



International Confederation of
Private Employment Services

Economic Report 2016 Edition



International Confederation of
Private Employment Services

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

www.ciett.org/economicreport2016

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ABOUT

● As the international confederation of private employment services, Ciett is the authoritative voice **REPRESENTING THE INTERESTS OF THE EMPLOYMENT AND RECRUITMENT INDUSTRY** across the world.

● Founded in 1967, Ciett consists of **49 NATIONAL FEDERATIONS** of private employment agencies and eight of the largest staffing companies worldwide: Adecco, GI Group, Kelly Services, ManpowerGroup, Randstad, Recruit, Trenkwalder and USG People.

● Its members provide **71.9 MILLION WORKERS** with access to the labour market each year, 40 million of whom

work in agency work. Worldwide, **OVER 1.6 MILLION PEOPLE WORK IN AN EMPLOYMENT OR RECRUITMENT AGENCY.**

● Ciett's main objective is to help its members conduct their businesses in a **LEGAL AND REGULATORY ENVIRONMENT** that is positive and supportive.

● Ciett is divided into six regional organisations: Africa/Near East, Northern Asia, Southern Asia, North America, South America [CLETT&A], and Europe [Eurociett].

LEA
IN A CHA
WORL

CONTENT

FOREWORD



ANNEMARIE MUNTZ
Ciett President

PAGE 4



DENIS PENNEL
Ciett Managing Director

1

ENABLING WORK

PAGE 8

2

ENABLING ADAPTATION

PAGE 12

3

ENABLING SECURITY

PAGE 14

4

ENABLING PROSPERITY

PAGE 18

ADING
ANGING
D OF WORK

FOREWORD



ANNEMARIE MUNTZ
Ciett President

Dear reader,

I am proud to present the Ciett Economic Report 2016. This annual flagship publication provides a good opportunity to take stock of our industry and our own organization. 2015 has been a good year. Our industry has continued to grow, in depth but also in scope. Our industry offers a wide range of HR services, including those that Ciett focuses on today: agency work, recruitment, career management and RPO/MSP.

While each of these HR services have their specificities, the employment and recruitment industry in general plays a positive role on the labour market. There are four main areas where we help to enable the labour market. The employment and recruitment industry enables work, adaptation, security and prosperity. This benefits companies, workers, and the labour market in general.

We make a strong contribution to the future of work debate - not least by providing the facts and figures about our industry in this report. The employment and recruitment industry is helping companies and workers to adapt to the 21st century challenges facing the labour market. Changing demographics paired with shifting demand for skills, digitization and the online economy are just a few of these. In the face of all this, we confidently say we are:

**The employment and
recruitment industry
enables work,
adaptation, security
and prosperity.**

A handwritten signature in black ink, appearing to be 'AM', with a long horizontal line underneath.

**LEADING
IN A CHANGING
WORLD OF WORK**



DENIS PENNEL
Ciett Managing Director

The Ciett Economic report is the most comprehensive factbook on the employment and recruitment industry at international level.

Dear reader,

Welcome to this 2016 edition of the Ciett Economic report, the most comprehensive factbook on the employment and recruitment industry at international level. This edition of the report tells a story of continuity as well as change. As in previous years, the report gives you an overview of the performance of various aspects of our industry: The number of workers who find access to the labour market after intermediation by a recruitment and

employment agency – 71.9 million people in 2014! The turnover of the industry across the globe, which totaled 450 billion euro. And as always, there is much more data to be found in the report. I invite you to browse through it and find out for yourself.

There are two new elements in this edition of the Ciett Economic Report. The first is the different way that we structure the data. In 2015, we decided to organize the data based on the four areas where our industry adds value: enabling work, adaptation, security and prosperity. All our activities support one or more of these. So it is only logical that we would use these four areas to structure the report that gives a comprehensive overview of the industry.

The second change is the medium we chose to present this message. The digital and online world has a profound impact on the way that our industry develops, and therefore we decided to also bring the economic report online. This hard copy offers you an insight into only a small selection of data. For a full overview of the report, please visit www.ciett.org/economicreport2016. This will make it easier for you, the reader, to browse the content in full, and to share and repost it more easily.

If you have any questions after reading the report, don't hesitate to contact the Ciett secretariat at info@ciett.org.

EMPLOYMENT & RECRUITMENT INDUSTRY IN 2014-2015

The employment and recruitment industry is **LEADING IN A CHANGING WORLD OF WORK.**

It does so by acting as enablers of the labour market, offering a range of HR services: agency work, recruitment, outplacement, and RPO/ MSP services.

OUR INDUSTRY:

1 ENABLES WORK

Each year we help **71.9 MILLION PEOPLE** on the labour market (67.2 million of whom in AW).

Agency work alone accounts for 1.6% of the labour market.



3 ENABLES SECURITY

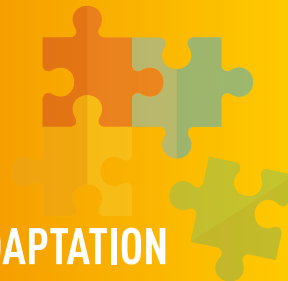
On average, before entering into agency work 30% of people was unemployed, while afterwards **ONLY 11% GOES BACK TO UNEMPLOYMENT.**

Similarly, 43% of people starting agency work was employed before, while 71% remain in employment.



2 ENABLES ADAPTATION

The world of work is changing, and we support more than **5 MILLION COMPANIES** each year to deal with those changes, as well as training 4.9 million workers through our industry each year to help them succeed on the labour market.



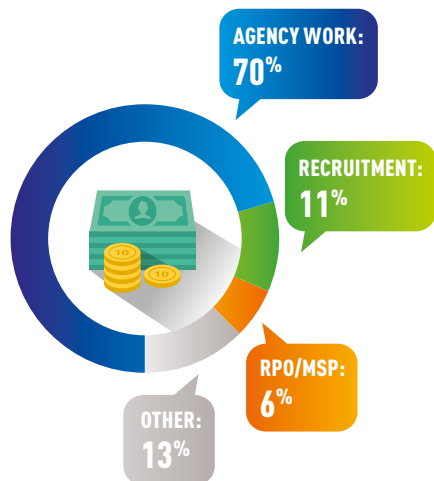
4 ENABLES PROSPERITY

Companies using agency work saw on average **5% HIGHER TURNOVER GROWTH.** On top of that, our industry turnover is €450 billion euro each year, and we employ 1.6 million people within our agencies. Thus, agencies contribute social charges, and help keep people in employment, saving governments the cost of unemployment benefits.

