Private Employment Agencies in a Changing Labour Market

Connecting talent to opportunity amidst economic uncertainty and digital transformation

2026

INDUSTRY IMPACT REPORT

WORLD EMPLOYMENT CONFEDERATION
The Voice of Labour Market Enablers

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.

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AT A GLANCE

61 million people placed into jobs in 2024

570K supported in career transitions

86% agency workers in full-time roles

23% agency workers transition to permanent contracts

Labour markets are in a period of accelerated transition. Uneven economic performance, demographic ageing, technological disruption and persistent skills mismatches are increasing the risk that workers and employers fall out of alignment. In this environment, resilience and effective labour market intermediation have become more important than ever.

In 2024–2025, hiring caution in mature economies, volatility in emerging markets, rapid digitalisation, and demographic ageing all increased the risk of workers becoming detached from the labour market.

Against this backdrop, private employment agencies kept people connected to work at scale: in 2024 they placed 61 million people into jobs, nearly one million more than in 2023, with 86% of assignments fulltime and 23% of temporary agency workers transitioning into permanent roles. Agencies did so even as revenues softened, demonstrating that they represent a durable solution for the labour market even in a period of economic hardship.

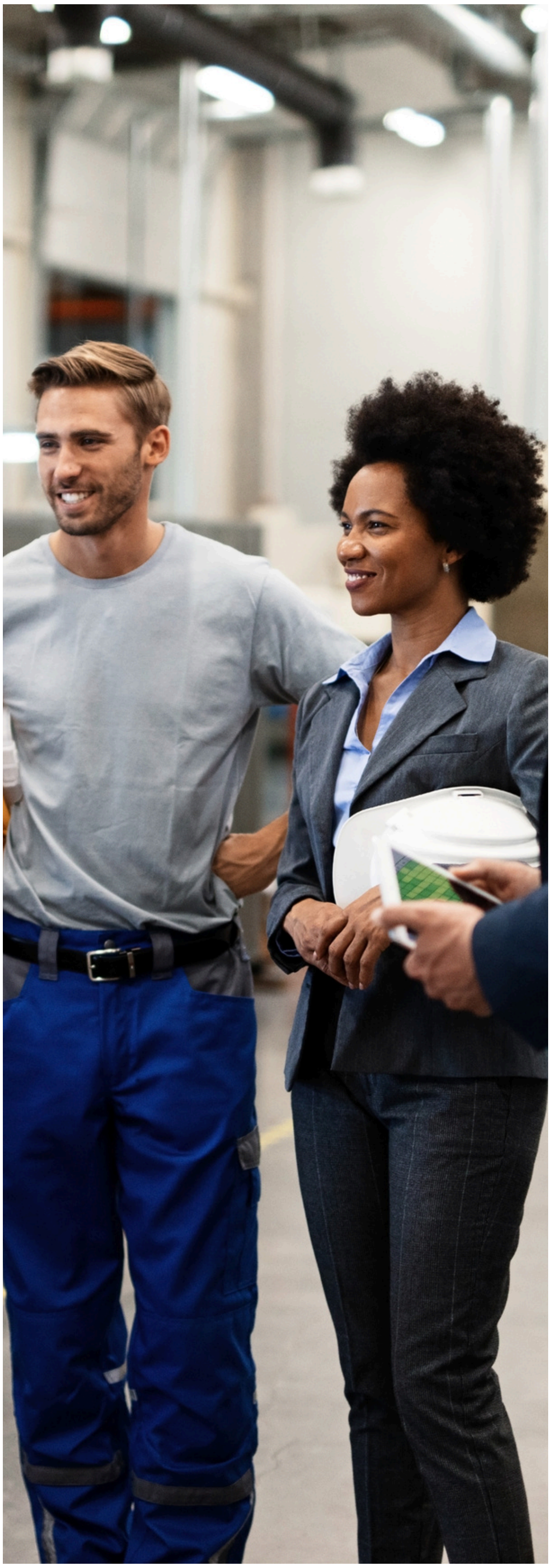
Agencies were particularly impactful for those most at risk of exclusion – first-time labour market entrants, women, people with caring responsibilities, migrants and older workers - by offering first work opportunities, flexible working hours, structured transitions and progression pathways.

Top career management service providers supported 570,000 people globally in navigating job changes, a 9% increase year-on-year. In an environment where education-to-occupation mismatch is widespread, private employment agencies helped workers realign their skills with labour market demand, supporting reskilling and redeployment across sectors facing shortages.

Healthcare continued to be a structural pillar of demand, with 4.4% of agency workers in health roles, and persistent shortages across care, technical and digital occupations reinforced the importance of efficient labour market intermediation. Agency work remained predominantly fulltime, stable where open-ended contracts are legally allowed, and widely used by students and older workers who rely on flexible but formal work arrangements.

Amid these pressures, private employment agencies enabled companies to maintain operational continuity, supported structural transitions through training, and provided governments with an essential mechanism to prevent unemployment from rising. Their services, ranging from agency work to direct recruitment, managed services, recruitment process outsourcing, business process outsourcing, vendor management systems and career management, form a comprehensive ecosystem that helps people enter, remain in and progress within the labour market (see chart on page 35).

Overall, despite economic softness, 2024 demonstrated that private employment agencies are a key engine of inclusion and labour market resilience: they placed more people, supported more transitions, and anchored those most vulnerable firmly within the world of work.



PART 1

Private Employment Agencies Navigate People into Work

Intermediation in a fragmented labour market

In 2024–2025, private employment services operated amid uneven economic conditions. Hiring caution persisted in Europe and North America, volatility remained in South America, structural informality constrained Africa, and APAC growth concentrated in a few high-demand sectors.

Skills and labour shortages continued in healthcare, technical and digital roles. Demographic ageing tightened labour supply. Regulatory requirements intensified on data governance and cross-border compliance. Rapid digitalisation – from digital onboarding to AI-supported sourcing – demanded continuous investment (see part 2 of this report for more insights). These pressures increase the risk of labour market detachment, making effective intermediation critical for those closest to job loss or exclusion.

To tackle these challenges, private employment agencies play a crucial role in navigating people into work:

- Career transitions that re-skill and redeploy workers from declining roles into growth sectors.
- Inclusion programmes that support youth, migrants and older workers to access formal employment and progression pathways.

VALUE OF CAREER TRANSITIONS

Career transitions deliver significant value for both organisations and workers by shifting the focus from job titles to transferable skills, enabling people to move into entirely new roles rather than replicating past positions. They are essential for young people moving from education to work, for individuals progressing from temporary to permanent roles, and for workers navigating geographical or occupational mobility. A skills-first approach strengthens workforce resilience, reduces hiring costs and preserves institutional knowledge. Redeploying internal talent instead of recruiting externally can save organisations hundreds of thousands of dollars per employee, while simultaneously supporting workers in meaningful career reinventions. AI-driven career-pathing tools further enhance this process by matching employee capabilities with emerging labour-market needs, helping individuals navigate change with confidence and enabling organisations to build a more agile, future-ready workforce.

WORKER STORY: LEONIE

Leonie is a 24-year-old worker from Switzerland. After losing her job as a cook in an elderly care institution due to its closure, she suddenly found herself at risk of unemployment. Cooking for elderly people was her passion, yet she was reluctant to navigate traditional job-search channels, interviews or training programmes. Instead of remaining without work, she turned to a temporary placement arranged through an HR services provider, taking a job at Hotellis to maintain her income while continuing to look for a role aligned with her vocation.
This flexible, supportive placement illustrates how HR services can act as an inclusion pathway for young workers who face uncertainty or disruption early in their careers. By enabling Leonie to stay attached to the labour market rather than falling into inactivity, the temporary assignment prevented income loss, preserved her autonomy and kept her on track toward re-entering her preferred sector. The earnings she secured through this interim role meant she did not need to apply for unemployment benefits, giving her the stability to continue pursuing meaningful work in elderly care.

Pathways to employment and career growth

From access to advancement: agencies provide the employment ladder from first assignment to permanence. In 2024, agencies placed 61 million people in jobs, with one in four temporary agency workers offered permanent contracts. Most agency work was full-time and, where legal, open-ended agency contracts supported stability with flexibility. Career management services further helped 570,000 people navigate transitions.

