



**WORLD
EMPLOYMENT
CONFEDERATION**

The Voice of Labour Market Enablers

Labour Market Strategic Insight Q2 2024

www.wecglobal.org

@WECglobal

Content

1. Market Comment
2. Agency Work Activity
3. Economy
4. Labour Market
5. Value Creation By HR Services

Market Comment

- **Industry is challenged:** The private employment agency sector faced a challenging year in 2023, marked by a noticeable decline in activity in many global markets. The first quarter of 2024 broadly continued the 2023 trend. This downward trend reflects broader economic pressures and shifting labour market dynamics.
- **Subdued economic situation:** The global economic situation remains subdued, with growth forecasts lower than desired. Persistent economic uncertainties and geopolitical tensions have dampened business investments and hiring activities.
- **Inflation above target:** Despite efforts to control inflation, it remains above the central banks' targets. This continues to affect business costs and consumer spending, indirectly impacting the demand for temporary and contract employment services.
- **Low unemployment rates:** Unemployment rates remain relatively low across many countries. However, this statistic masks underlying issues such as underemployment and labour force participation rates.
- **Gradual reduction in job scarcity:** Job scarcity has gradually reduced, signalling a slow recovery in some parts of the labour market. Nonetheless, certain sectors still experience significant hiring challenges, particularly those requiring specialised skills.
- **Skills Mismatch:** A pronounced skills mismatch remains evident, with many industries struggling to find workers with the necessary qualifications. Addressing this mismatch is crucial for improving employment rates and fostering economic growth. Investment in training and education is needed to bridge this gap and enhance workforce capabilities.



**WORLD
EMPLOYMENT
CONFEDERATION**

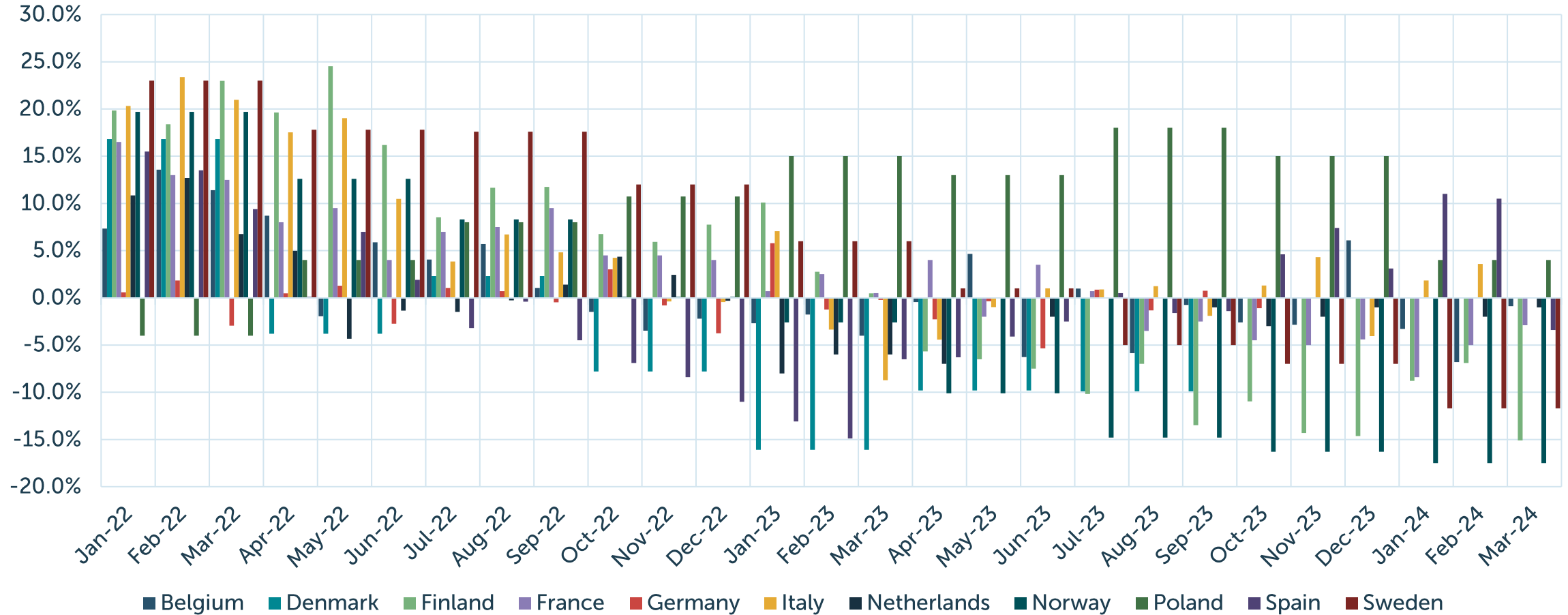
The Voice of Labour Market Enablers

1

Agency Work Activity

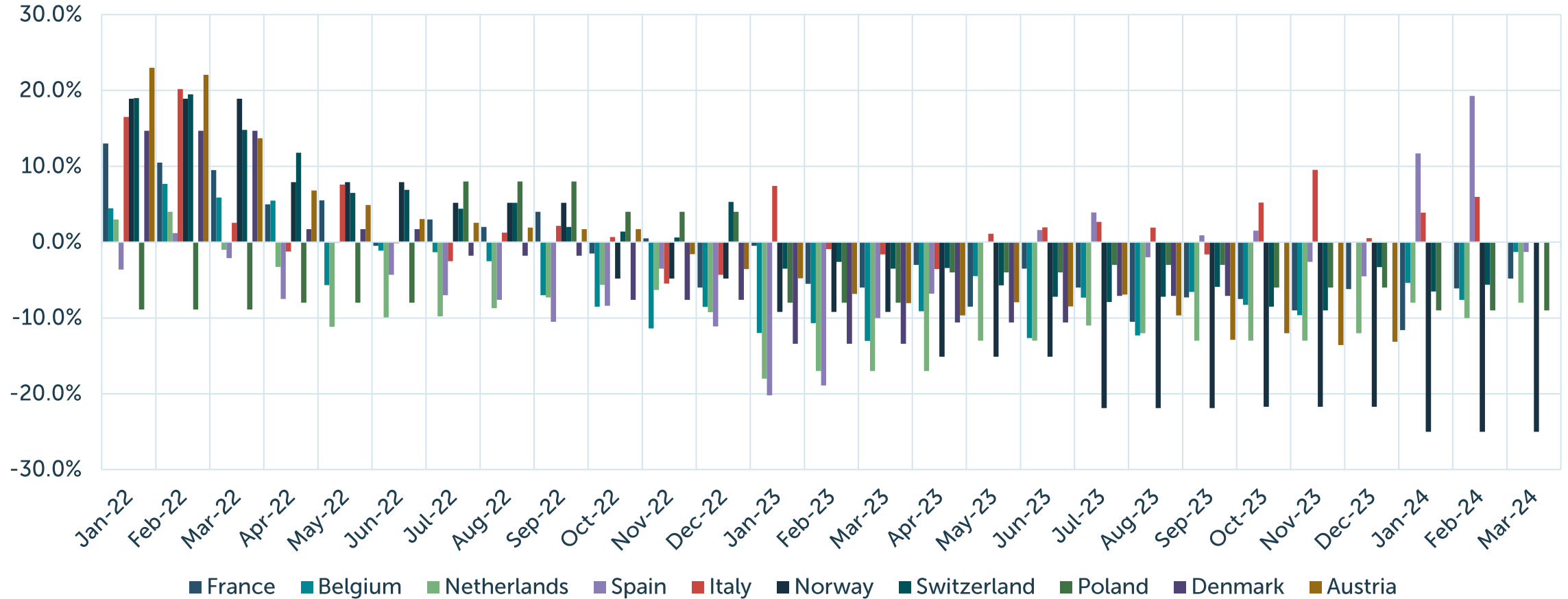
Agency Work: Turnover

Monthly Dynamics (YoY % change)