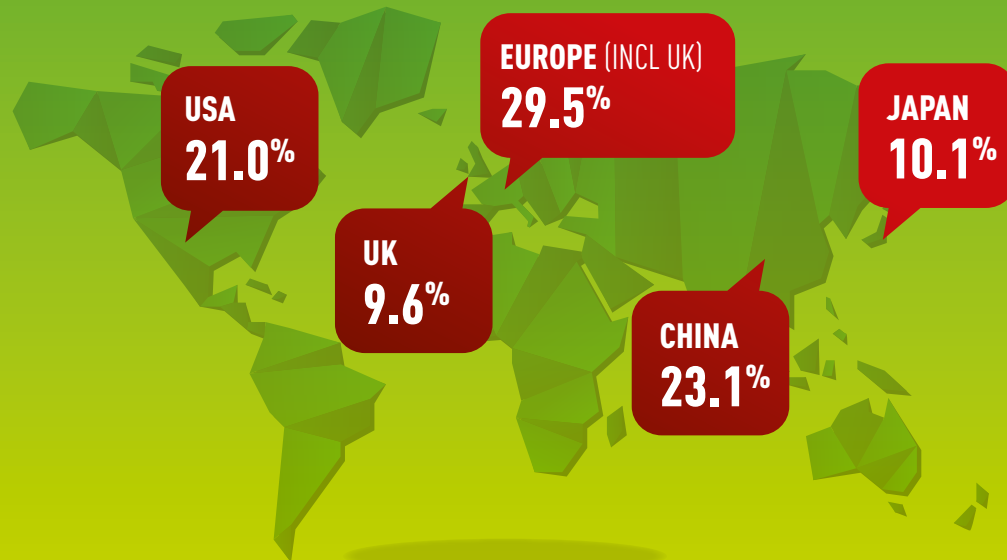


SHARE OF SALES REVENUE:

70% OF SALES REVENUE COMES FROM AGENCY WORK.



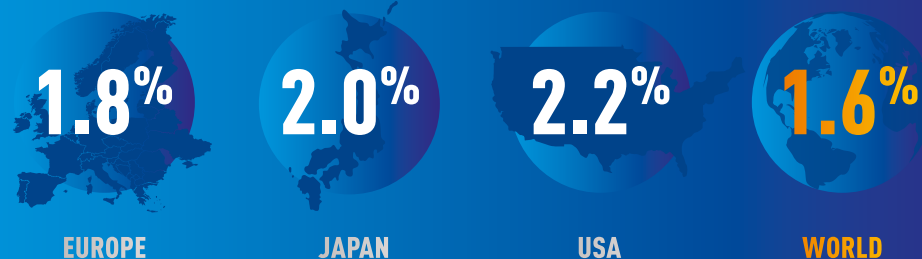
TOP MARKETS BY SALES REVENUE (ALL HR SERVICES):



GLOBAL ANNUAL SALES REVENUE:

€ 450.4 BILLION (8.6% YEAR-ON-YEAR GROWTH)

PENETRATION RATES AGENCY WORK:

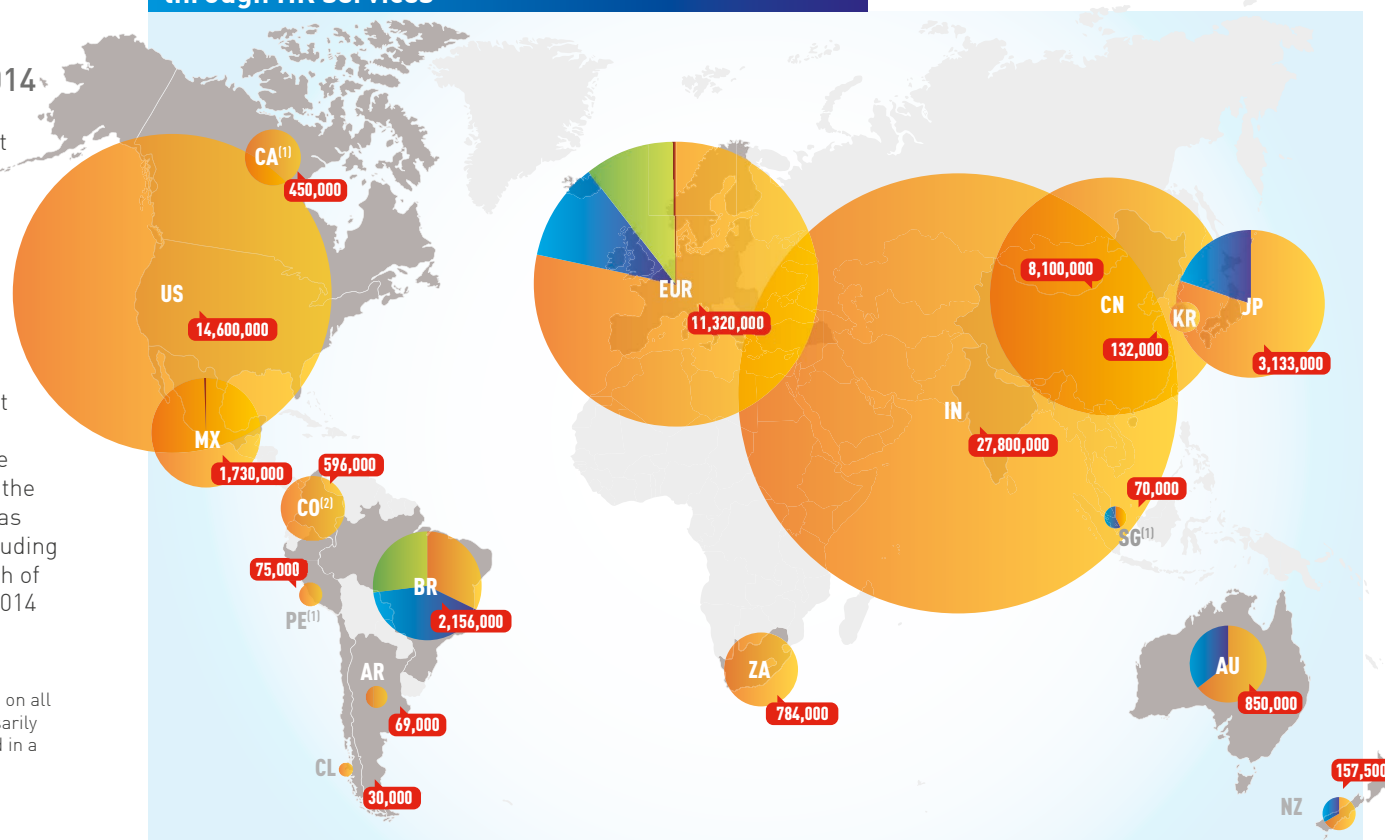


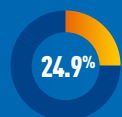
Employment and recruitment industry enables work for 71.9 million people in 2014

The employment and recruitment industry provided access to the labour market to 71.9 million people, each of whom used HR services at any point during the year. The most significant markets include India (27.8 million workers), the USA (14.6 million) and China (8.1 million). Europe represents about 11.3 million workers. For most countries, this means a moderate growth compared to last year. In the case of India, a revision of data has led to a significant increase. Excluding the Indian figures, average growth of agency work between 2013 and 2014 is 3%.

