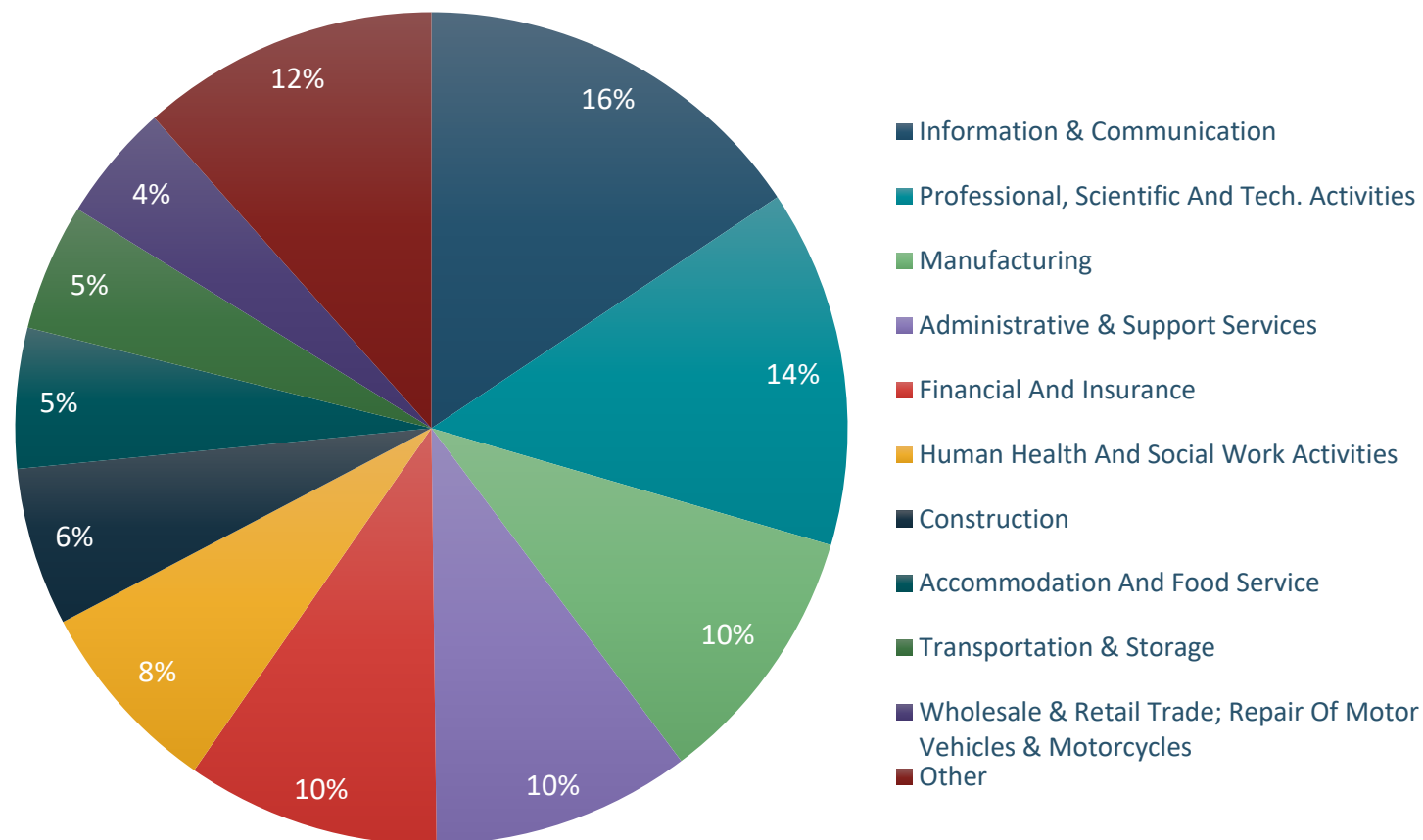
HR services are placing people in jobs across all economic sectors