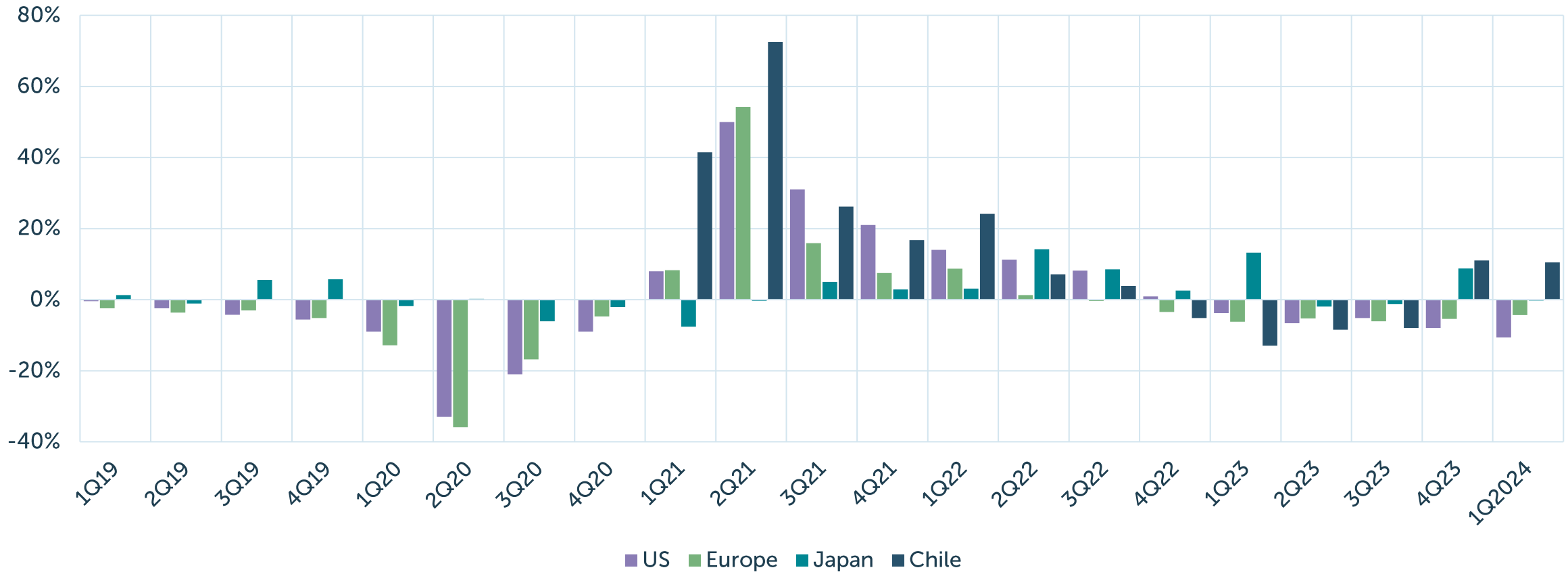
Agency Work: Hours Worked

Monthly Dynamics (YoY % change)



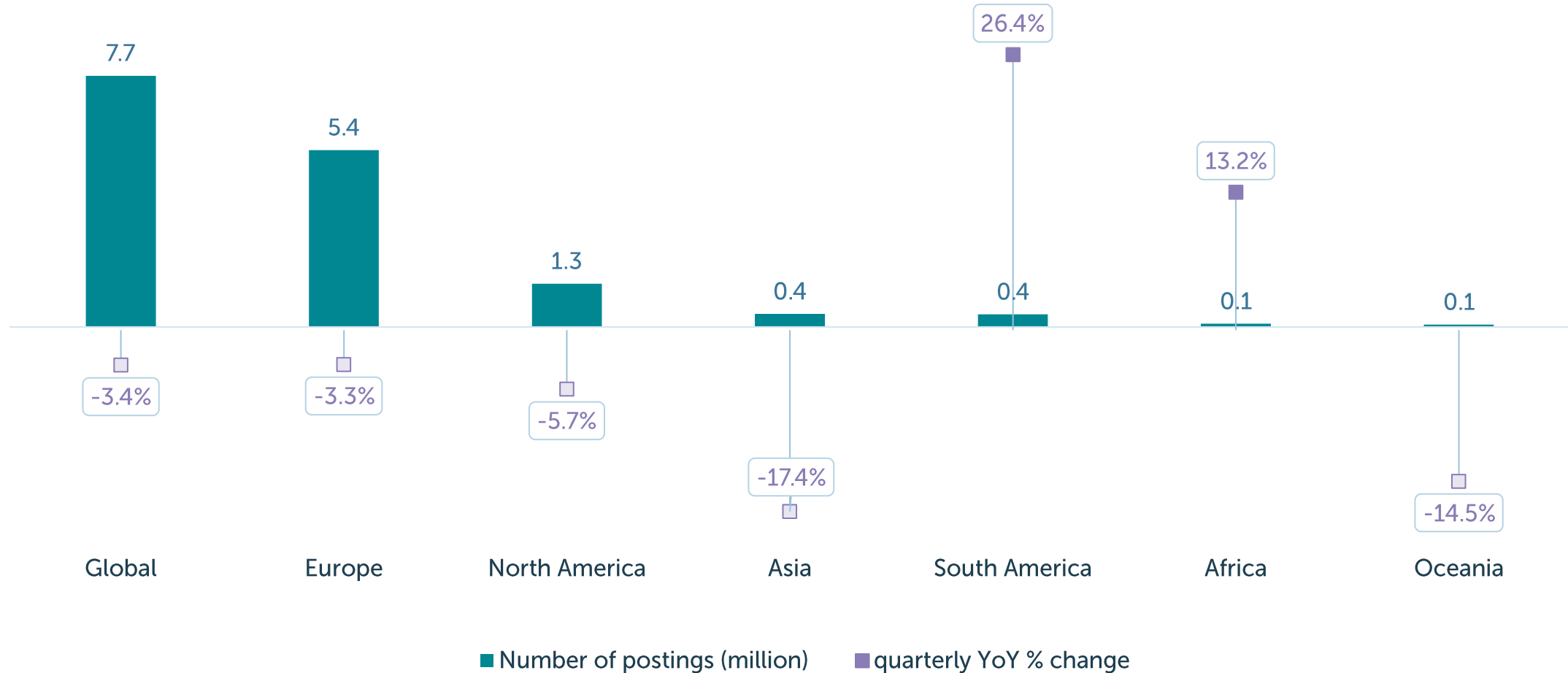
Agency Work Activity in US, Europe, Japan & Chile

Quarterly Dynamics (YoY % change)