Figure 1. People placed in jobs: 61 million in 2024 (+1.6%)

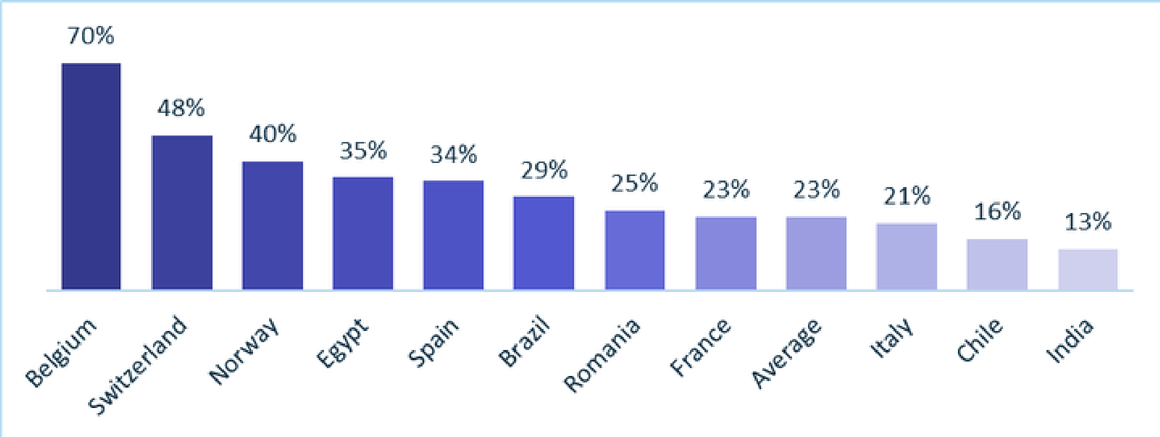
58.4 MILLION people placed in jobs through temporary agency work

2.5 MILLION people placed in jobs through direct recruitment

Source: WEC Members; in-house estimations and calculations.

Globally, on average 23% of temporary agency workers were offered a permanent contract in 2024, a reduction of four percentage points compared to 2023. The highest share of conversion from a temporary to a permanent contract in 2024 was recorded in Belgium (70%) and the lowest one in India (13%).

Figure 2. Rate of conversion of a temporary contract into a permanent one: 23% of all agency workers globally in 2024

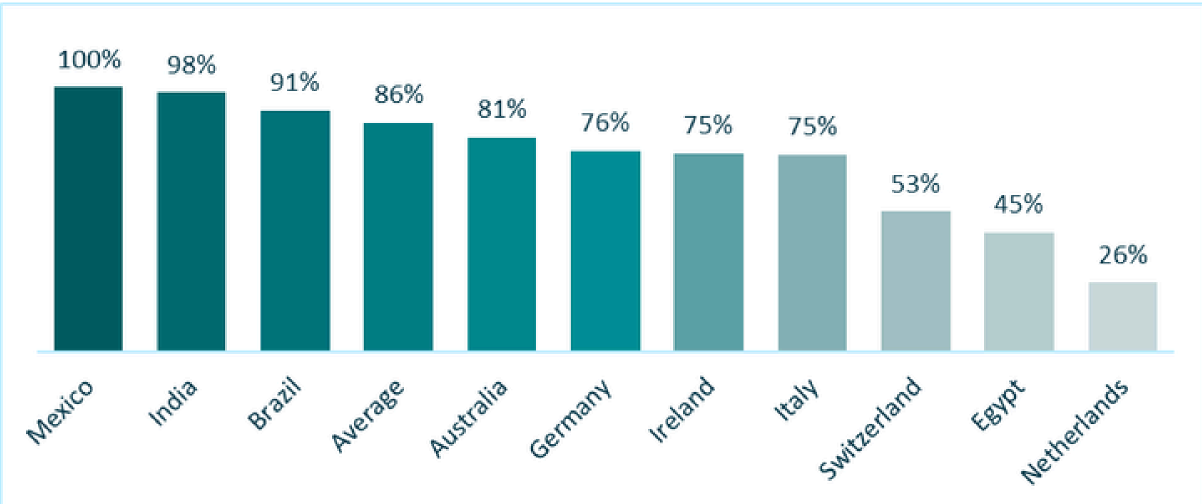


Source: WEC Members; in-house estimations and calculations; calculation of the average is weighted.

Agency work is not just part-time. Even when temporary, agency workers' contracts are most often full-time jobs. In 2024, in such countries like Mexico, Brazil, India and Australia, full-time agency work contracts represented over 80% of all contracts that private employment agencies signed with user companies.

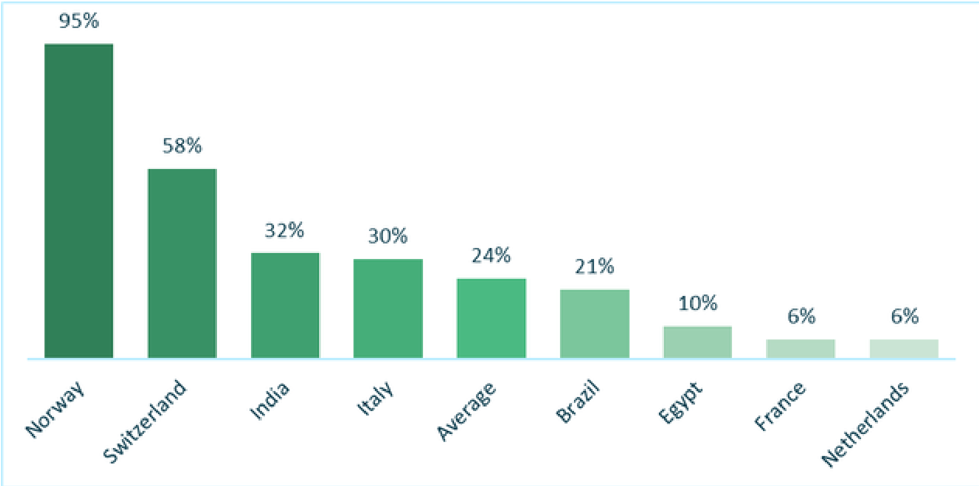
Where allowed by law, open-ended contracts are popular among agency workers, with a global average of 24% in 2024. The highest share of open-ended agency work contracts in 2024 was registered in Norway (95%) while the lowest one was in France and the Netherlands (6% each).

Figure 3. Share of full-time contracts among agency workers: 86% globally in 2024



Source: WEC Members; in-house estimations and calculations; calculation of the average is weighted.

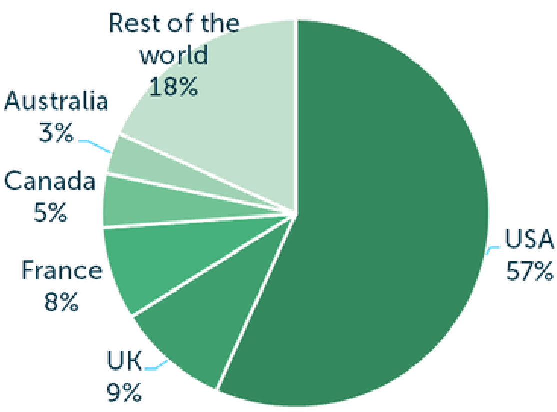
Figure 4. Open-ended agency work contracts: 24% of all agency workers globally in 2024 (where legal)



Source: WEC Members; in-house estimations and calculations; calculation of the average is weighted.

WEC member companies specialising in career management supported a total of 570 thousand people in their career transitions in 2024, a 9% increase on 2023. The largest career management market was the USA with 57% of all individuals supported by the top three market leaders. Those supported people worked in some 17 thousand companies, 10% more in 2024 than the year before.

Figure 5. Career management transitions: 570,000 people supported by top three market players in 2024 (+9%)



Source: WEC Career Management Network; in-house estimations and calculations.

Beneficiaries of inclusive pathways to work

Private employment agencies offer pathways that align particularly well with the needs of groups at higher risk of exclusion.

40% WOMEN of agency workers globally

23% OVER 45 of agency workers globally

12% STUDENTS of agency workers globally

For students (12% of agency workers globally) who seek to enter the labour market, agency work provides structured, short-cycle assignments that fit academic schedules and offer first work experience in a formal setting, helping them build employability without long-term commitments.

For women (40% of agency workers), agencies often facilitate re-entry after career breaks and offer access to roles with predictable hours or flexible arrangements, which remain critical for those with care responsibilities.

For older workers (23% of agency workers are over 45), agency-mediated roles reduce hiring barriers by allowing employers to assess skills directly through assignments, supporting late-career participation, phased retirement and rapid reintegration after displacement.