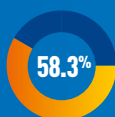
Note: Not all countries have data available on all HR services. Missing data does not necessarily imply that the service is not being provided in a particular country.

Total number of individuals working through HR services

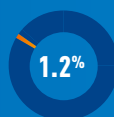




NORTH AMERICA



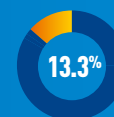
ASIA/PACIFIC



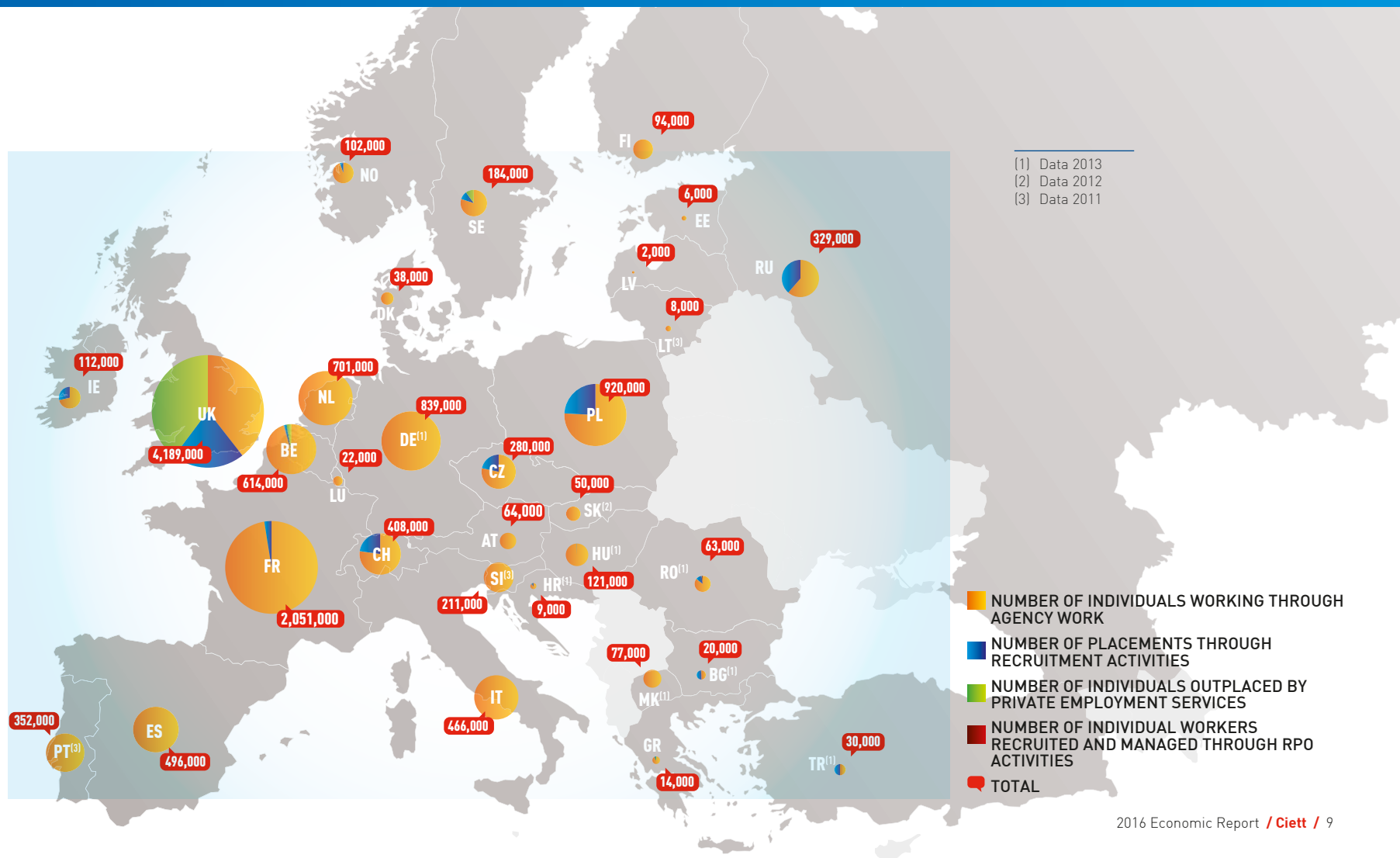
AFRICA



SOUTH AMERICA



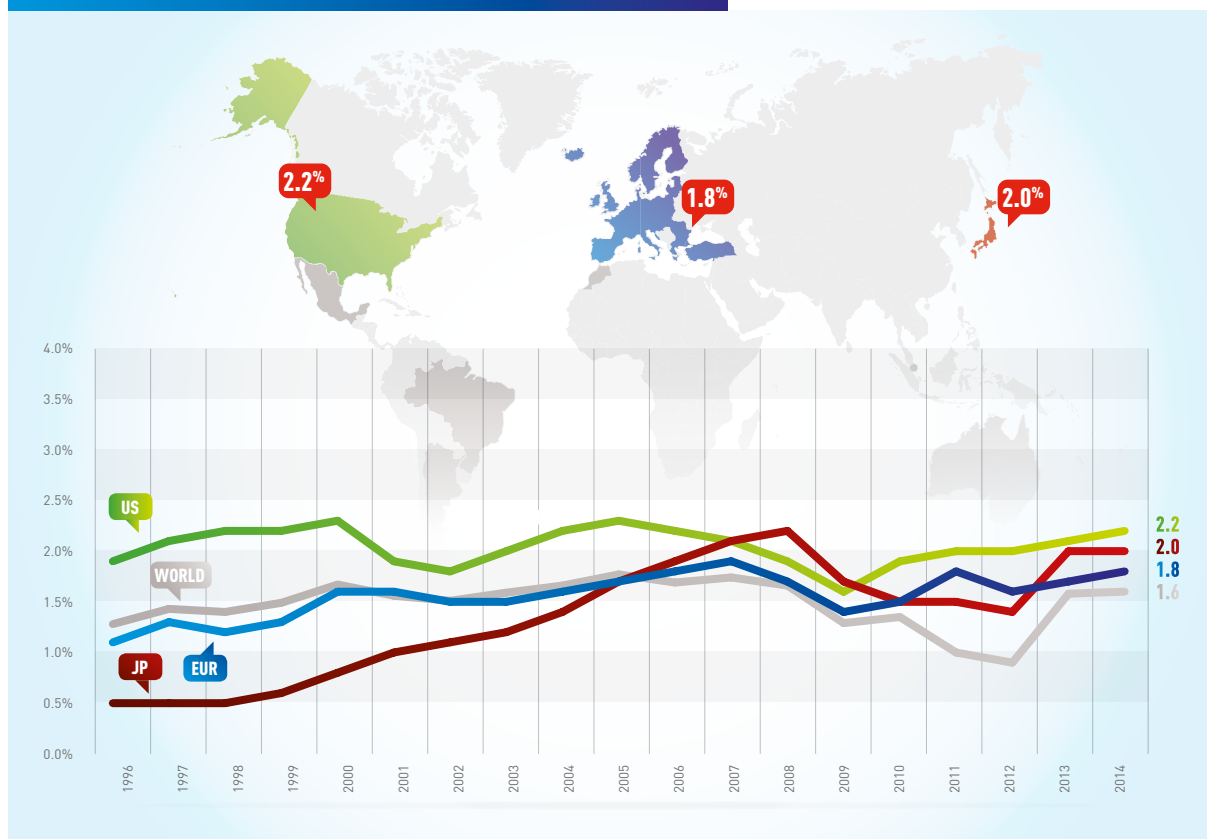
EUROPE



Agency work has recovered after the crisis

Agency work still represents the biggest part of the employment and recruitment industry. After a dip during the global economic crisis since 2007, its share in the labour market is now approaching or reaching pre-crisis levels again in the world's biggest markets. The average global penetration rate of agency work now comes to 1.6%.

Evolution in key markets 1996-2014



penetration rate:

US 2.2%

JP 2.0%

EUR 1.8%

Agency work penetration rates



Source: Ciett national federation members 2014; ILO - ILOSTAT Database, 2014.

Many markets relatively stable