Agency Work: Online Job Postings

Number of postings & quarterly dynamics (YoY % change) - Q4 2023





**WORLD
EMPLOYMENT
CONFEDERATION**

The Voice of Labour Market Enablers

2 **Economy**

Real GDP dynamics Q4 2019 – Q4 2023

	2019	2020	2021	2022	1Q2023	2Q2023	3Q2023	4Q2023
Argentina	-2.0	-9.9	10.4	5.2	1.2	-3.3	-1.0	n/a
Australia	-0.3	2.1	4.3	3.0	2.4	2.0	2.1	n/a
Austria	1.5	-6.6	4.2	4.8	1.7	-1.3	-1.6	-1.3
Belgium	2.2	-5.3	6.9	3.0	1.7	1.3	1.4	1.6
Brazil	1.2	-3.3	0.0	0.0	3.7	3.4	2.5	n/a
Bulgaria	4.0	-4.0	7.7	3.9	2.4	2.0	1.8	n/a
Canada	1.9	-5.0	5.3	3.8	1.8	1.2	0.5	1.0
Chile	0.7	-6.1	11.7	2.4	-0.8	-0.8	0.7	n/a
China	6.1	2.1	0.0	0.0	4.5	6.3	4.9	5.2
Czech Republic	3.0	-5.5	3.6	2.4	-0.3	-0.4	-0.8	-0.2
Denmark	1.5	-2.4	6.8	2.7	2.7	1.0	-0.3	n/a
Estonia	3.7	-0.6	8.0	-1.3	-3.8	-3.3	-4.0	-3.0
Finland	1.2	-2.4	2.8	1.6	0.1	-0.2	-1.0	n/a
France	1.8	-7.5	6.4	2.5	0.9	1.2	0.6	0.7
Germany	1.1	-3.8	3.2	1.8	-0.1	0.1	-0.3	-0.2
Greece	1.9	-5.1	4.8	6.2	1.9	2.6	2.1	n/a
India	3.7	-6.6	0.0	0.0	6.3	7.3	7.0	n/a
Indonesia	5.0	-2.1	3.7	5.3	5.0	4.9	4.9	n/a
Ireland	5.3	6.6	15.1	9.4	2.4	-0.4	-5.6	-4.8
Italy	0.5	-9.0	8.3	3.7	2.1	0.3	0.1	0.5
Japan	-0.4	-4.1	2.6	1.0	2.5	2.3	1.6	n/a
Latvia	0.6	-3.5	6.7	3.4	-0.4	-0.8	0.0	-0.2
Lithuania	4.7	0.0	6.3	2.4	-2.3	0.7	0.1	0.3
Luxembourg	2.9	-0.9	7.2	1.4	-1.6	-1.4	-1.8	n/a
Mexico	-0.3	-8.6	5.7	3.9	3.5	3.4	3.0	2.4
Netherlands	2.0	-3.9	6.2	4.3	2.1	-0.1	-0.6	n/a
New Zealand	2.5	0.0	4.5	2.9	2.1	1.5	-0.6	n/a
Norway	1.1	-1.3	3.9	3.0	2.6	0.9	-1.5	n/a
Poland	4.5	-2.0	6.9	5.3	-1.4	-0.3	0.6	n/a
Portugal	2.7	-8.3	5.7	6.8	2.5	2.6	1.9	2.2
Romania	3.9	-3.7	5.8	4.7	1.2	2.6	2.9	n/a
South Africa	0.3	-6.0	4.7	1.9	0.2	1.5	-0.5	n/a
South Korea	2.2	-0.7	4.3	2.6	1.0	0.9	1.3	2.2
Spain	2.0	-11.2	6.4	5.8	4.1	2.0	1.9	2.0
Sweden	2.0	-2.2	6.1	2.9	1.2	-0.3	-1.3	0.0
Switzerland	1.1	-2.1	5.4	2.6	1.5	0.4	0.4	n/a
Turkey	0.8	1.9	11.4	5.5	2.9	4.8	4.5	n/a
United Kingdom	1.6	-10.4	8.7	4.3	0.4	0.3	0.3	n/a
United States	2.5	-2.2	5.8	1.9	1.7	2.4	2.9	3.1

In 2023, growth was robust in the United States, driven by strong household consumption and unexpectedly expansionary fiscal policy, and in many large emerging-market economies, but weakened in many other advanced economies, especially in Europe and in low-income countries as a group. A rising number of economies experienced a technical recession in 2023, with two or more consecutive quarterly output declines.

Output declined in 12 OECD economies over the year to the fourth quarter, including Germany and the United Kingdom, and stagnated in the euro area. This weakness in Europe reflects the lingering effects of the large energy price shock in 2022 and the slowdown in credit growth in economies with a relatively high dependence on bank-based financing. Growth was resilient in Japan in 2023, helped by still-accommodative monetary policy and a mildly expansionary fiscal stance, but slowed in the latter half of the year.

Amongst major emerging-market economies, (expenditure-based) GDP growth was buoyant in India, helped by strong public investment, and Indonesia, and surprised on the upside in Brazil, Mexico and Türkiye, despite tighter financial conditions. Growth also strengthened in China in the first quarter of 2024, with policy stimulus measures helping to offset continued weakness in property markets. In contrast, outcomes have remained weaker in several vulnerable countries amidst restrictive financial conditions and growing signs of adverse effects from climate disruptions.

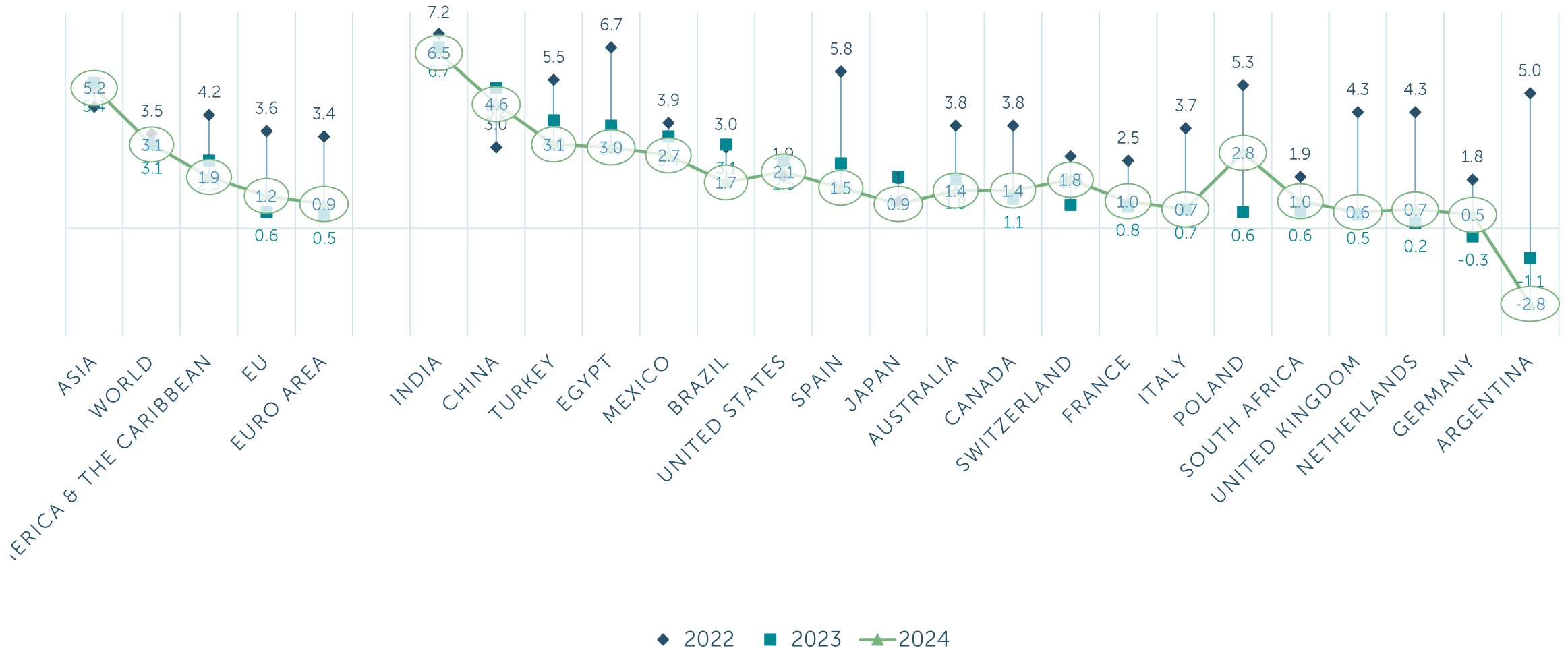
(OECD)