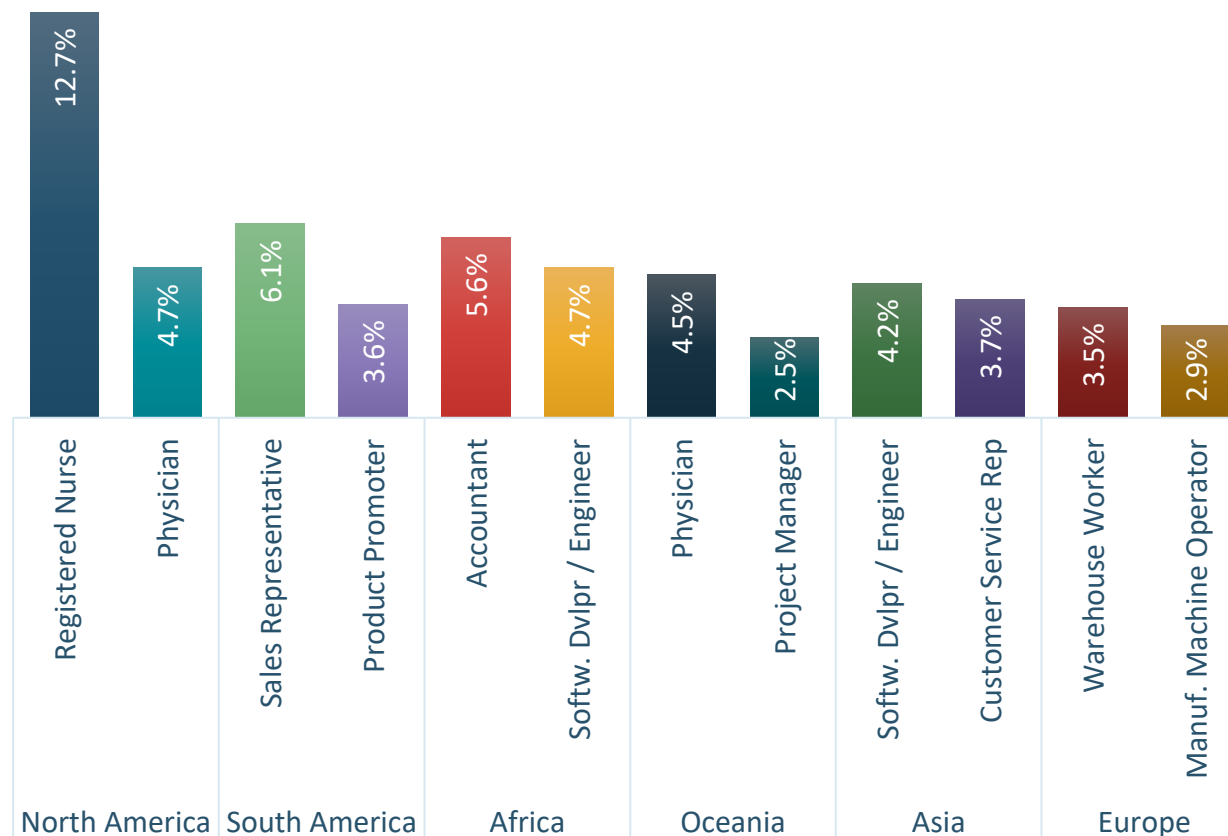
16%

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 - 2024 (% of all occupations within respective region)



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

24% of all online job postings



Top 10 occupations in each region, combined, represent nearly a quarter of global online postings by HR services companies in 2024.