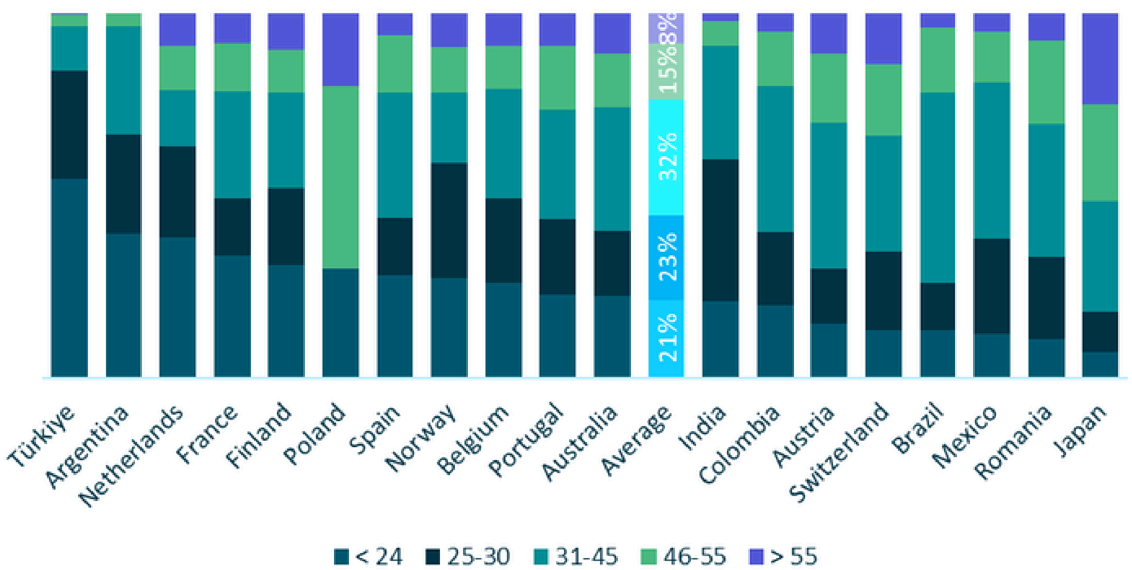
For migrants and newcomers, agencies provide verified, compliant employment opportunities[1] and help candidates navigate regulatory requirements, local norms and employer expectations. Across all groups, agencies thus reduce friction in job matching and lower entry barriers to formal work.

Tackling mismatches between education and jobs

Looking at the level of education of agency workers in today's volatile labour market, they face a similar challenge to that of the entire global workforce, namely that their field of study often mismatches their ensuing professions. The online job postings data in 2025 show that staffing demand was led overwhelmingly by health and social care roles, followed by core business functions and logistics-related occupations.

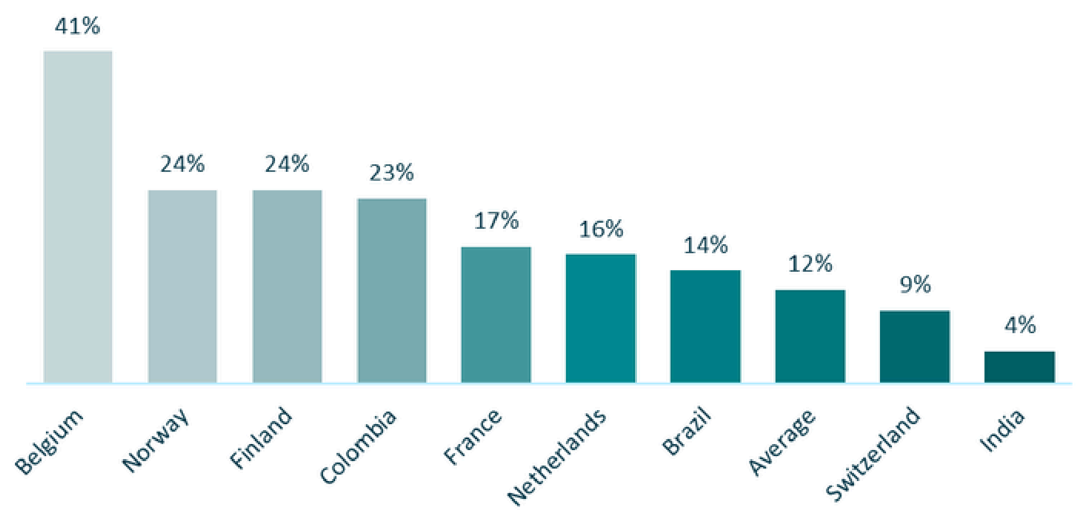
Agency workers come from all walks of life, equipped with various education levels. 36% of agency workers had higher education in 2024 (compared to 39% in 2023) and 42% had secondary (medium) level of education, up from 37% in 2023.

Figure 6. Age structure of agency workers – 2024 (% of all agency workers)



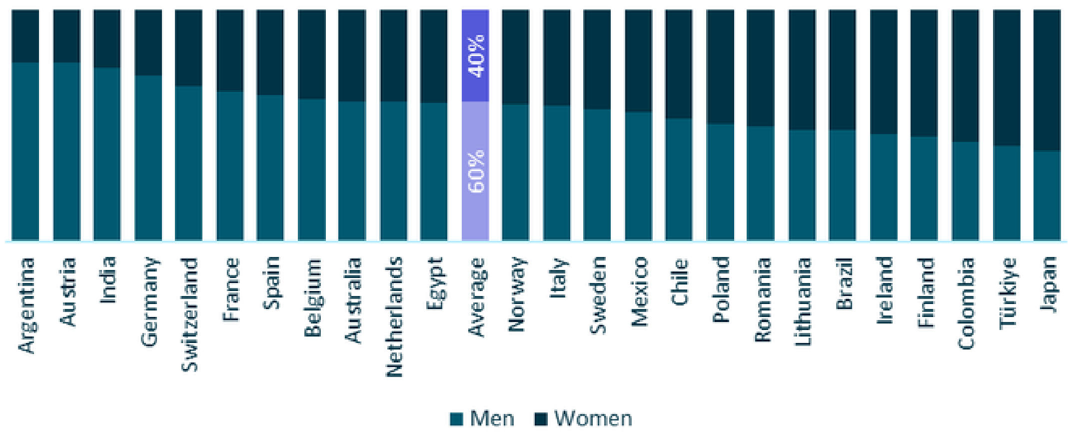
Source: WEC Member survey; in-house calculations; averages are weighted.

Figure 7. Students among agency workers - an average of 12% of all agency workers in 2024



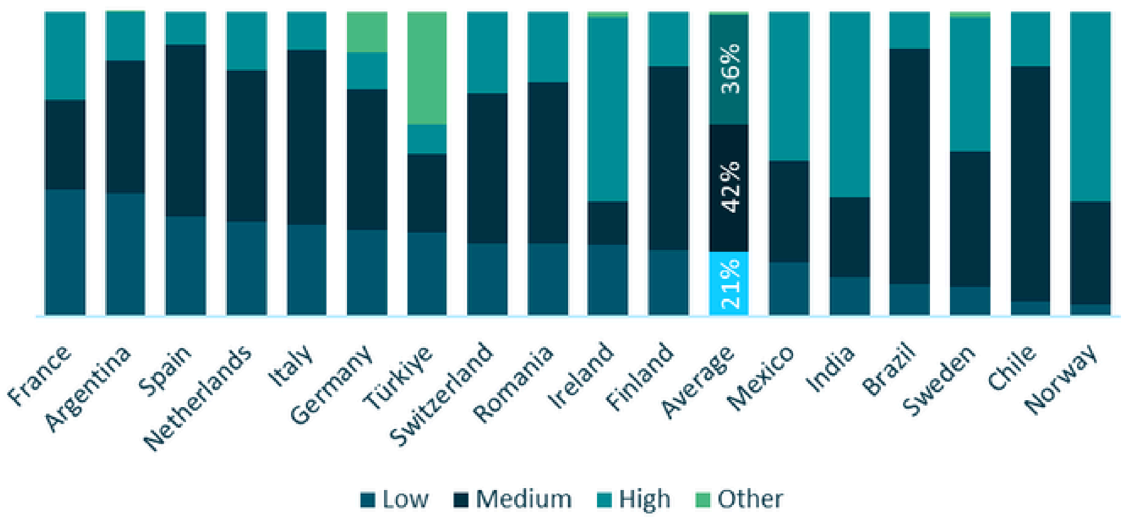
Source: WEC Member survey; in-house calculations; average is weighted

Figure 8. Gender split of agency workers – 2024 (% of all agency workers)



Source: WEC Member survey; in-house calculations; averages are weighted

Figure 9. Level of education of agency workers – 2024 (% of all agency workers)