Source: OECD
via Macrobond



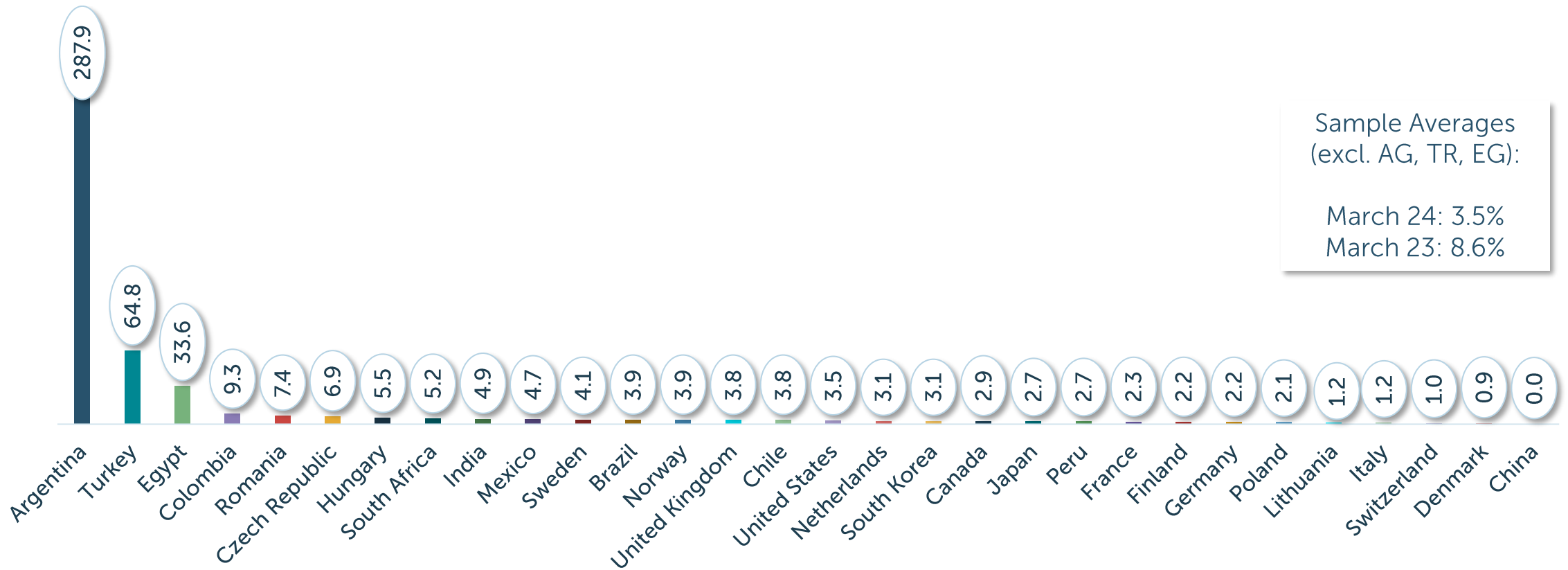
Economic Performance Is Lacklustre

IMF Economic Outlook on the GDP Dynamics in 2023-2024 (YoY % change)



Inflation is Decreasing Across Board, except in Argentina, Turkey, Egypt

Inflation Rate - December 2023 or latest available (YoY % change)



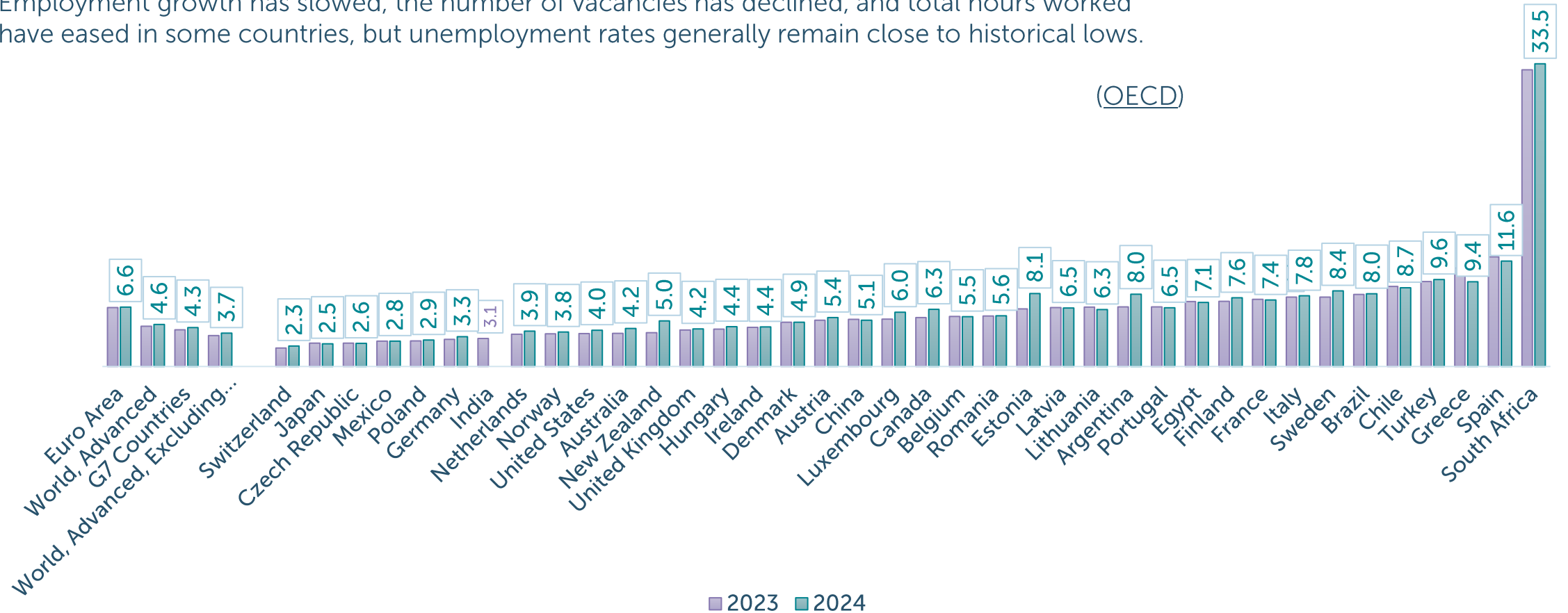
Sample Averages
(excl. AG, TR, EG):

March 24: 3.5%
March 23: 8.6%

Unemployment Rate Is Stabilising

Unemployment Forecast (YoY % change)

Employment growth has slowed, the number of vacancies has declined, and total hours worked have eased in some countries, but unemployment rates generally remain close to historical lows.