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

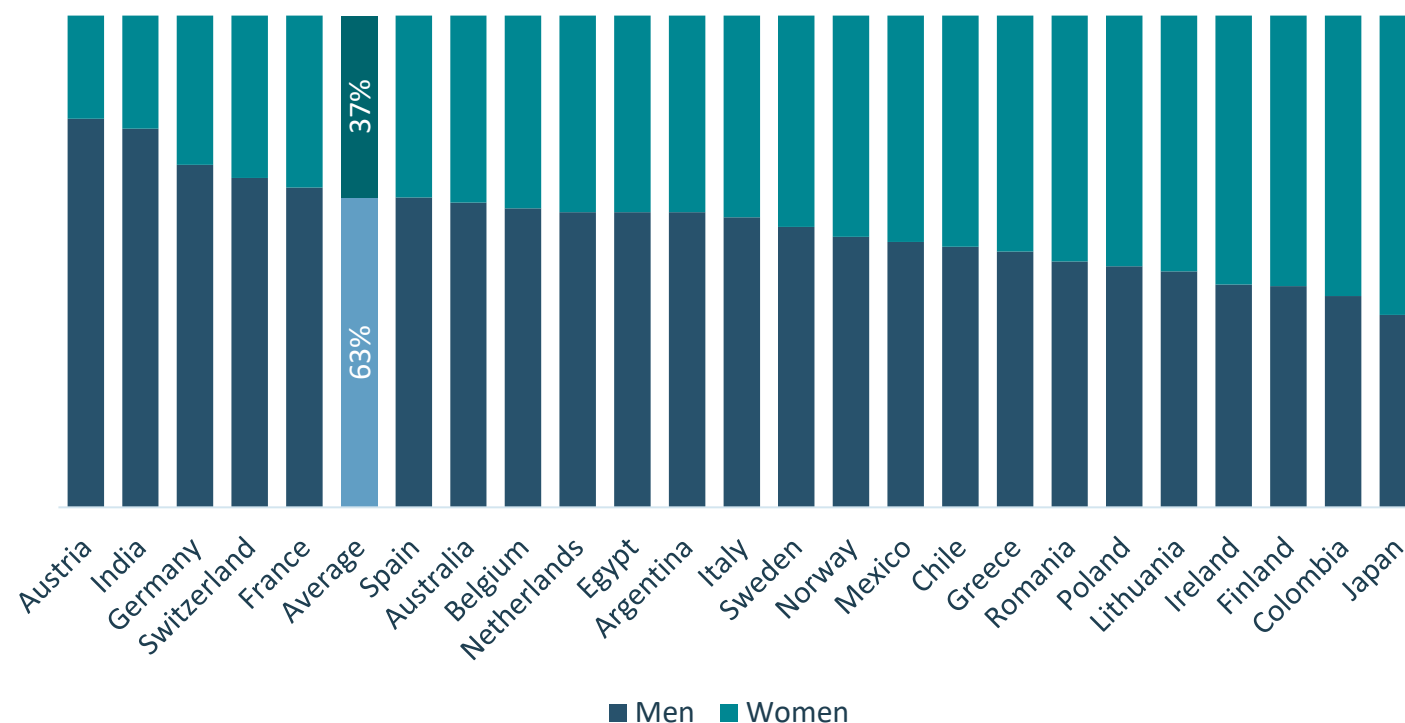


37%

is the global share of female agency workers in 2023

The global share of women in the entire labour force is 39.5%.

Agency workers by gender - 2023
(% of all agency workers)