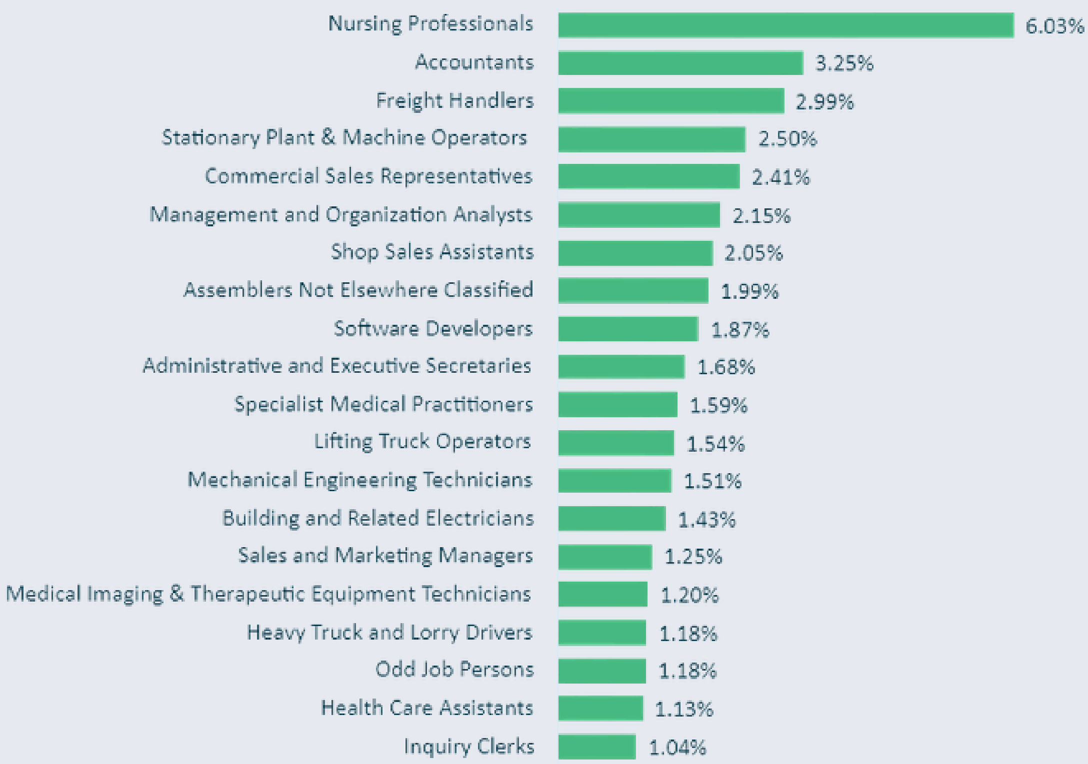
Sources: WEC Member survey; In-house calculations; averages are weighted

EDUCATION VERSUS PROFESSIONS

Evidence consistently shows that many individuals work in occupations that do not correspond to their field of study, making education-to-occupation mismatch a persistent feature of global labour markets. This misalignment stems from structural shifts in labour demand, rapid technological change and the uneven transferability of skills, rather than from education choices alone. In today's uncertain and fast-evolving economic environment, where employers' skill requirements change faster than training systems can adapt, such mismatches are neither surprising nor exceptional—they are increasingly the norm.

Private employment agencies come to the rescue: they turn a diverse workforce into a strategic asset. With talent of all ages ranging from highly educated professionals to mid-skilled workers and those entering the labour market with lower qualifications, the industry can meet surging demand in health and social care, business services and logistics - a variety of professions in high demand by the staffing agencies in the last quarter of 2025. This ability to match all skill levels to critical sectors is what makes the private employment agency industry a powerful labour market enabler.

Figure 10. Ranking of occupations sought by staffing agencies online in 2025
(% of all staffing firms' online job postings)



Source: Lightcast job postings data, WEC calculations

PART 2

Global Market Performance and Structure

Global market outcomes 2024, signals for 2025

Global HR services sales revenues fell 4.2% in 2024, after a decline of 1.7% in 2023 and a strong 13.4% growth in 2022. Agency work declined 4.6%, but remained the largest segment of industry activity. RPO declined 14% and outplacement rose 4%. At the same time, MSP spend under management (a separate item to the industry total) increased 1.7% in 2024. Despite the revenue softness, agencies sustained or increased job placements, underscoring their stabilising role. Top markets show uneven recovery patterns over the past few years.

The quantitative results in 2024 point to the fact that the industry remains structurally resilient despite cyclical pressures. While revenues softened, the increase in total placements signals that agencies played a stabilising role, absorbing labour market slack by matching more people to jobs even as companies cut spending. The divergence between revenue contraction and rising placements stems from a shift toward lower-margin segments, shorter assignment cycles or stronger demand in socially essential roles, particularly healthcare and logistics. These patterns indicate that the private employment services industry continues to function as a buffer that protects labour-market attachment and sustains participation during periods of weaker hiring sentiment.

AI and digitalisation

However, the industry is operating in a rapidly changing environment, not least digitalisation and regulatory tightening.

Digitalisation and AI are now reshaping every stage of the talent cycle, requiring continuous adaptation by agencies. The rapid expansion of digital onboarding, algorithm-supported sourcing, automated compliance checks and AI-enabled matching tools has raised both the efficiency expectations of clients and the skill requirements of internal staff. For workers, this shift increases demand for digital literacy and accelerates displacement in routine roles, intensifying the need for reskilling and career transitions. For agencies, it opens opportunities to scale services, personalise matching and reduce processing times, but it also demands sustained investment in technology, data governance and capability building. These technological shifts are no longer peripheral—they are central to how modern labour-market intermediation operates.

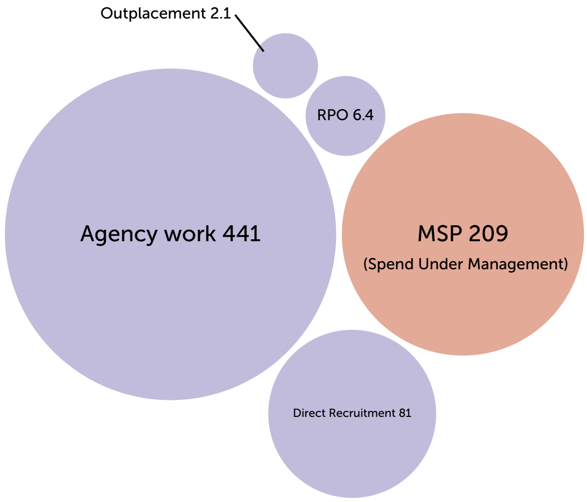
The OECD reports that in 2025, 20.2% of firms were using AI, up from 14.2% in 2024 and 8.7% in 2023, meaning adoption has more than doubled over the past two years. Growth in firm-level AI use reached 42.4% in 2025, though this represents a moderation compared to earlier years.

Regulatory requirements continued to intensify across data governance, cross-border employment and temporary work regulation. Stricter national rules on data protection, identity verification and digital onboarding have raised compliance costs and complexity. In parallel, differing triangular employment models, worker status and assignment duration across jurisdictions require agencies to maintain high levels of legal expertise and operational flexibility. Also, the role of digital labour platforms and their relationship to private employment agencies remains an important topic of regulatory debate and standard setting at the global, regional and national level. For cross-border placements, new reporting obligations and taxation rules increase administrative burdens.

While these pressures add operational cost, they also reinforce the value of compliant agencies, as clients increasingly rely on specialised partners to navigate fast-evolving regulatory environments.

Digital labour platforms are becoming more prominent in OECD labour markets but still represent a small share of total employment. In 2022, about 3 percent of adults aged 15–64 in 17 OECD countries reported doing platform work at least once in the previous year. Recent Eurostat pilot surveys show similarly modest prevalence across EU and EFTA countries, confirming that platform work remains a niche yet growing segment. The OECD, ILO and European Commission also note that more countries are now measuring platform work, reflecting rising policy attention. Overall, although platform work still accounts for a minor part of employment, its role is steadily increasing and prompting improvements in measurement and regulation.