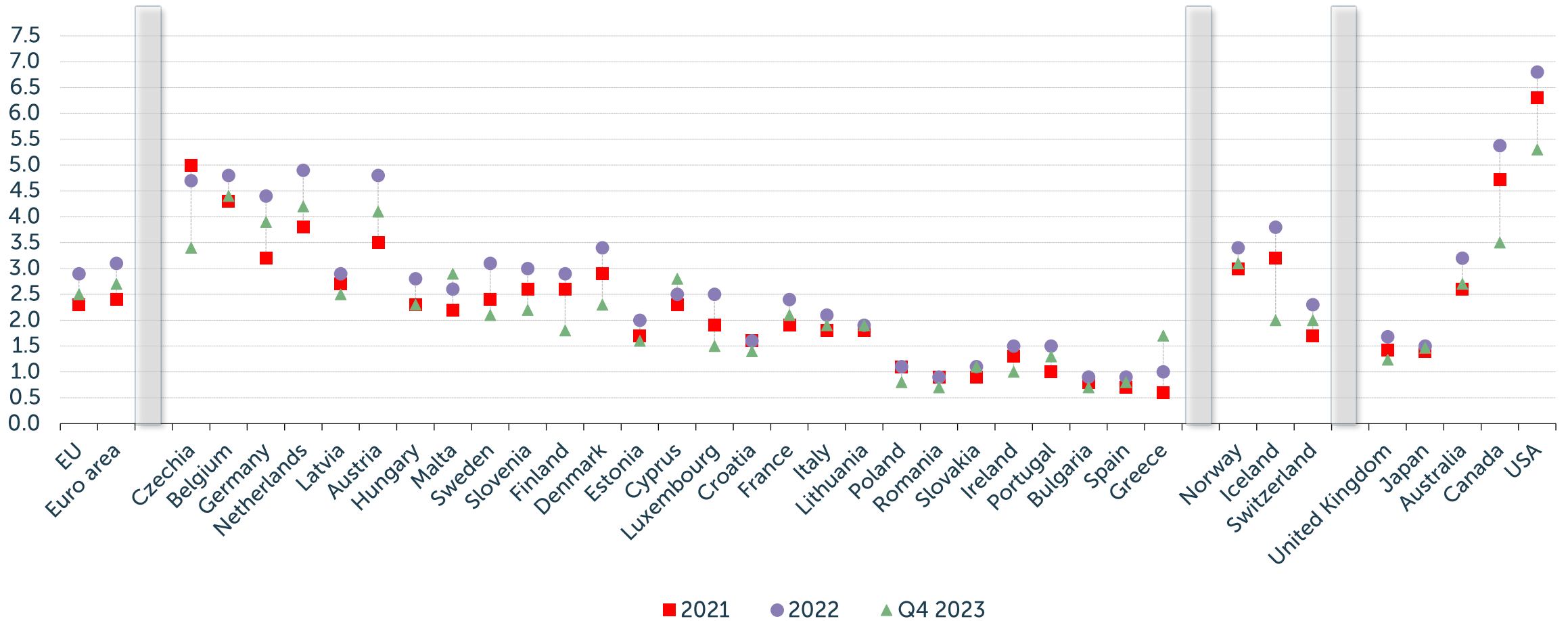
**WORLD
EMPLOYMENT
CONFEDERATION**
The Voice of Labour Market Enablers

3

Labour Market

Vacancy Rates Eased In Most Countries In 2023

Job vacancy rates (%)

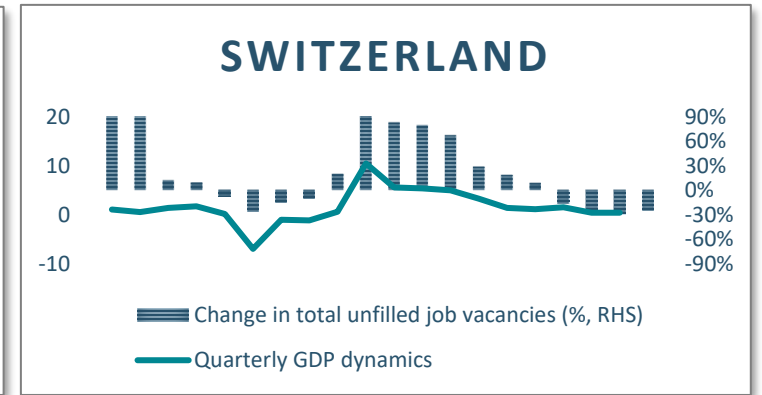
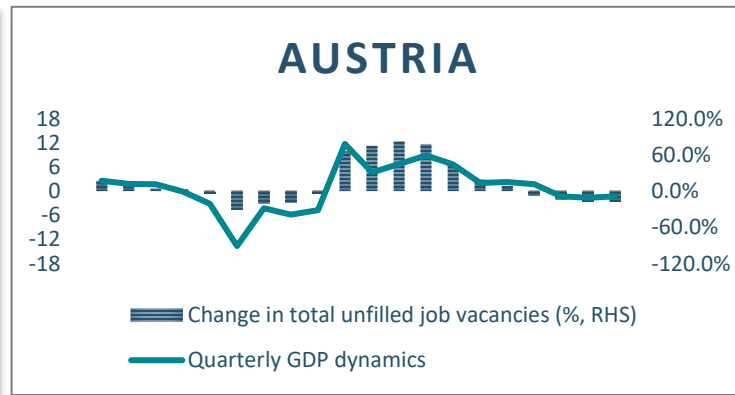
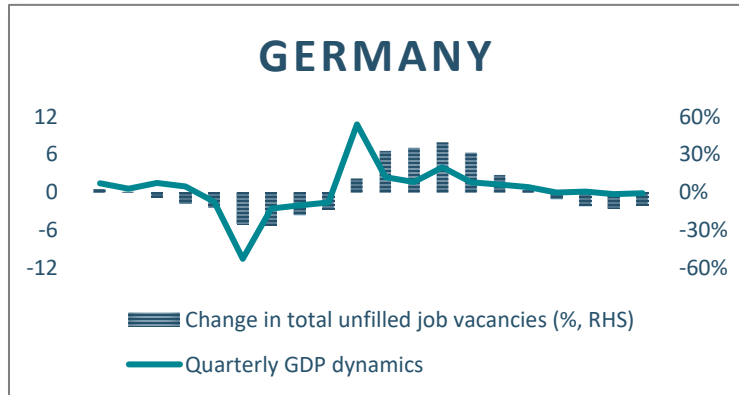
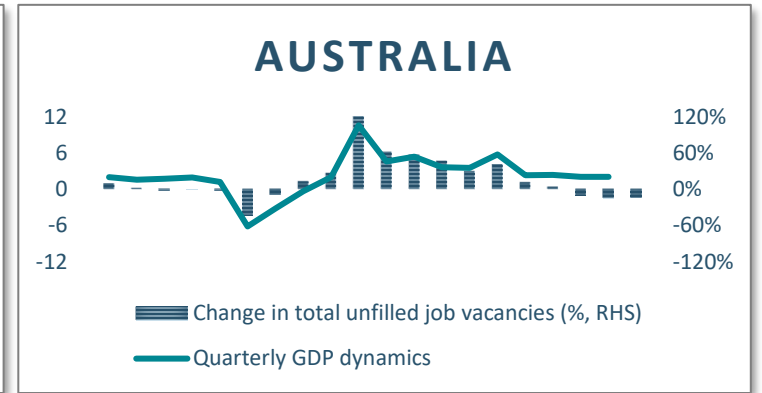
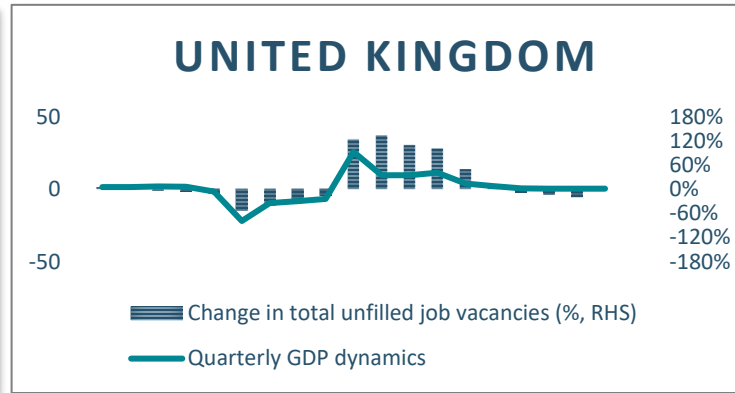
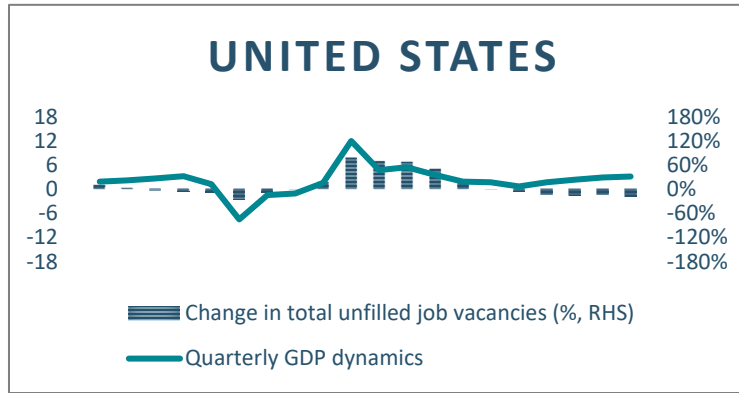


