

LATEST FULL-YEAR SECTOR DATA REVEAL EXTENT OF COVID-19 ECONOMIC IMPACT ON PRIVATE EMPLOYMENT SERVICES

Turnover of the private employment services industry contracted by 9% in 2020. This decline marks a halt to the positive annual growth seen for the past couple of years across most segments of the industry but comes as no surprise for the year when the Covid-19 pandemic has hit the world. With recovery underway, the sector continues to play a key role in creating more opportunities for workers, businesses and labour markets.

Brussels, 28 February 2022 – Latest full-year data collected by the World Employment Confederation show the significant impact that the Covid-19 pandemic had on the private employment services sector in 2020. While the struggle with the pandemic continues into a third year in 2022 and recovery from the global crisis is still underway, it is important to look back and assess the impact of the pandemic and to draw lessons from the past.

“With no surprise, the private employment services industry was amongst the sectors recording a decline in the first year of the pandemic,” explains Even Hagelien, Chairman of WEC’s Economic Affairs Committee. *“As conditions improved and businesses adapted to the new uncertainty brought about by the pandemic, economies and labour markets picked up again and several of the largest markets for private employment services were already back to pre-crisis levels in terms of activity and turnover as of the end of 2021.”*

In 2020, turnover for the global private employment services industry declined by 9%. Agency work turnover, the largest segment of the sector, was down by 10% globally. Direct recruitment dropped by 16%, while the MSP and RPO markets contracted by 3% and 10% respectively. As entire sectors closed for much of the year in order to contain the Covid-19 pandemic, and the services sector – the major share of agency work activities – was especially affected, these declines came as no surprise. On the other hand, the career management industry grew in 2020, due its countercyclical nature.

As a consequence, most indicators dropped. The number of workers placed, the number of service providers and the agency work penetration rate all fell in most countries. Looking ahead, agency work markets around the world are however experiencing a remarkable recovery. While this current edition of the Economic Report focuses on the year 2020, it is already clear that in 2021 the industry made up for much of the losses experienced during the previous, unprecedented year. The most recent data indicates several countries being close to or above pre-crisis levels once again towards the second half of 2021 when looking at both volume and value of the agency work sector.

“The private employment services sector played a crucial role in mitigating the impacts of the Covid-19 crisis; naturally by staffing the healthcare services as well as the testing and vaccination efforts, but also by providing training opportunities, facilitating job-to-job and cross-sectoral transitions, fostering inclusiveness, and providing supplementary access to social benefits,” says Denis Pennel, Managing Director of the World Employment Confederation. *“As the world of work reinvents itself, this role continues to be needed and our sector is ready to seize the opportunities ahead and build back better functioning labour markets.”*

In 2020, 58 million individuals were placed in the labour market by the private employment services industry worldwide. The sector employed 3.7 million internal staff in 190,000 agencies located across 40 countries.

The 2022 Economic Report of the World Employment Confederation is available on [WEC’s website](https://www.wecglobal.org).

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About the World Employment Confederation

The World Employment Confederation is the voice of the private employment services industry at a global level, representing national federations as well as large international workforce solutions companies from across the world. Members of the World Employment Confederation represent a wide range of HR services, including agency work, direct recruitment, career management, Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP).

The World Employment Confederation works to broaden recognition of the positive economic and social role which the private employment services industry plays in enabling work, adaptation, security and prosperity. This role involves building networks with relevant stakeholders such as policy makers, social partners and the academic world; setting high recruitment and employment standards and practices; acting as a thought-leader shaping futureproof and competitive labour markets and providing strategic data on employment issues.

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