Agency work supports youth in accessing labour markets

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



47%

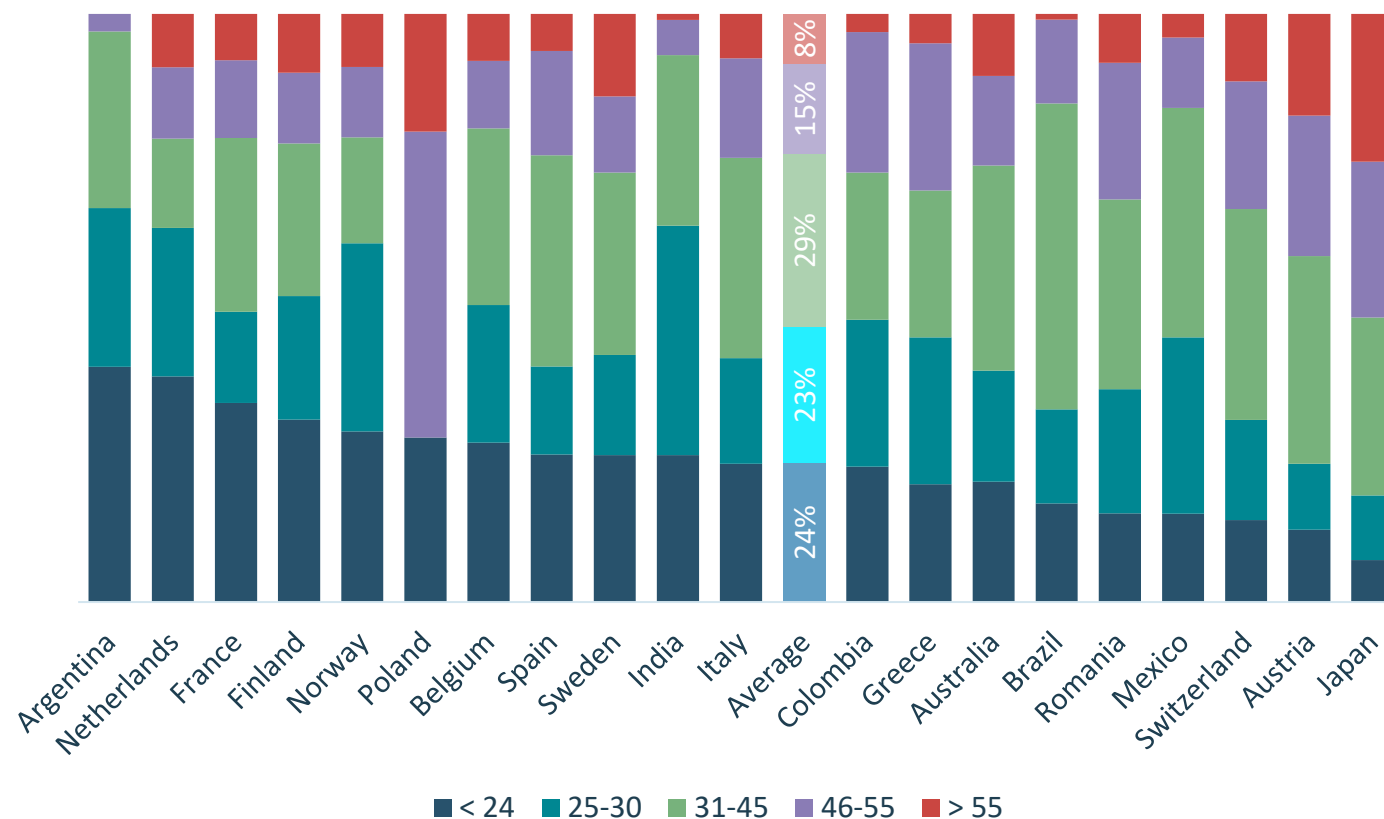
of agency workers are under 30



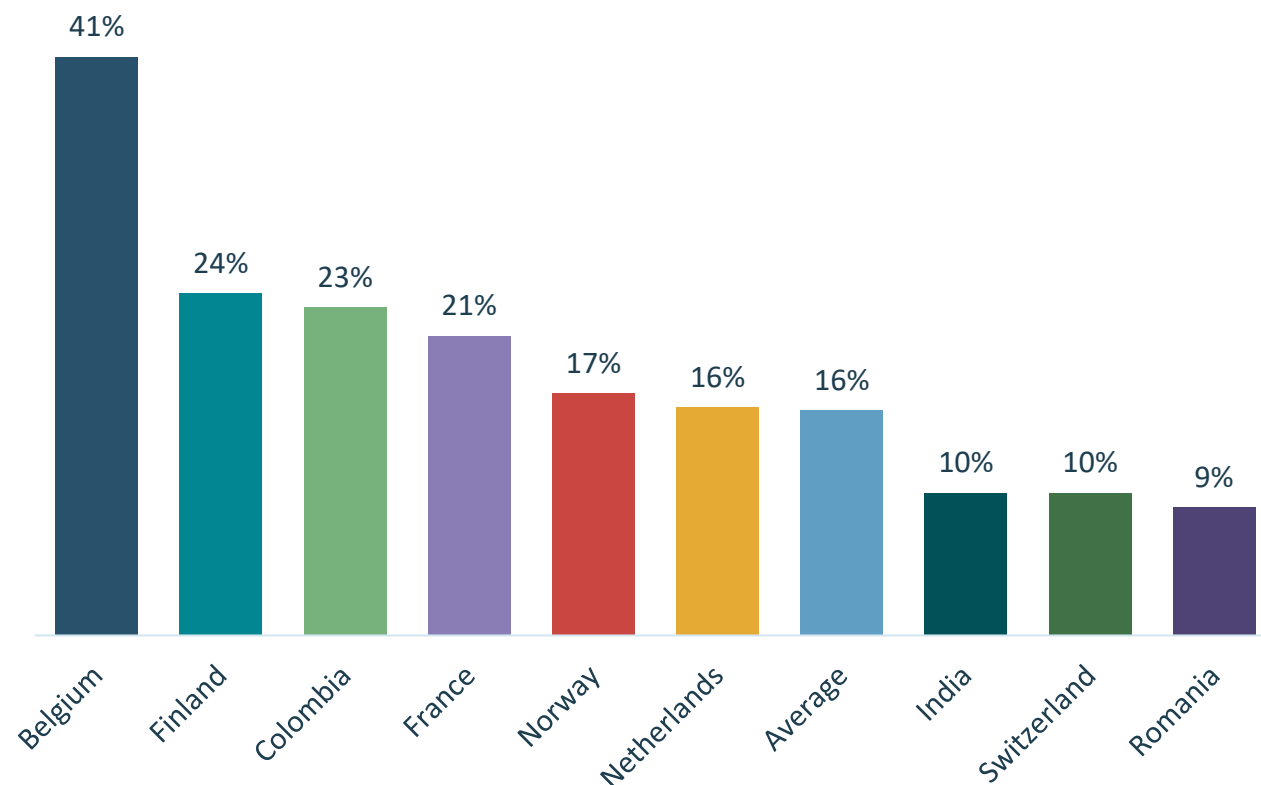
24%

of agency workers are aged 45 and over

Agency workers by age - 2023
(% of all agency workers)