Figure 11. Global private employment agencies' sales revenues by segment, 2024 (euro bn)

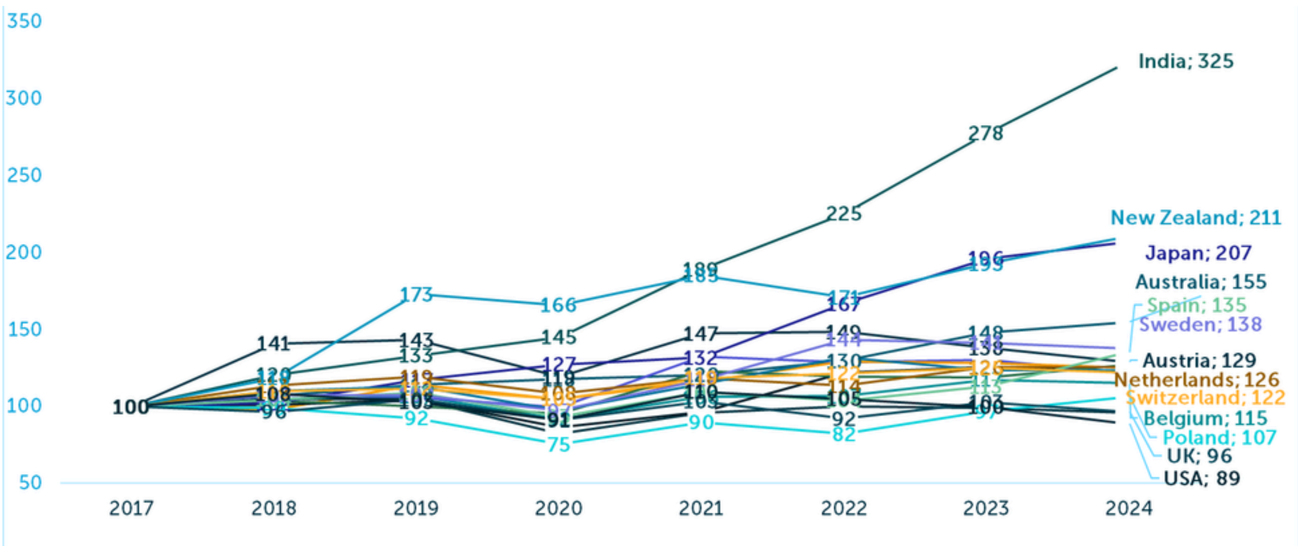


Source: RPO, Outplacement and MSP data from SIA, Agency work and Direct Recruitment data from WEC Members and SIA

By 2024, sales revenues of top five markets, USA, Japan, Germany, UK, Australia, were 13% higher in real terms compared to 2017. The sector's recovery from the 2020-2021 pandemic shock has been uneven, with rapid multiyear growth concentrated in India and parts of APAC, contrasted by only incremental progress in much of Europe and a contraction in the US.

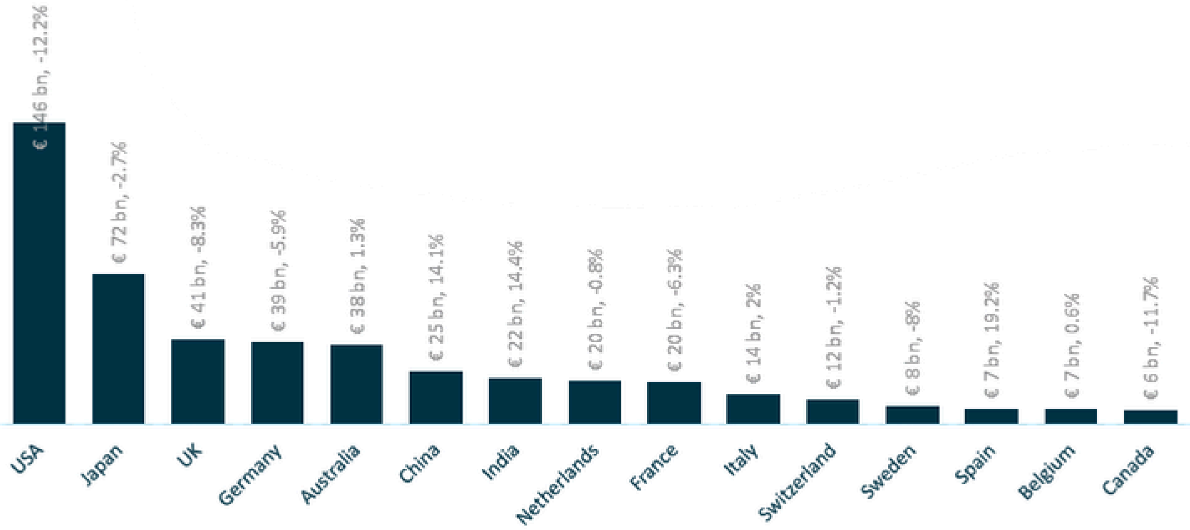
Top 15 global agency work markets represented 77% of the global agency work industry in 2024. Global sales revenues of these markets combined shrank 4.7% (nominal terms) compared with 2023.

Figure 12. PrEAs sales revenues: evolution in selected markets (index, 2017=100)



Source: WEC Members; in-house calculations. The index is calculated in real terms, i.e., inflation and foreign exchange rate adjusted. EC Members; in-house calculations.

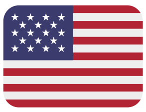
Figure 13. Sales revenues in top 15 global markets totalled 77% of global in 2024
(−4.8% in sales revenues YoY)



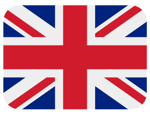
Source: WEC Members; in-house calculations.

The market share of the largest global agency work firms has been in a gradual decline over the past few years, yet the top five markets still account for over half of global industry revenues.

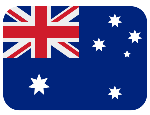
Figure 14. Market concentration: top five countries accounted for 54% of revenues in 2024


€146 BILLION (USD 159 bn)


€72 BILLION (USD 78 bn)


€41 BILLION (USD 44 bn)


€39 BILLION (USD 42 bn)


€38 BILLION (USD 41 bn)

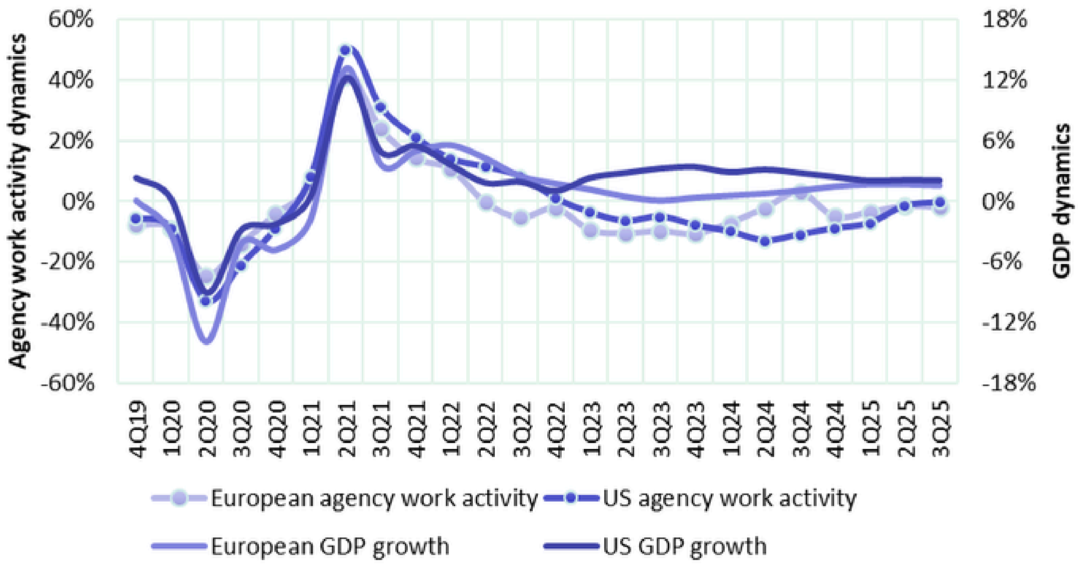
Source: WEC Members; in-house calculations.

Cyclicality and the macro link

Agency work activity moves closely with the business cycle. Between 2019 and 2025, the correlation between GDP and agency work activity in Europe was 0.63, while significantly lower in the United States, where the decoupling of the agency work industry from the general economic trend has become tangible.

The HR services industry operates as the oil in the economic engine, moving in close correlation with macroeconomic trends. Over the last three years, softer economic conditions, driven by a slowdown in manufacturing activity and weakness in selected service segments in the US and Europe, have suppressed agency work activity and weighed on market performance.

Figure 15. Agency work activity vs GDP in Europe and US, 2019–2025 (dynamics, YoY)

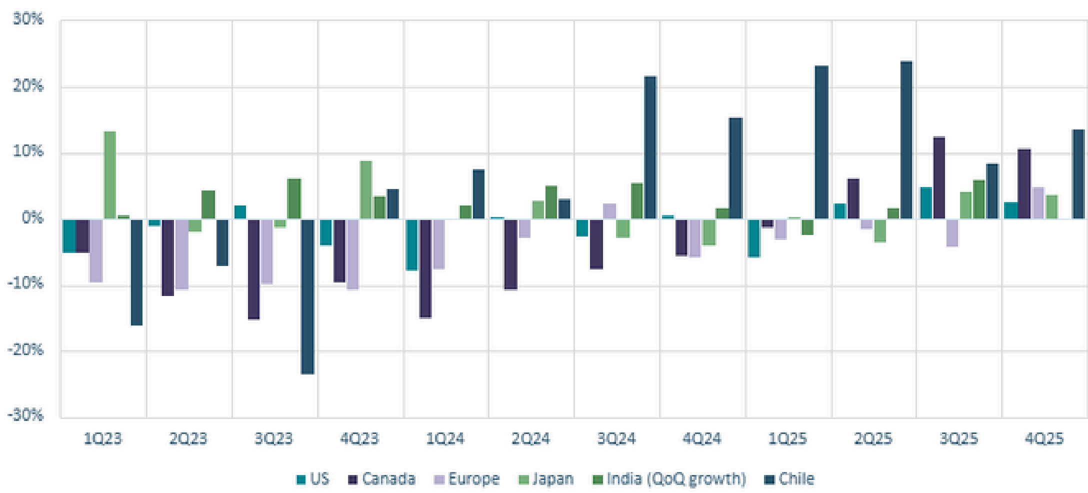


Source: ASA Staffing Index; WEC Members; in-house calculations.
Agency work activity is measured in hours worked..