Having recovered from the economic crisis in 2013, most markets now show minor improvements in the agency work penetration rate. The penetration rate globally hovers around 1.6%, while some of the more established markets, including the US, Japan and several European countries, show higher penetration rates. Still, the figures illustrate how a relatively small portion of the labour market is currently filled with agency work, and how this small portion does play an important role in enabling work for millions of people in these countries.

(1) Data 2013

(2) Data 2012

2 ENABLING ADAPTATION

Total number of
workers trained:

4.9 M

€ 535 M

spent on training of
agency workers

Agency work contributes to lifelong learning

The employment and recruitment industry contributes significantly to worker's training, making sure they have the right skills to succeed on the labour market. Almost 5 million workers received training through an employment and recruitment agency, either directly, or through a bipartite fund, set up jointly between agencies and trade unions. These funds ensure that workers still build up rights to training when they go from one assignment to the next or even when they go from one agency to another.

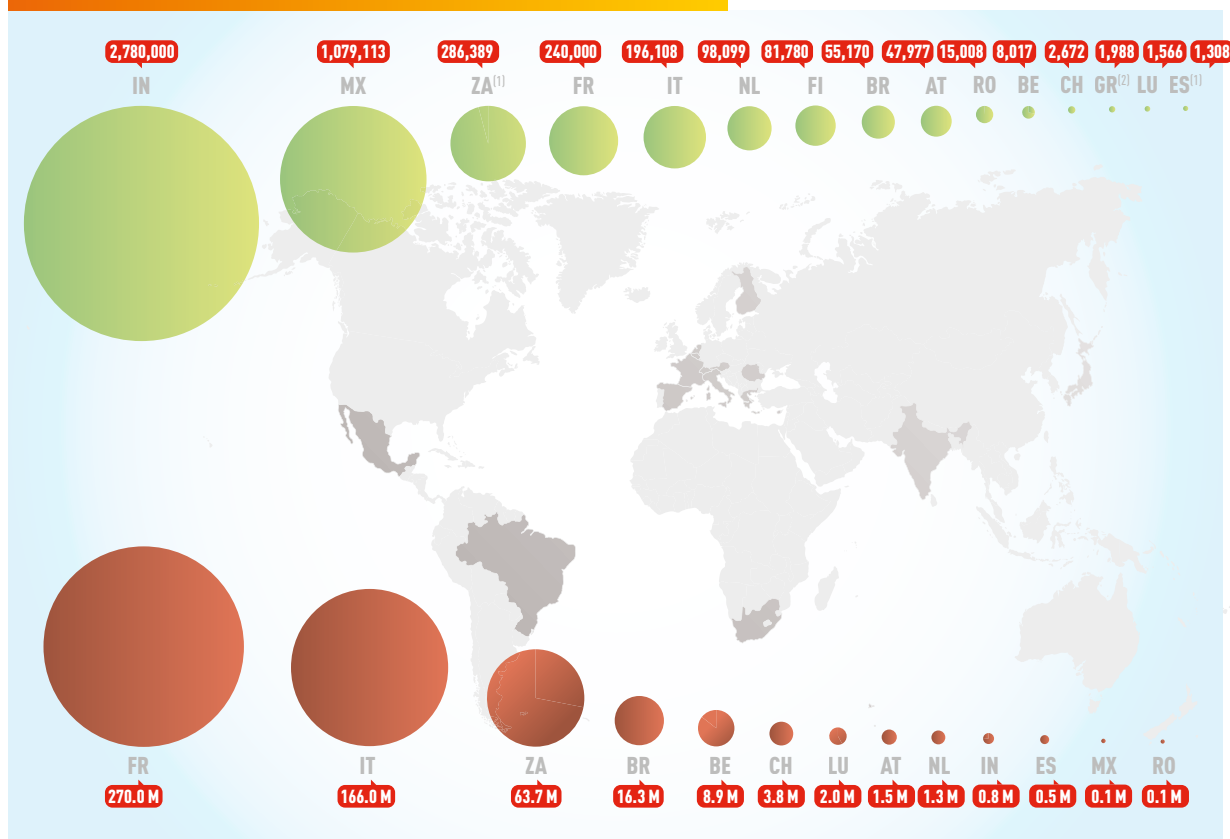
(1) Data 2013

(2) Data 2012

■ TOTAL NUMBER OF WORKERS
TRAINED THROUGH EMPLOYMENT AND
RECRUITMENT AGENCIES

■ BUDGET SPENT ON TRAINING FOR AGENCY
WORKERS IN MILLION €.