Students among agency workers - 2023 (% of all agency workers)



Agency work offers
appealing pathway to
employment
for students

16%

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



37%

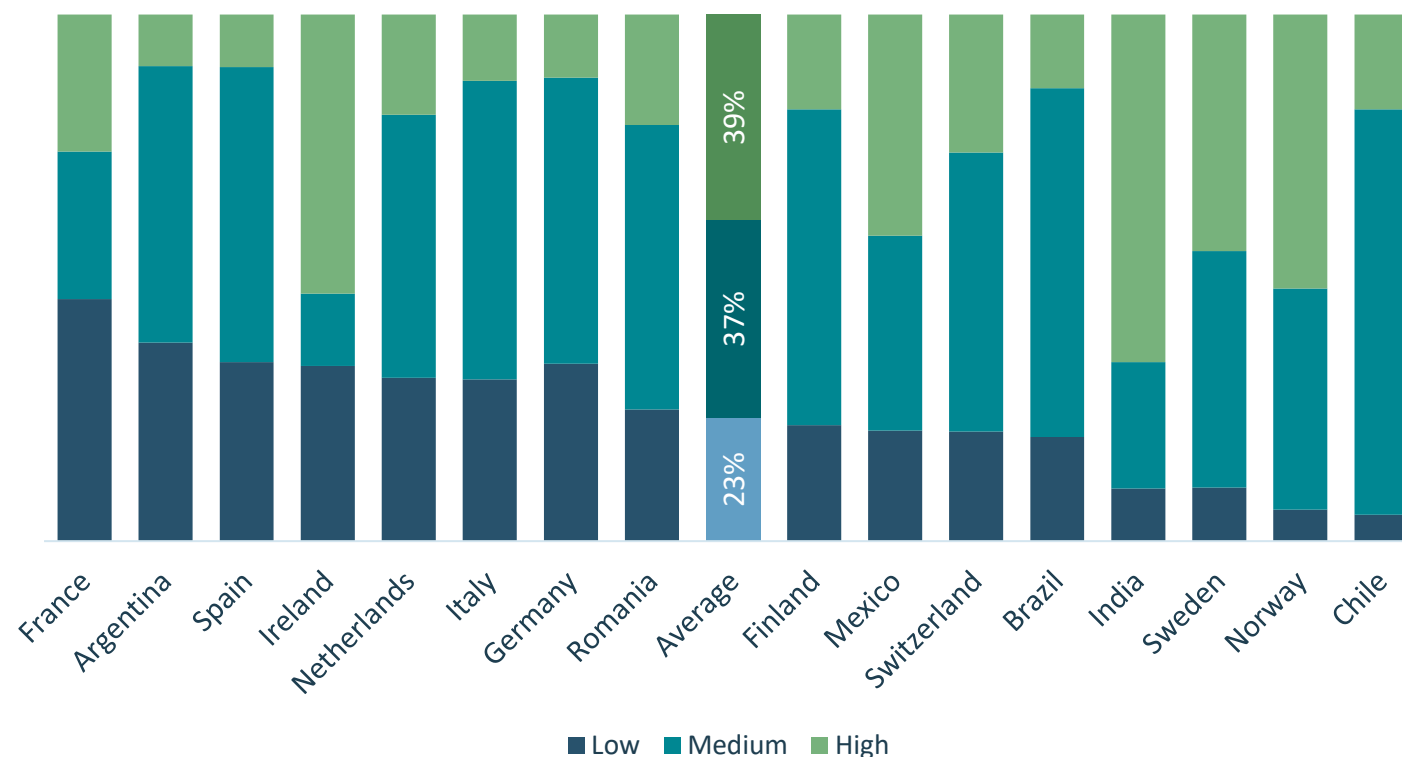
of agency workers, on average, have a secondary (medium) level of education.



