

THE EUROPEAN EMPLOYMENT INDUSTRY ENABLES 11 MILLION PEOPLE TO FIND WORK

Agency work and MSP dominate the European employment market, enjoying the highest growth in the sector

Brussels, the 27th of March; In the year of its 50th anniversary, the World Employment Confederation-Europe, the voice of the employment industry at European level, today publishes its 10th annual economic report containing data on an unequalled range of HR services ranging from labour market intelligence to talent acquisition and from placement to advisory services. The year-long research conducted in 30 countries addresses the challenges of a changing world of work and illustrates the role of the employment industry in enabling work, adaptation, security and prosperity.

By constantly expanding its footprint and diversifying its range of services, the employment industry contributed to creating 50 million jobs worldwide, 11 million of which in Europe. Across the European markets covered in the report, current trends show a diversification of the employment industry, which regroups 68,000 agencies and 276,000 HR specialists. The employment industry's diversification strategy is clearly reflected in its growing and diversified economic performance: Agency work hits € 114 billion of sales revenues in Europe (MSP excluded), an increase of 15% compared to the previous report while the European market size for MSP is estimated at € 32 billion, marking a significant increase of around 23% over the previous year. The direct recruitment market continues to grow reaching € 8.2 billion (up 9%), followed by Career Management (€ 1.1 billion) and RPO (€ 1.02 billion).

11 million people accessed the European labour market via an employment agency in 2015

Agency work had a net employment impact of more than 9.1 million jobs created with France and its 2 million agency workers leading the European ranking, followed by the UK (1.2 million), Germany (950,000) and Poland (800,000). In terms of penetration rate, agency work represents 1.9% of the European working population compared to a global average at 1.7%, the USA at 2.2% and Japan at 2%.

In 2015, 750.000 workers benefited from career management or job transition solutions offered by private employment companies. Managed Services Providers (MSP) and Recruitment Process Outsourcing (RPO) touched 1 million people across Europe. Finally, direct recruitment totaled 1.2 million placements in 2015.

Employment agencies enable adaptation by closing skills gaps and placing unemployed youth in work

While the report clearly demonstrates that change is underway, forecasts vary in different industries: on average, before entering into agency work 33% of workers were unemployed while just 21% returned to unemployment a year later (global average). On another note, 43% of people starting agency work were previously employed and 71% remained employed a year later. Almost one third of agency workers are under the age of 25 and declare upskilling via agency work is key to staying employable.

“These numbers show two things: first, agencies provide both an entry point to the labour market and a stepping stone to permanent hiring. Second, the industry creates decent jobs that would otherwise not exist.”, says Denis Pennel, Managing Director at the World Employment Confederation.

The employment industry reduces frictional unemployment and has an impact on public budgets

Employment agencies contribute to reduce frictional unemployment by shortening the inevitable time delays in finding a new job and ensuring better and faster matching of supply and demand for work. The report finds an inverse correlation between the evolution of hours worked via an agency and the unemployment rate in the EU-28. There is also evidence that high rates of agency work penetration tend to reduce undeclared work. *“Youth unemployment has a massive impact on the future employability of the younger generation: it can lead to social exclusion and a more fragmented society. And we have made it our responsibility to reduce its magnitude in the Europe. Tackling the undeclared economy is yet another battle the industry is committed to fight. Even if in advanced economies like the Netherlands, Luxembourg and Austria, levels are below 10%, undeclared work reaches 20, sometimes 30% in Italy, Hungary or Greece where unemployment is at its highest. The 60th anniversary of the Treaty of Rome should mark a reboot of the European project in terms of employment, not a backslide.”*, comments Annemarie Muntz, President of the World Employment Confederation-Europe.

About the World Employment Confederation-Europe

The World Employment Confederation-Europe has been the voice of the employment industry at European level, representing labour market enablers in 30 countries and 7 of the largest international workforce solutions companies and brings access to and engagement with the EU Institutions and key European stakeholders (BusinessEurope, ETUC, UNI Global, academic world, think tanks, NGOs). The World Employment Confederation-Europe strives for recognition of the economic and social role played by the employment industry in enabling work, adaptation, security and prosperity in our societies. In a fast changing world of work, the enabling functions provided by the employment industry is more important than ever (<http://changingworld.work/>).

The full report is accessible online: www.wecglobal.org/economicreport2017
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Lexicon

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”. All members of the World Employment Confederation are signatories of the ILO’s Convention 181 that guarantees temporary agency work contributes to the realization of the Decent Work Agenda objectives.

Career Management: Main services 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, jobs search strategies, coaching and career guidance. Employers generally pay all of the costs associated with these services.

Direct Recruitment: Services for matching offers and applications for employment, without the private employment agency becoming a party to the employment relationships which may arise therefrom, including executive search & selection.

Managed Services Provision (MSP) is a service whereby a company takes on primary responsibility for managing an organization’s contingent workforce program. Typical responsibilities of MSP include overall program management, reporting and tracking, supplier selection and management, order distribution and often consolidated billing.

Recruitment Process Outsourcing is 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.