■ 2021 ● 2022 ▲ Q4 2023

Source: Eurostat; BLS; ONS; ABS; own calculations
 Note: Job vacancy rates for the EU include "Industry, construction and services"
 Note: vacancy rate = number of vacancies / (number of vacancies + number of occupied posts) * 100

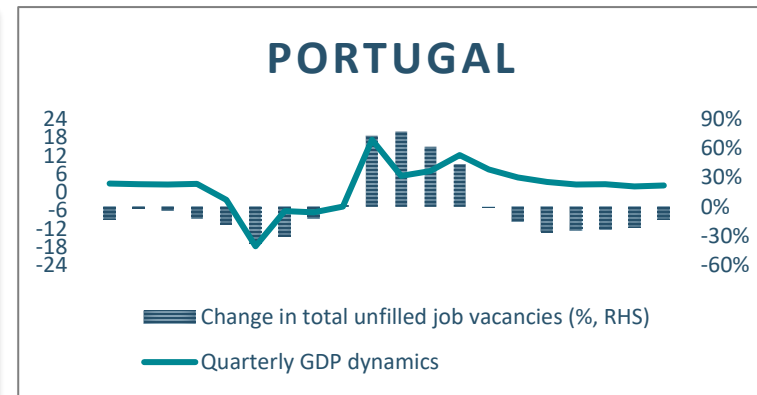
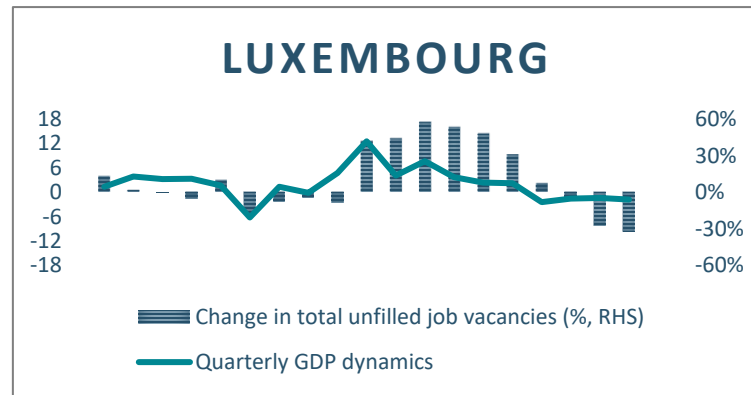
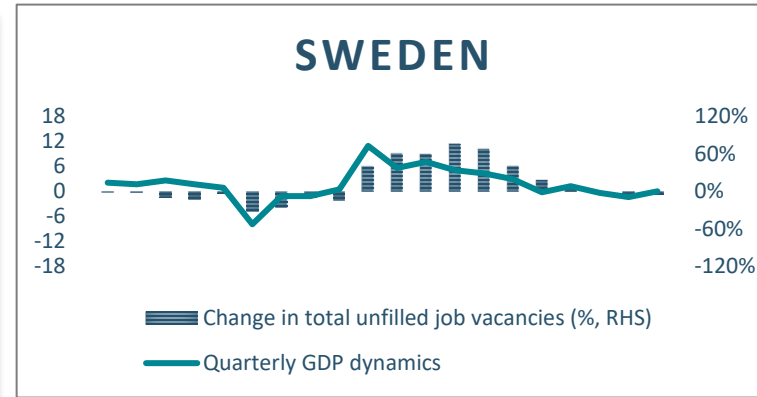
Number of Unfilled Job Vacancies Decline as Economy Slows

Quarterly dynamics of GDP and Job Vacancies (YoY % change) – Q1 2019 till Q4 2023



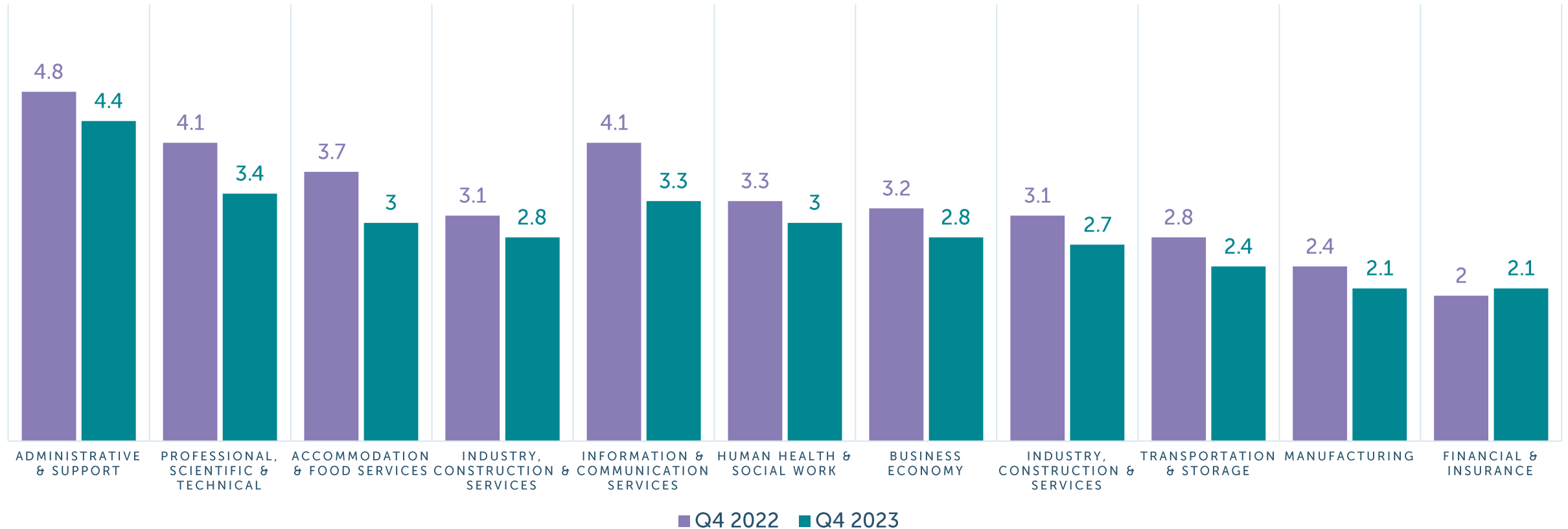
Number of Unfilled Job Vacancies Decline as Economy Slows