39%

of agency workers, on average, have higher education.

Level of education of agency workers - 2023
(% 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



30%

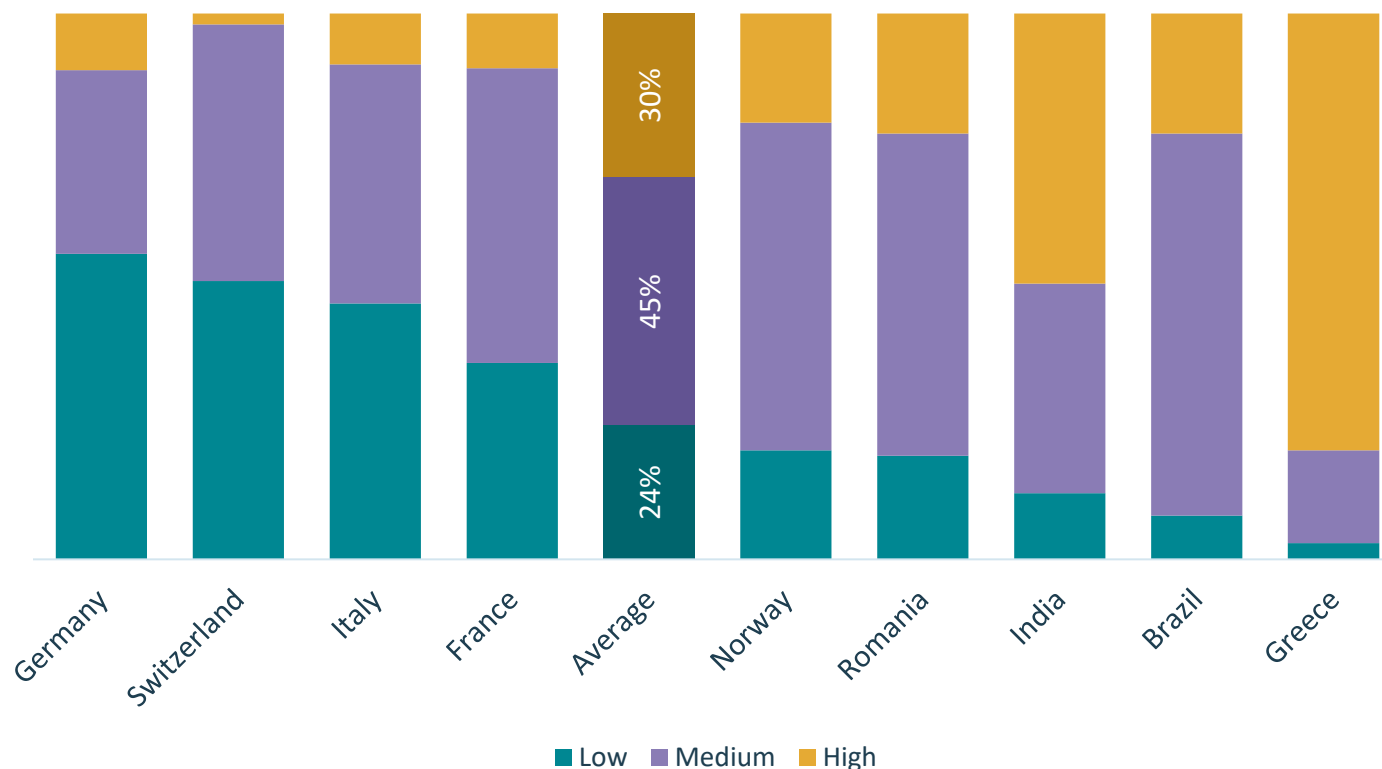
of agency workers are expected to have high level of skills