Recovery across the global private employment agency sector strengthened through 2025, driven largely by APAC and high-growth emerging markets. However, the rebound is not yet broad-based: the US and Europe continue to lag, reflecting more subdued hiring activity and slower normalisation of labour demand.

GDP and agency work activity remain strongly linked. Despite the economic turbulence over the past few years, the correlation coefficient in Europe was still at the level of 0.63, while much lower in the US, still highlighting the sector's high sensitivity to economic conditions.

Figure 16. Quarterly agency work activity by region and selected countries, 2023–2025 (YoY dynamics)

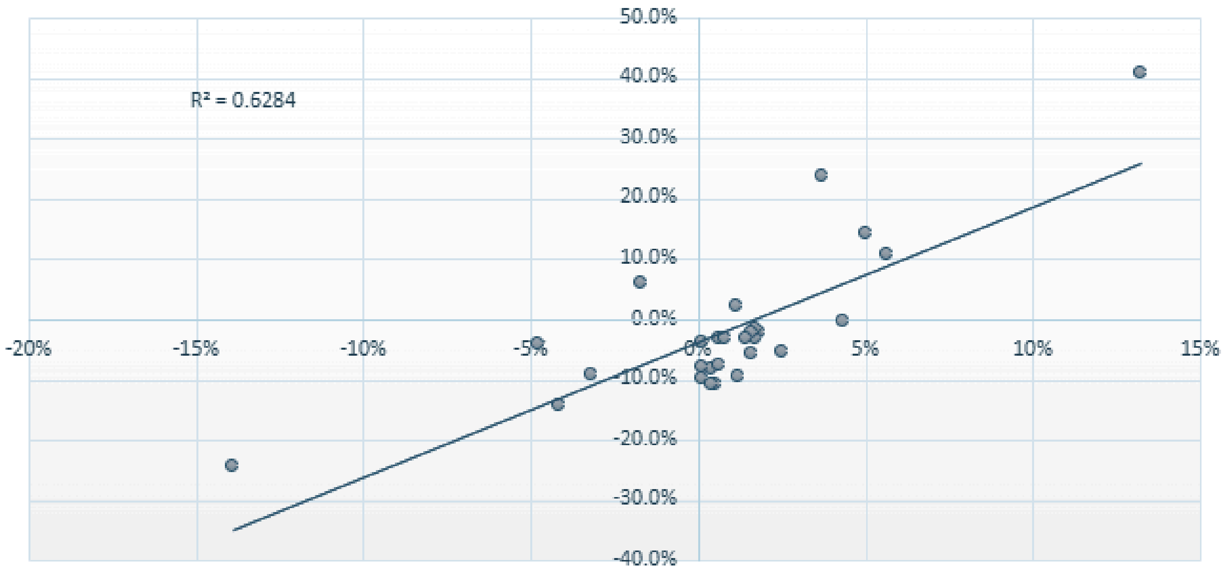


Source: ASA Staffing Index; ACSESS Canadian Staffing Index; Statistics of Japan; Indian Staffing Federation; WEC Members; in-house calculations.

Figure 17. Correlation between agency work activity and GDP in the US, 2019–2025

Source: ASA Staffing Index; IMF; in-house calculations

Figure 18. Correlation between agency work activity and GDP in Europe, 2019–2025



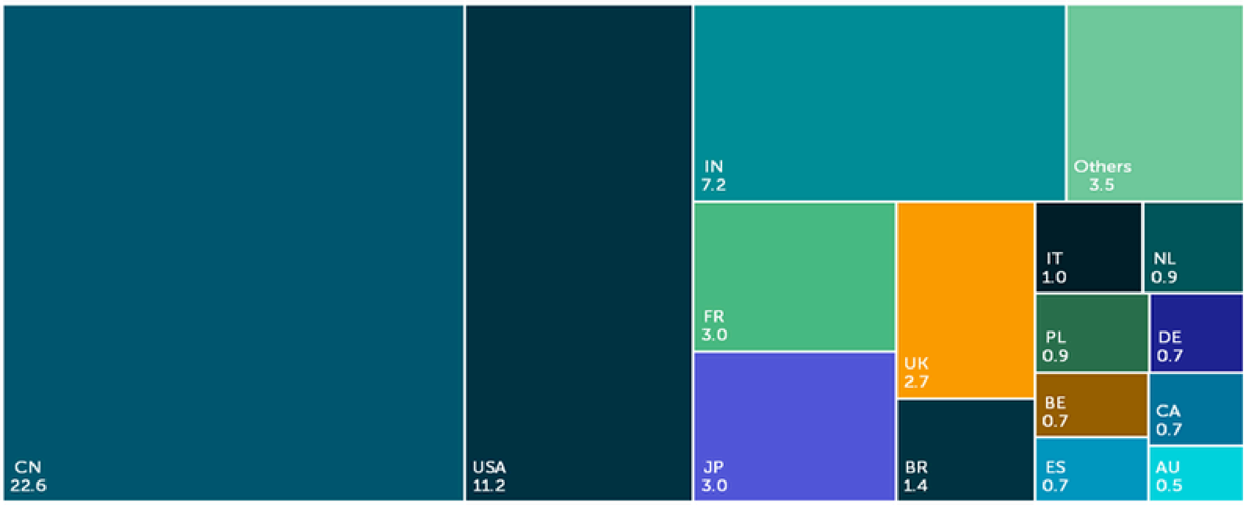
Source: WEC Members; IMF; in-house calculations

Regional and country dynamics

APAC is now the largest market by placements and grew in 2024. South America recorded the fastest acceleration in placements and revenues, despite fewer agencies. North America and Europe contracted in 2024, while remaining large markets. Growth was driven by China, India and Brazil, but declines in the US and UK dampened global performance. Agency numbers and internal staff rose in Asia and selected European markets while falling in several Western markets.

Looking at the strongest drivers in agency work job placements, China, India and Brazil combined placed 3.2 million people more in jobs in 2024 compared with 2023. This very positive and encouraging result was dampened by a decline of nearly 2 million jobs in the US and the UK combined. The rest of the world's dynamics was equally uneven.

Figure 19. Job placements by largest markets in 2024 (millions)

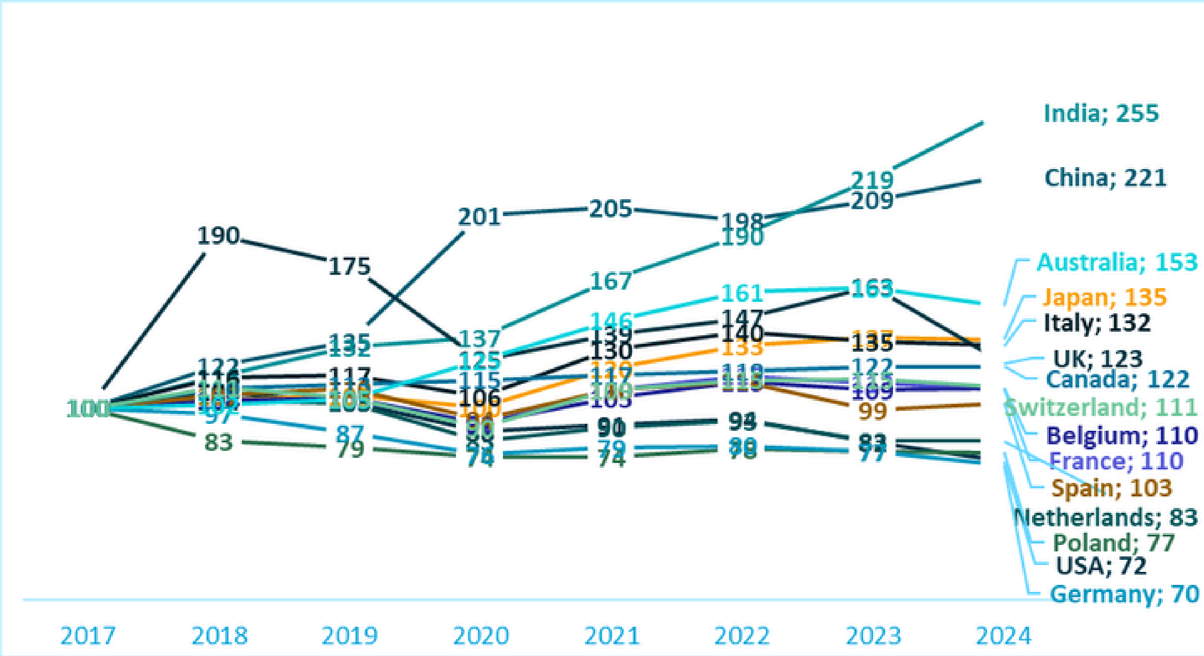


Source: WEC Members; in-house estimations and calculations.