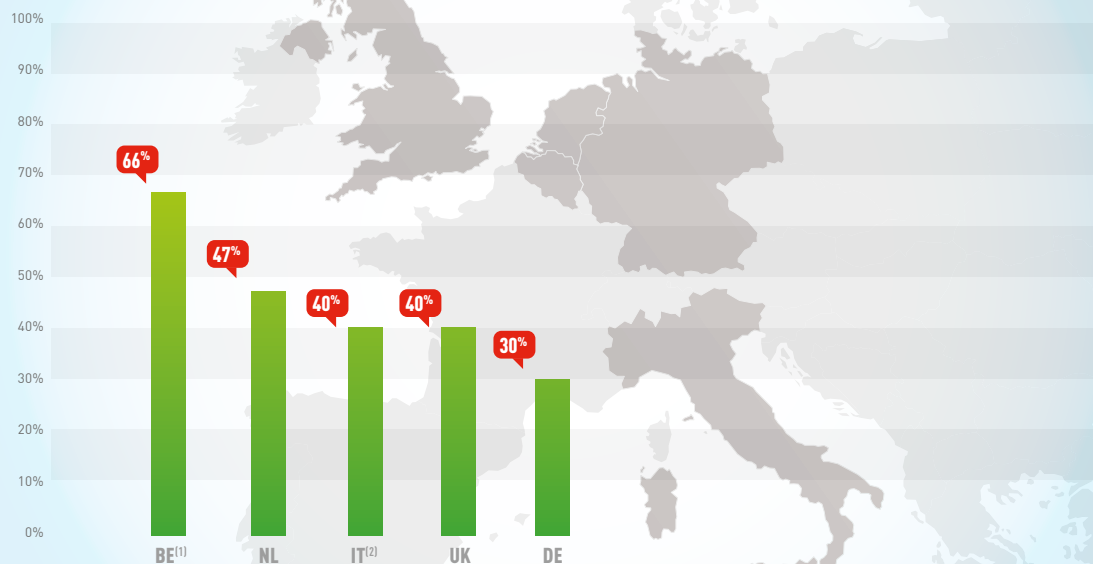
Training of workers



Source: Ciett national federations 2014



Percentage of vacancies at the public employment service provided by employment and recruitment agencies



Employment & recruitment agencies are important partners of public employment services

While the numbers differ from one country to another, it is clear that public employment services, whose main job it is to help unemployed people transition into work, lean heavily on the services of employment and recruitment agencies. This way, these agencies play an important role in society by reducing unemployment, while filling vacancies in companies that are looking for talent. This underlines the importance of efficient cooperation between public and private parties, not acting as competitors but offering complementary services to jobseekers.

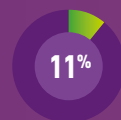
(1) Flanders only

(2) Agency work only



BEFORE

Unemployed



AFTER



BEFORE

Employed



AFTER

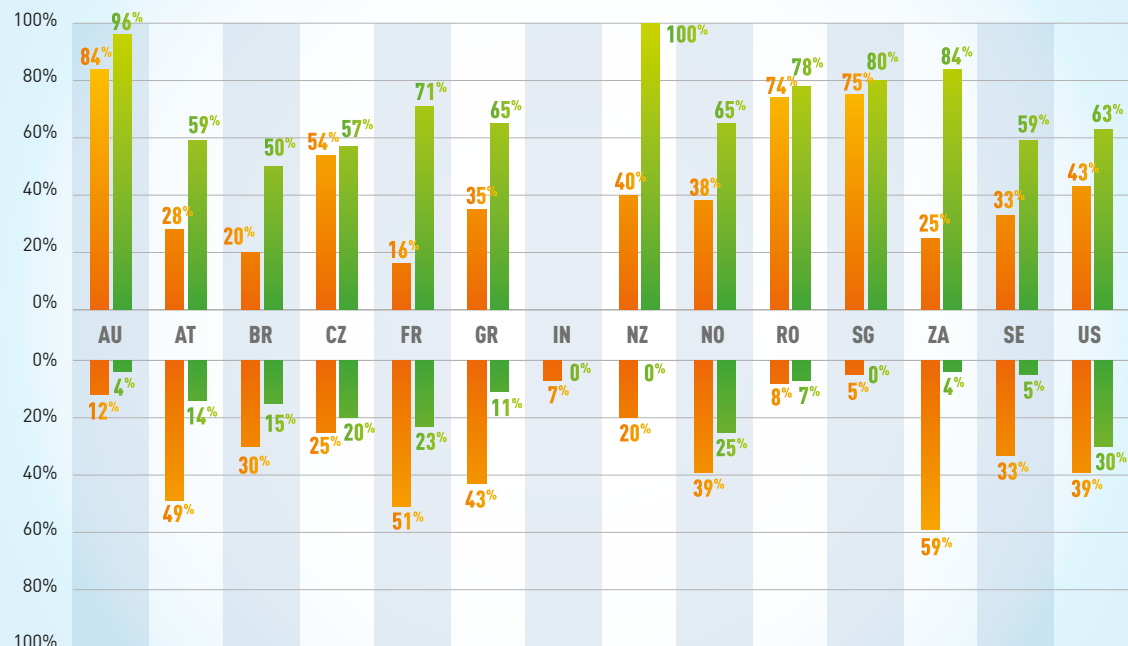
Agency work enables employment security

People who start doing agency work out of unemployment will often remain in employment after their assignment. Although there are significant differences between the countries, all cases show that agency work is a stepping stone out of unemployment into work. In France for example, 51% of agency workers come out of unemployment, and only 23% of them return to unemployment after their agency work assignment. Clearly, people use the experience and skills they obtain while working as an agency worker to make a next move on the labour market. Through agency work, they do not only have a good point of entry to the labour market, but they are also able to stay in employment up to 12 months after their agency work assignment ended. Thus, agency work enables security on the labour market.

Employed before & after agency work

% OF AGENCY WORKERS THAT ARE EMPLOYED (EITHER WITH AN AGENCY, DIRECT FIXED-TERM OR OPEN-ENDED CONTRACT) BEFORE AND 12 MONTHS AFTER TEMPING

BEFORE
AFTER



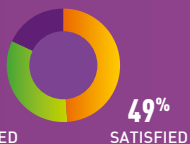
% OF AGENCY WORKERS THAT ARE OFFICIALLY REGISTERED AS UNEMPLOYED BEFORE AND 12 MONTHS AFTER TEMPING