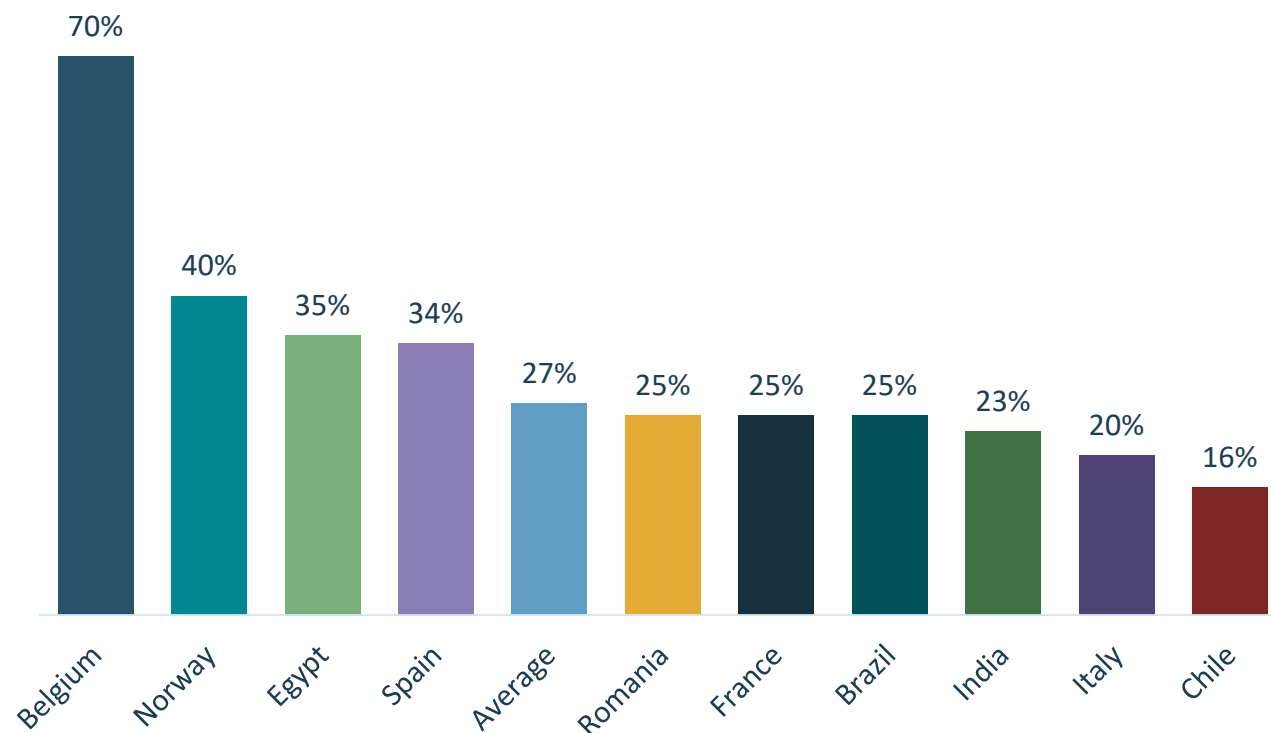
45%

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

Skills required from agency workers – 2023
(% of all agency workers)



Rate of conversion of agency workers' contracts from temporary to permanent – 2023 (% of all agency workers)