In 2024, private employment agencies' headcount trends (which includes both temporary agency work and direct recruitment) diverged sharply: rapid expansion in India and China contrasted with near-flat outcomes in several mature markets (Switzerland, Belgium and France) and contraction in the USA and Germany.

While the overall market presence trend in many Western markets was negative in 2024 (notably in the USA, the UK, Germany, Poland), it was counterbalanced by positive developments in China, India, Australia and Italy.

Figure 20. Top 15 markets: evolution of the number of people placed in jobs (index, 2017=100)



Source: WEC Members; in-house estimations and calculations.

ONLINE JOB MARKET DEVELOPMENTS IN 2025

Online job postings provide a real-time signal of labour demand across regions and sectors. In 2025, global online postings reached 161 million, indicating continued digitalisation of hiring processes worldwide.

However, the data reveals pronounced regional divergence.

As shown in Figure 20, Europe and North America remain the largest online job markets by volume (each around 51 million postings), followed by Asia (31 million). Yet year-on-year dynamics tell a different story.

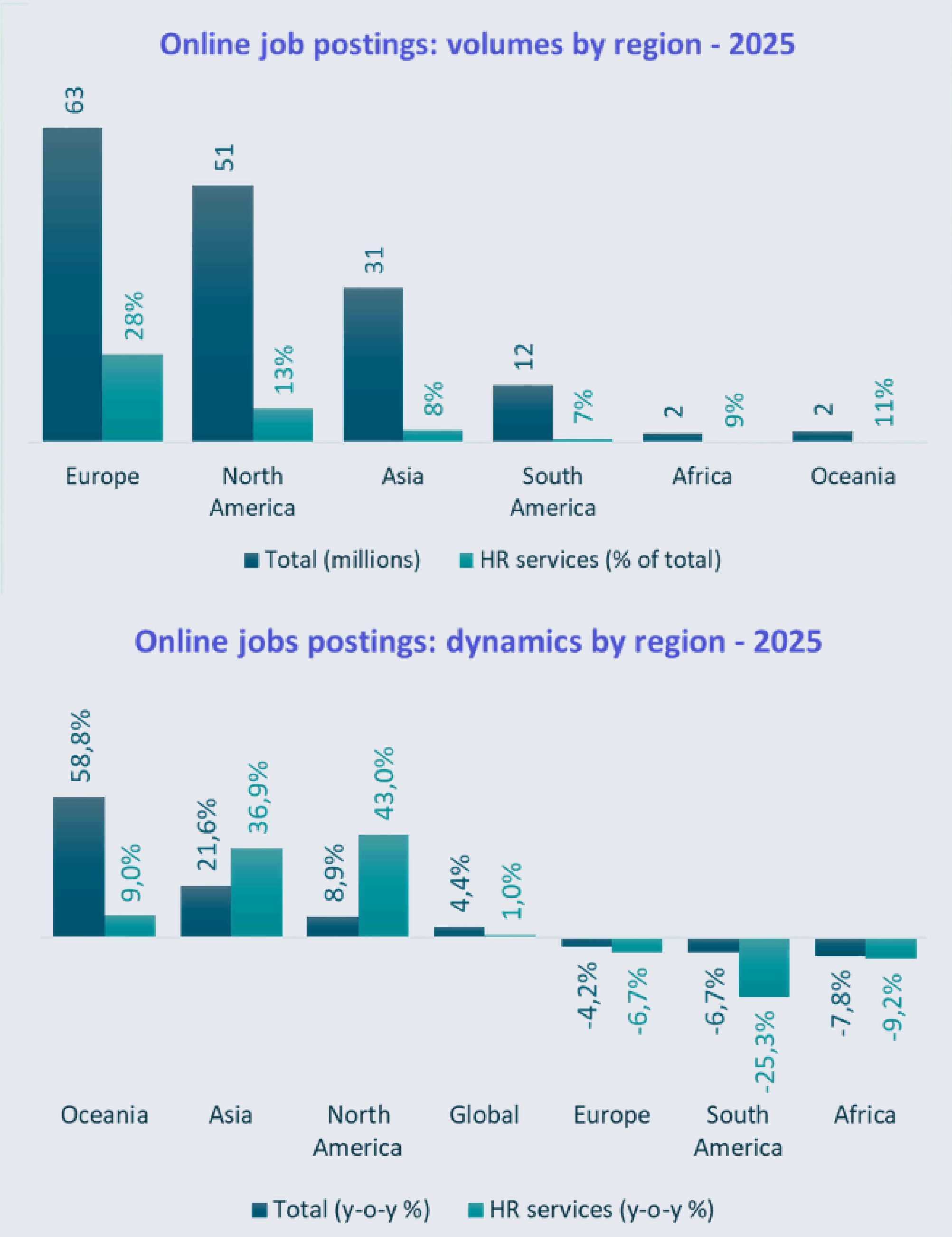
Online job demand accelerated strongly in North America and Asia, while Europe experienced a modest contraction and South America saw a sharp decline. These patterns point to an increasingly fragmented global labour market, with hiring momentum concentrated in specific regions.

The share of postings routed through HR services also varies significantly by region, underscoring the continued importance of intermediaries within digital labour markets. In Europe in particular, a substantial proportion of postings flow through HR services channels, highlighting their embedded role in modern hiring ecosystems.

Together, these trends signal two structural shifts. First, labour demand is uneven and geographically concentrated, requiring agile cross-sector and cross-regional matching. Second, digital platforms and data-driven tools are now central to how employers source talent.

In this environment, private employment agencies play a critical role in translating real-time demand signals into effective matching, redeployment and reskilling pathways for workers. Rather than merely reflecting hiring activity, online job data illustrates how labour market intermediation itself is evolving.

Figure 21. Size and dynamics of the online job market by region - 2025



Lightcast job postings data, WEC calculations

Figure 22. Number of agencies and internal staff by region

231 THOUSAND Number of private employment agencies in 2024 **+1.9% from 2023**

4 MILLION Number of internal staff working in private employment agencies in 2024 **+0.4% from 2023**

Source: WEC Members; Eurostat, in-house estimations and calculations.

Recovery is uneven

Regional divergences in 2024 reflect different macroeconomic and structural dynamics. Europe and North America experienced contracting placements due to slower economic growth, persistent inflationary pressures, cautious corporate hiring and a downturn in manufacturing activity. Elevated interest rates and weaker confidence reduced demand for contingent labour, particularly in industrial and administrative roles.

APAC, by contrast, benefited from rapid expansion in India and China, strong momentum in services and manufacturing, and demographic tailwinds that increased both labour supply and demand.

South America's acceleration, despite fewer agencies, reflects stabilising economic conditions and strong demand in key sectors. These differences show that the global industry's performance is increasingly shaped by region-specific structural conditions rather than by a single global cycle.