Average
satisfaction

82%

33%
VERY SATISFIED

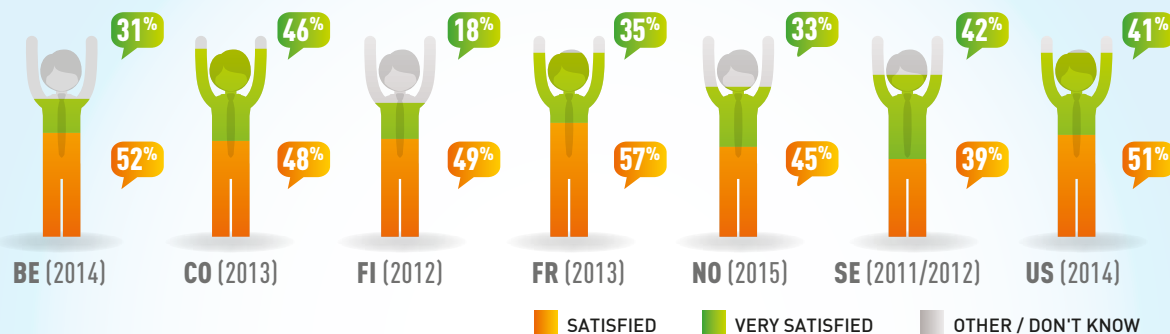


76%

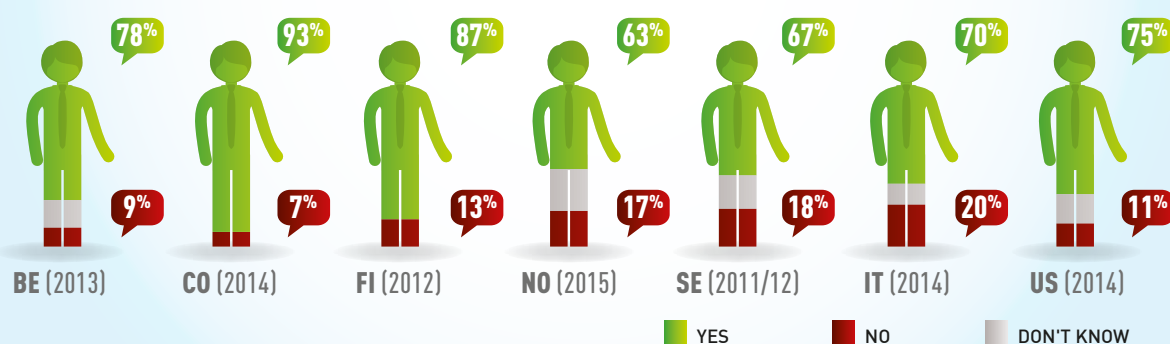
of workers would
recommend agency work

Satisfaction of agency workers

PERCENTAGE OF AGENCY WORKERS WHO ARE SATISFIED WITH THEIR WORK



WOULD YOU RECOMMEND AGENCY WORK TO A FAMILY MEMBER OR A FRIEND?



Vast majority of workers would recommend agency work to their families or friends

Research from a range of countries shows that agency workers are on average very satisfied with their work. On average, 82% of agency workers report that they are satisfied or very satisfied, and 76% would recommend agency work to their family or friends. This clearly shows that working through an agency is a positive choice for a vast majority of the workers.

Upper graph:

USA: "On a scale from 0 to 10, how likely are you to refer a family relative or friend to work as a temporary or contract employee?"
Italy: Surely yes: 20%, probably yes 50%, probably no 14%, surely no 6%.

Lower graph:

USA: "On a scale from 0 to 10, how likely are you to refer a family relative or friend to work as a temporary or contract employee?"
- Ratings of 7-10=75% (three-quarters are likely to refer...)
- Ratings of 5-6=14% (less likely to refer)
- Ratings of 0-4=11% (not likely to refer)

Profile of agency workers:

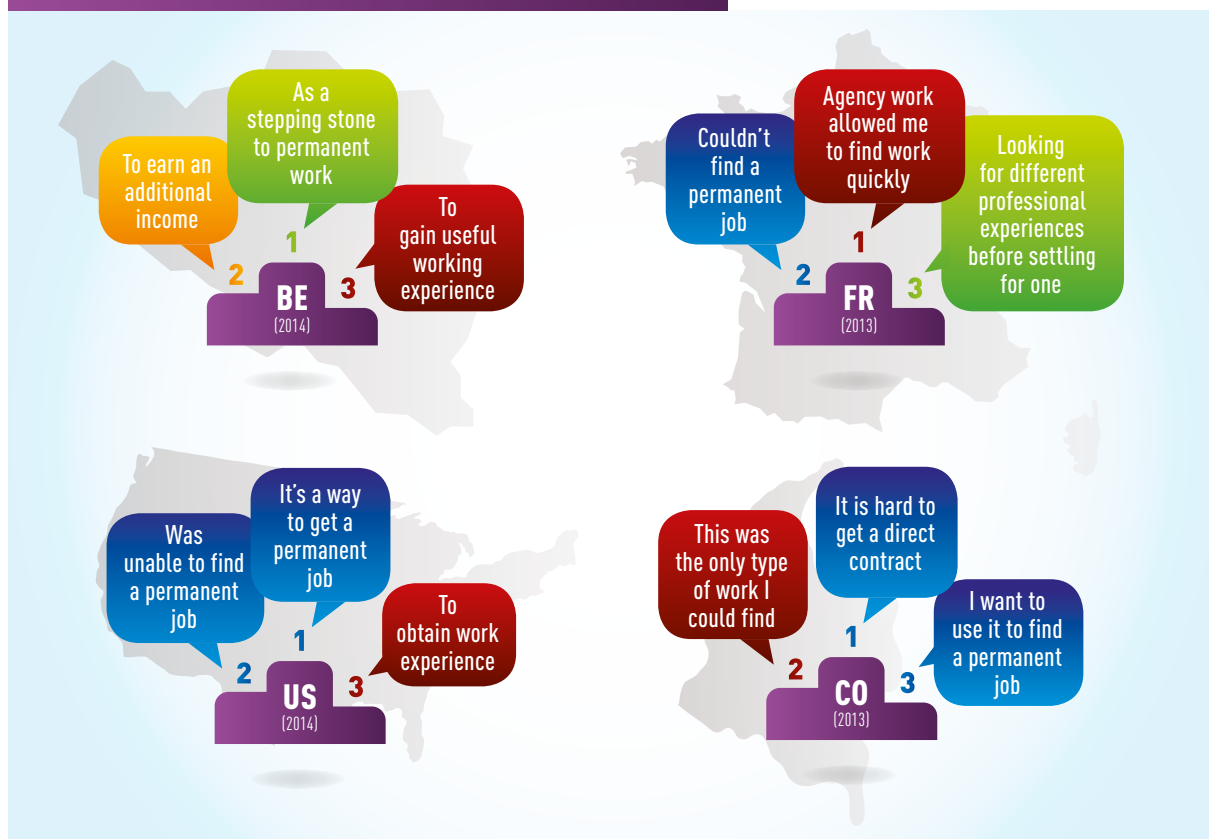
CAREER STARTERS
TO FIND A PERMANENT JOB

YOUNG PROFESSIONALS
LOOKING FOR VALUABLE EXPERIENCE

Workers have wide spread reasons to do agency work

The employment and recruitment industry enables work, adaptation, security and prosperity. These coincide with the different reasons that workers have to choose to work through an agency. They could be career starters trying to find a permanent job, or young professionals looking for valuable experience. Some of them are rather flex professionals who are using agency work to find assignments, but might not necessarily be looking for a permanent job. Another group of agency workers are looking for a source of additional income, for example in addition to taking care of the household or in addition to another paid job. And finally agency work can help re-launchers. They are using agency work to fill a gap in their career, moving from one job or sector to another.