Quarterly dynamics of GDP and Job Vacancies (YoY % change) – Q1 2019 till Q4 2023



EU-27 Labour Shortages Are Cross-Sectoral

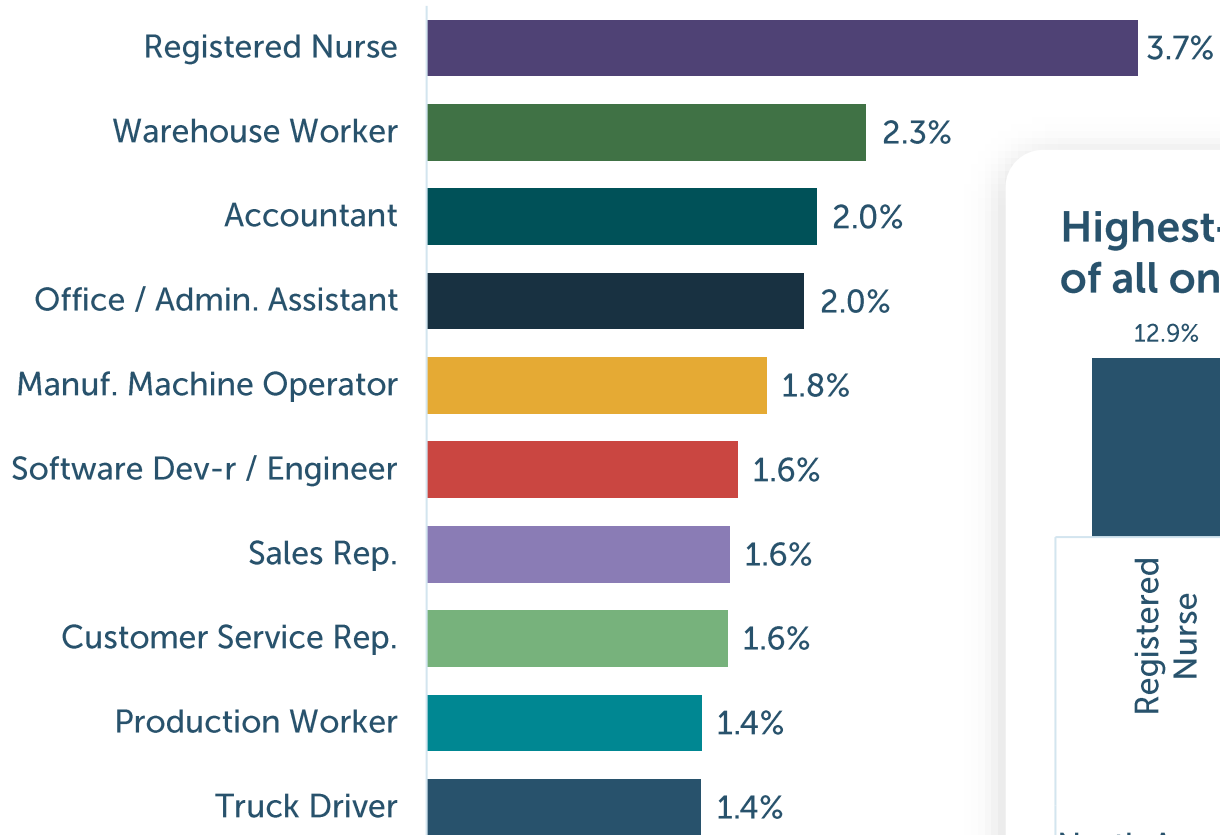
EU job vacancy rates continued easing into Q4 2023, except in Finance & Insurance; strongest in Admin & Support services



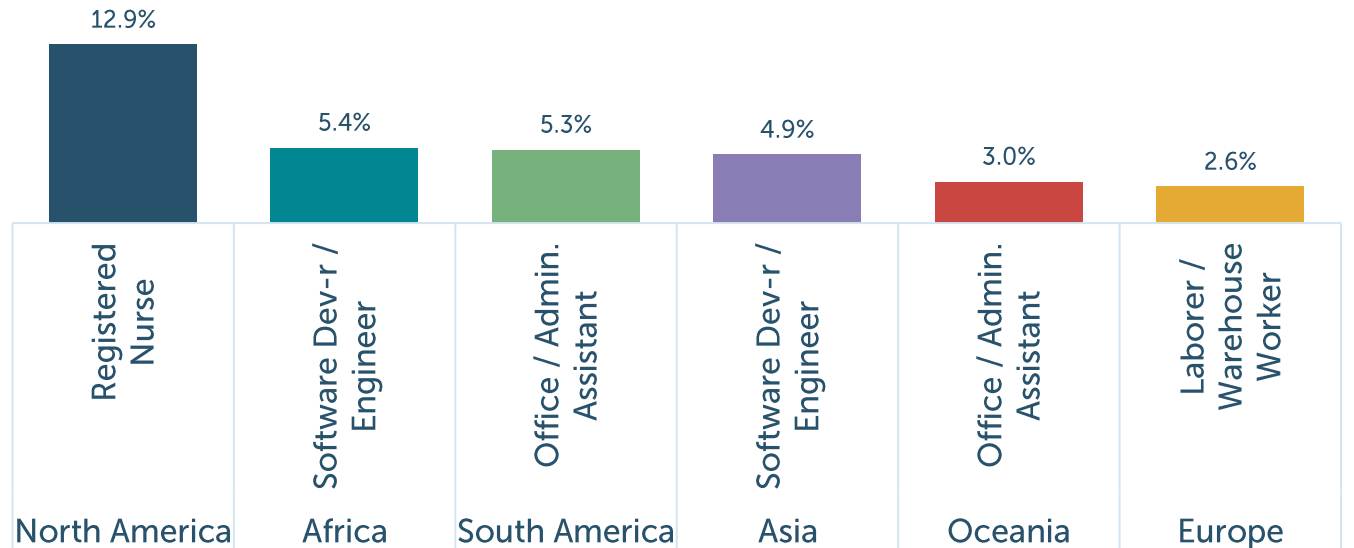
Top Occupations Sought By Staffing Companies Online