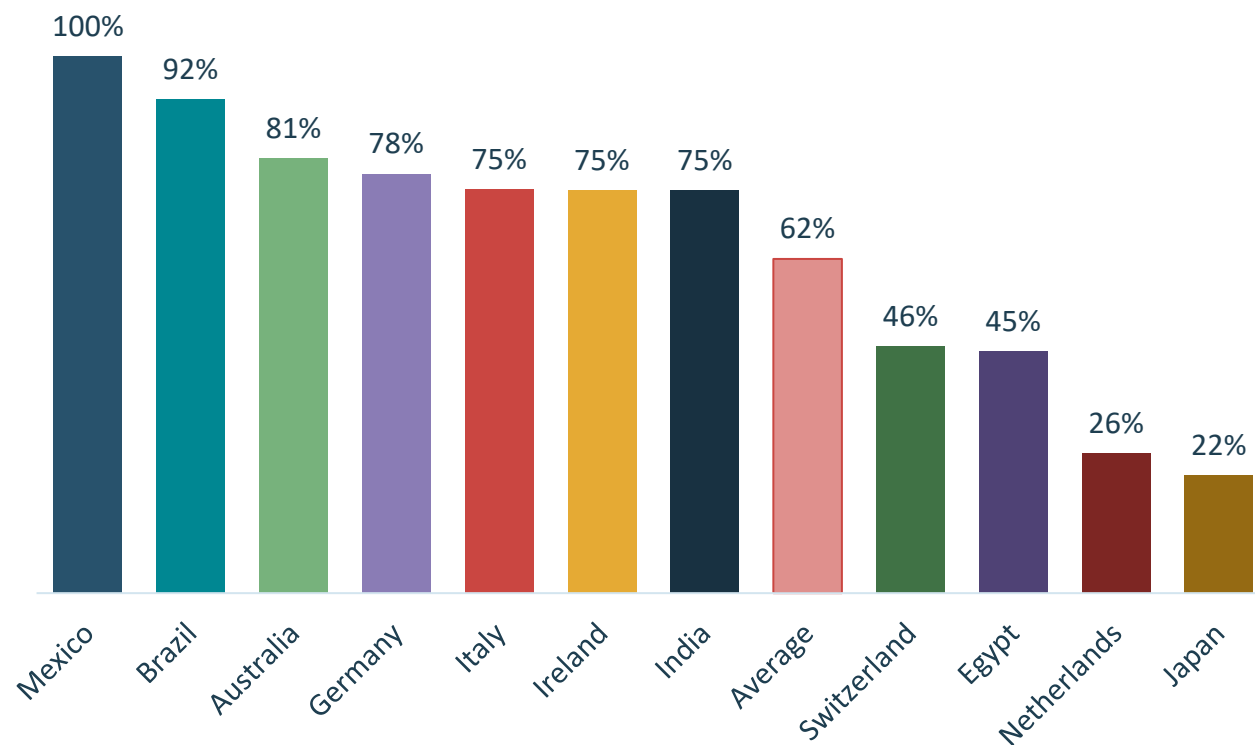
Agency work is a proven gateway to a permanent contract

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

27%

of temporary agency workers were offered a permanent contract in 2023

Share of agency workers working full-time - 2023 (% of all agency workers)



Agency work is not just part-time

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

62%

of agency workers (on average) were working full-time in 2023

Canada
Mexico
USA

	Indicator	2023
	Number of people placed in jobs (m)	13.4
	Number of private employment agencies	28,000
	Number of internal staff	474,700
	Sales revenues (€bn)	233

Argentina

Brazil

Chile

Colombia

Peru



Indicator

2023

Number of people placed in jobs (m)

2.0

Number of private employment agencies

10,900

Number of internal staff

465,100

Sales revenues (€bn)

5.7

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

**Indicator****2023****Number of people placed in jobs (m)**

12.2

**Number of private employment agencies**

94,900

**Number of internal staff**

497,800

**Sales revenues (€bn)**

232

Asia-Pacific (APAC)

Australia
China
India
Indonesia
Japan
New Zealand

 Indicator	2023
 Number of people placed in jobs (m)	32.4
 Number of private employment agencies	89,500
 Number of internal staff (m)	2.6
 Sales revenues (€bn)	168

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 2023, 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. Since 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 2023, this share was estimated by Staffing Industry Analysts to be around 55%.

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)

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
- › Malta
- › Netherlands
- › Norway
- › Poland
- › Portugal
- › Romania
- › Russia**
- › Spain
- › Sweden
- › Switzerland
- › Turkey
- › UK



- › Egypt
- › South Africa



- › China
- › Japan
- › South Korea



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



WEC Corporate Members

Global
Corporate
Members



Regional
Corporate
Members



Pure-Player
Corporate
Members





WEC Partners

Our Strategic Partners

Talent Marketplace



Our Affiliate Partners

Law & Regulation



Data & Research



Software Provider



Workforce & Job Matching Software



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