Top 3 reasons for choosing agency work:



FLEX PROFESSIONALS

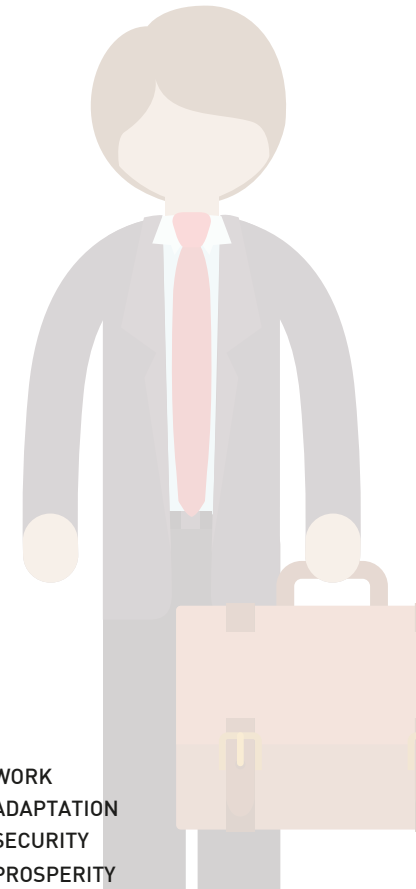
USING AGENCY WORK TO FIND ASSIGNMENTS, NOT NECESSARILY LOOKING FOR A PERMANENT JOB

EXTRA EARNERS

LOOKING FOR A SOURCE OF ADDITIONAL INCOME.

THE RE-LAUNCHERS

USING AGENCY WORK TO STAY OUT OF UNEMPLOYMENT, E.G. WHEN MOVING FROM ONE JOB OR SECTOR TO ANOTHER.

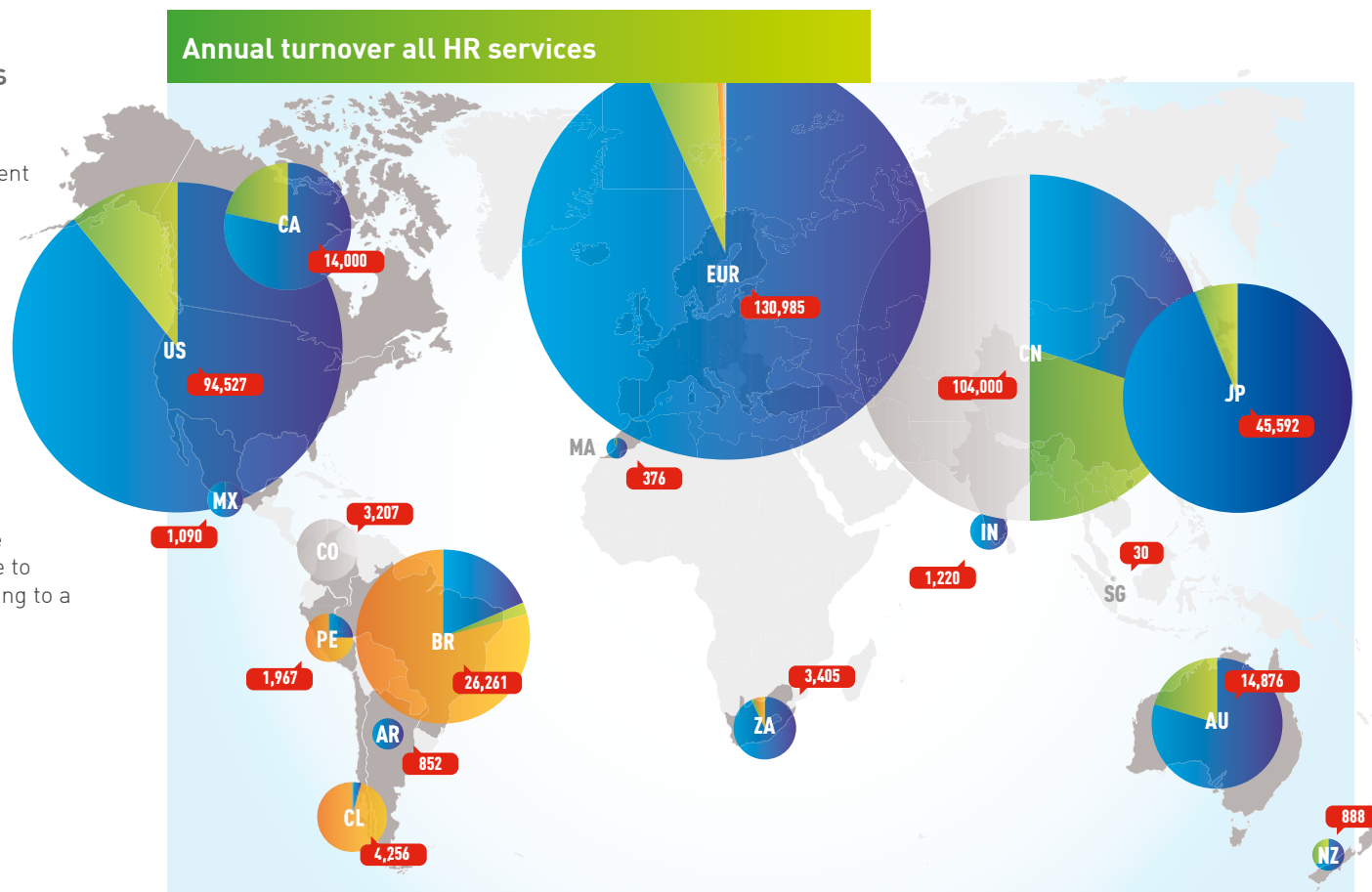




Percent of global sales revenues:

The employment and recruitment industry is worth € 450 billion

The employment and recruitment sales revenue in 2014 totalled €450 billion. This means an 8.6% growth compared to the previous year, although part of this growth is due to improved data collection in China, which boosted its revenue by about €30 billion. Excluding China, growth reached about 1.5%. Agency work is still the most important HR service, although it is important to note that not all countries were able to report on all HR services, leading to a slight distortion of the picture.