Q4 2023, share of total online job postings globally

Top 10 Occupations In Demand By Staffing Firms Globally (% of all staffing firms' online job postings) – Q1 2024



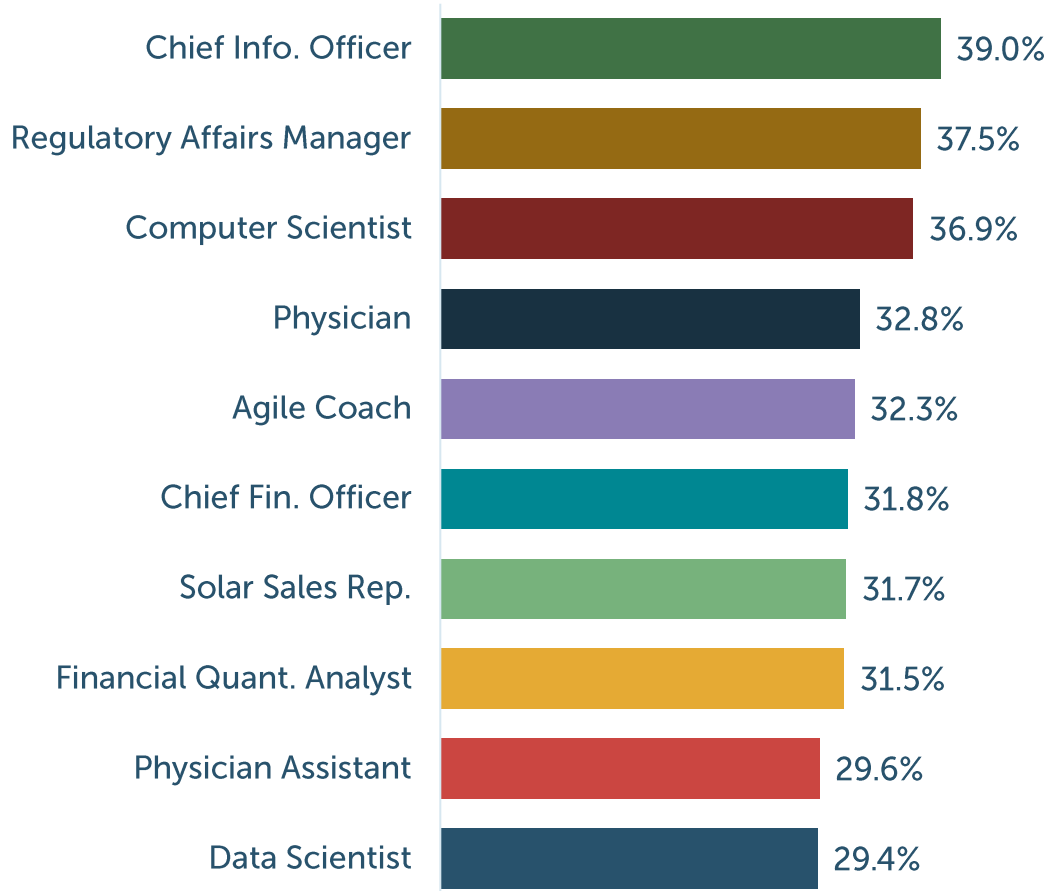
Highest-In-Demand Occupations by Geographical Region (share of all online job postings by staffing companies) – Q1 2024



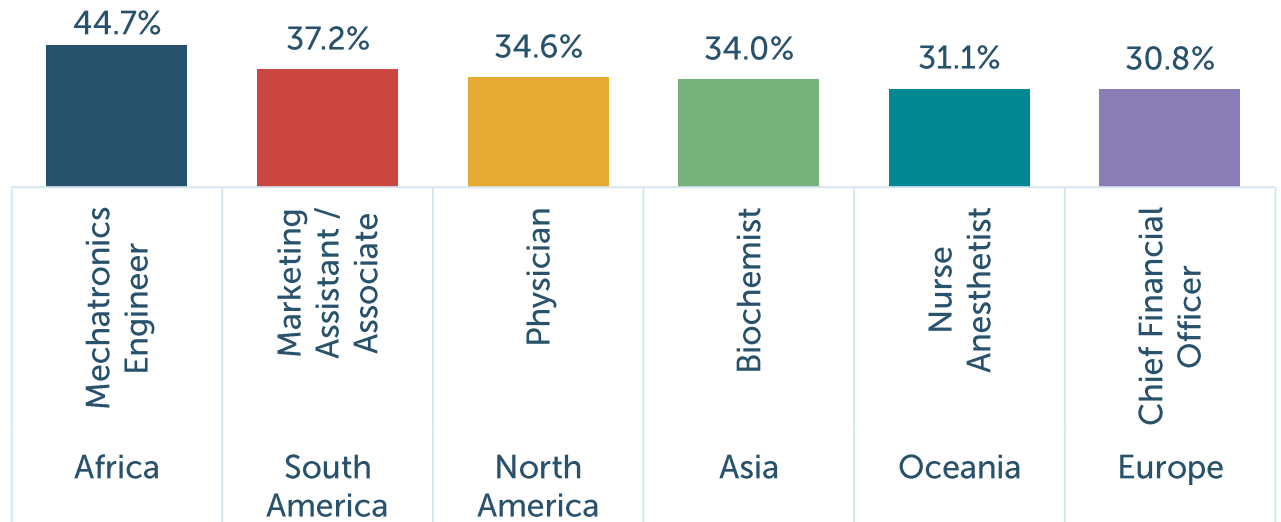
Top Hardest-to-Fill Occupations For Staffing Companies Online

Q4-2023, by difficulty to fill* via online job postings globally

Top 10 Occupations Sought By Staffing Companies By Difficulty-To-Fill – Q1 2024



Most Difficult Professions To Fill By Geographical Region - Q1 2024



* The Difficulty-To-Fill index (on a scale from 0 to 100%) is the average number of days it takes to fill a job vacancy that requires a given skill, weighted by the difference between the average salary for that job and the offered salary (a skill-enhanced "salary premium").

Enough People Look For Jobs – December 2023

Skills & expectations mismatch: more jobseekers than vacancies in many countries (except the US)



How can the HR Services industry create more value?

The HR Services industry...



Supports the transition to new economies

- Reskilling to drive sustainable recovery
- Delivering diverse working models and career management to facilitate transitions
- Delivering adaptation to change



Drives social purpose and social innovation

- Boosting opportunities for under-represented groups
- Reviewing social protection mechanisms through innovative mechanisms
- Reducing informal work



Simplifies increasing labour market complexity

- Making sense of new technology for recruitment and workforce management
- Implementing new ways of working (e.g. hybrid work)
- Providing agile workforce solutions



Acts as a solution provider in terms of risk management

- Managing workforce-related risks (compliance, productivity, skills obsolescence, etc.)
- Mitigating the unemployment risk (job creation, transitions, career management)
- Managing a broader range of risks (health and safety, well-being, etc.)



Delivers responsible intermediations and makes jobs markets work

- Ensuring a high degree of compliance with labour laws and protecting the interests of workers and end users
- Delivering new forms of work under an organised and regulated framework
- Committing to constructive industrial relations resulting in positive outcomes for all parties



**WORLD
EMPLOYMENT
CONFEDERATION**

The Voice of Labour Market Enablers

For more information contact:

Viktorija Proskurovska

Labour Market Intelligence Manager

Viktorija.Proskurovska@wecglobal.org

LEADING
IN A CHANGING
WORLD OF WORK