AGENCY WORK



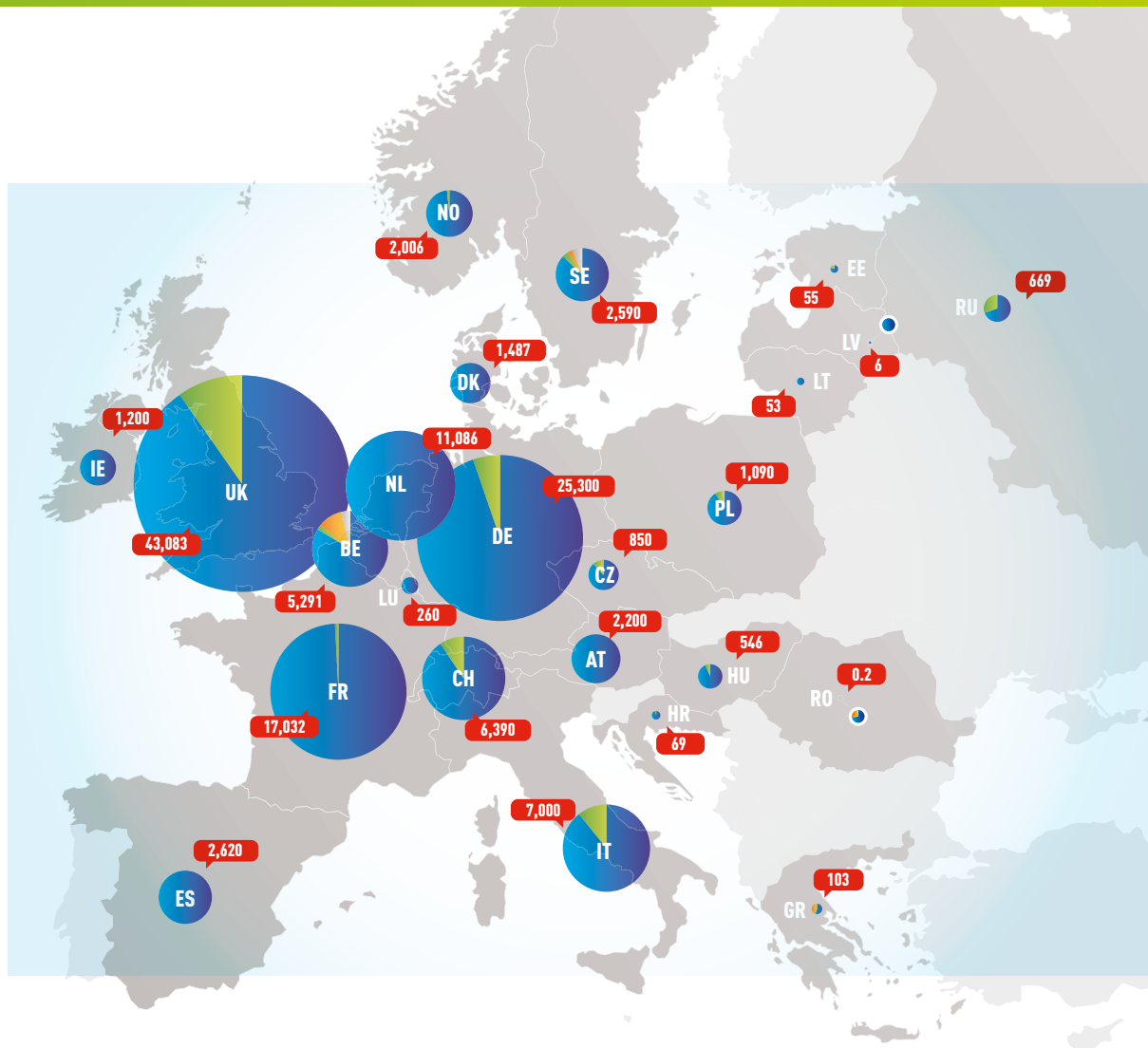
PERMANENT RECRUITMENT



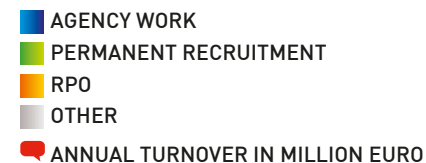
RPO



OTHER



China is now the biggest market in the world, closely followed by the USA. Added up, all European countries combined have a sales revenue of €133 billion, mostly thanks to the UK, Germany, France. This top three represents almost two thirds of the entire European market.



Percentage of global sales
revenue all HR services

CN 23%

US 21%

JP 10%

A few big markets account for large part of employment and recruitment industry sales revenue

These two graphs show the percentage of global annual sales revenues by country. What is most notable is that the top three countries account for more than 50% of the total market, whether counting all HR services or just agency work. The top 10 markets even account for about 88% of the market. This shows that there might still be room to develop and grow HR services in several countries around the world.

Percentage of global annual sales
revenue (all HR services)



Percentage of global agency
work sales revenue

US 27%

JP 14%

UK 12%

Percentage of global annual sales
revenue (agency work)



Source: Ciett national federation members, 2014.

COUNTRY CODES ⁽¹⁾

ARGENTINA	AR	MACEDONIA	MK
AUSTRALIA	AU	MEXICO	MX
AUSTRIA	AT	MOROCCO	MA
BELGIUM	BE	NEPAL	NP
BRAZIL	BR	NETHERLANDS	NL
BULGARIA	BG	NEW ZEALAND	NZ
CANADA	CA	NORWAY	NO
CHILE	CL	PERÚ	PE
CHINA	CN	POLAND	PL
COLOMBIA	CO	PORTUGAL	PT
CZECH REPUBLIC	CZ	ROMANIA	RO
DENMARK	DK	RUSSIA	RU
ESTONIA	EE	SINGAPORE	SG
FINLAND	FI	SLOVAKIA	SK
FRANCE	FR	SLOVENIA	SI
GERMANY	DE	SOUTH AFRICA	ZA
GREECE	GR	SOUTH KOREA	KR
HUNGARY	HU	SPAIN	ES
INDIA	IN	SWEDEN	SE
IRELAND	IE	SWITZERLAND	CH
ITALY	IT	TURKEY	TR
JAPAN	JP	UK	UK
LATVIA	LV	USA	US
LUXEMBOURG	LU	VIETNAM	VN

(1) The International Organisation for Standardisation ISO: the international standard for country codes ISO 3166

GLOSSARY OF USED TERMS & 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"

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

Career management / Outplacement

A service to guide a terminated employee of a company to a satisfactory new position or career through the provision of short- or long-term counseling and support services, on a group or individual basis, most often paid for by the terminating employer. (Source: Staffing Industry Analysts)

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)."

(Permanent)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.

Private employment services / Employment & recruitment industry

Agency work is usually one of several other HR services provided by recruitment and employment agencies, along with permanent recruitment, career management, training, executive search, skills assessments and more. The broad range of these services are called private employment services. The 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 services such as accounting, security or cleaning.

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.

CIETT MEMBERS 2016

NORTH AMERICA

Canada
Mexico
USA

AFRICA

Morocco
South Africa

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

NORTHERN ASIA

China
Japan
South Korea

SOUTHERN ASIA

Australia
India
Indonesia
New Zealand
Vietnam
The Philippines

CORPORATE MEMBERS

Adecco, GI Group, Kelly Services,
ManpowerGroup, Randstad, Recruit,
Trenkwalder, USG People.

LEADING IN A CHANGING WORLD OF WORK



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Private Employment Services

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