Figure 23. Regional summary table: placements, agencies, internal staff, sales revenues - 2024

Indicator	North America	South America	Europe	Asia Pacific (APAC)
Number of people placed in jobs (m)	11.9	3.8	11.7	33.2
Number of private employment agencies	26,974	8,486	98,361	93,964
Number of internal staff	475,920	431,809	509,703	2,644,552
Sales revenues TAW+DR+CM (€bn)	156.5	7.8	197.7	166
Dynamics (%)				
Number of people placed in jobs	-11.20%	27.90%	-5.00%	7.20%
Number of private employment agencies	-3.60%	-12.50%	2.10%	4.80%
Number of internal staff	-1.80%	-6.50%	-3.40%	2.90%
Sales revenues TAW+DR+CM	-12.00%	23.60%	-3.90%	2.90%

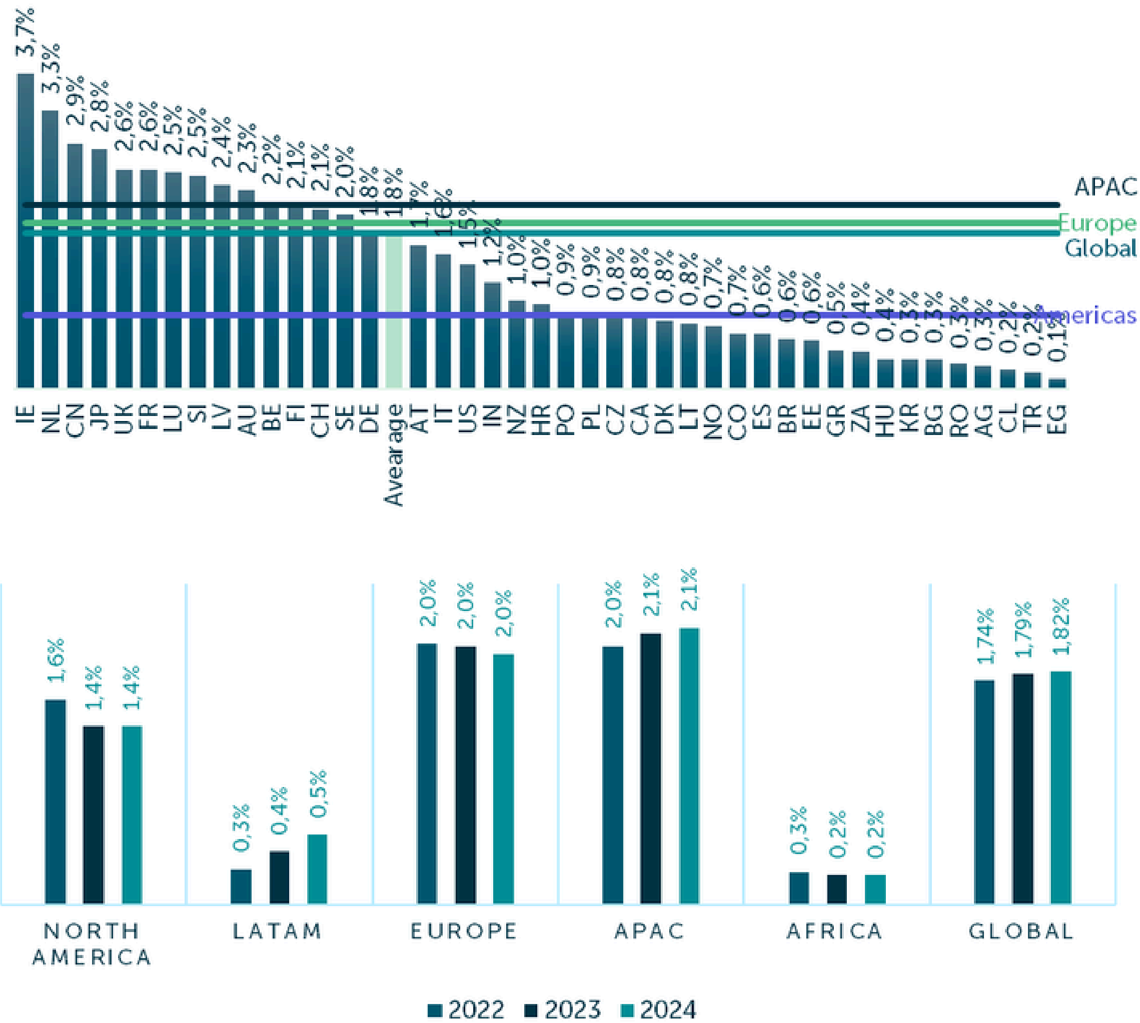
Source: WEC Members; Eurostat; SIA; in-house estimations and calculations.

Penetration, sectoral role and assignment length

Global agency work penetration remained broadly stable at 1.8% in 2024, with Europe at around 2.0% and APAC at around 2.1%. Ireland and the Netherlands exceed 3%. Services are the primary destination sector for agency workers, with healthcare a structural demand pillar. Assignment length varies by sector mix and national regulation, from very short cycles in logistics and construction to longer tenures where law allows.

About a third of agency workers globally are required to have a high level of skills. Skill shortages in 2025, most acute in life sciences and regulatory functions, and broadest across health and social care, customer-facing roles, construction, manufacturing, engineering and IT, create both challenges and strategic opportunities for agencies.

Figure 24. Global and regional penetration rates – 2024 (% of employed aged 15+)

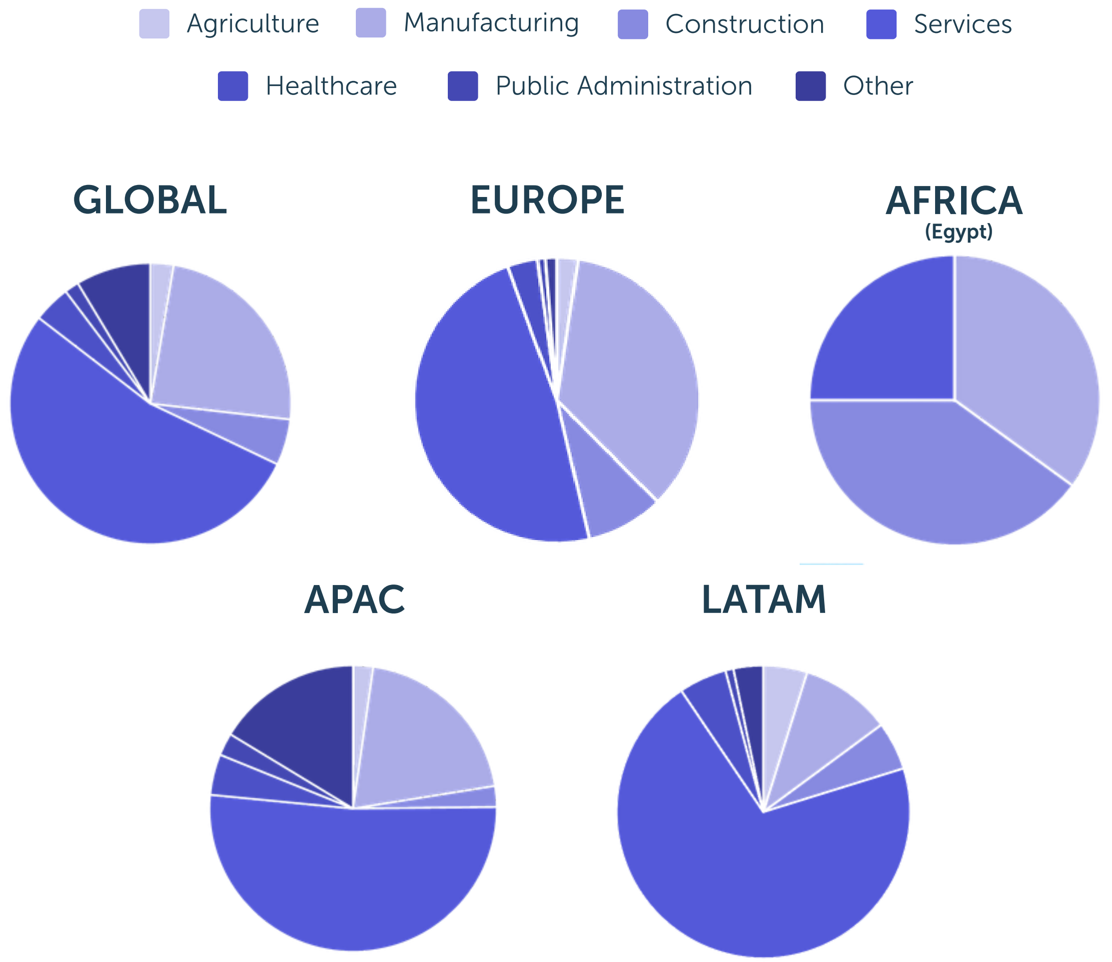


Source: WEC Members; Eurostat; in-house estimations and calculations.

Persistent shortages increase competition for talent, elevate sourcing costs and extend time-to-hire. However, they also strengthen the role of agencies as critical labour-market intermediaries: agencies accelerate matching in tight markets, support cross-sector transitions, and provide reskilling pathways that help workers move into shortage occupations. For labour markets, these shortages hinder productivity and constrain growth, making the agencies' ability to mobilise talent, facilitate mobility and close gaps increasingly vital.

Agency work is in demand in all economic sectors, of which services is the primary sector for agency workers' employment in each corner of the world except in Africa. Manufacturing sector is the second most important economic segment for agency work.

Figure 25. Sectoral distribution of agency workers – 2024 (%)



Source: WEC Members; in-house calculations.

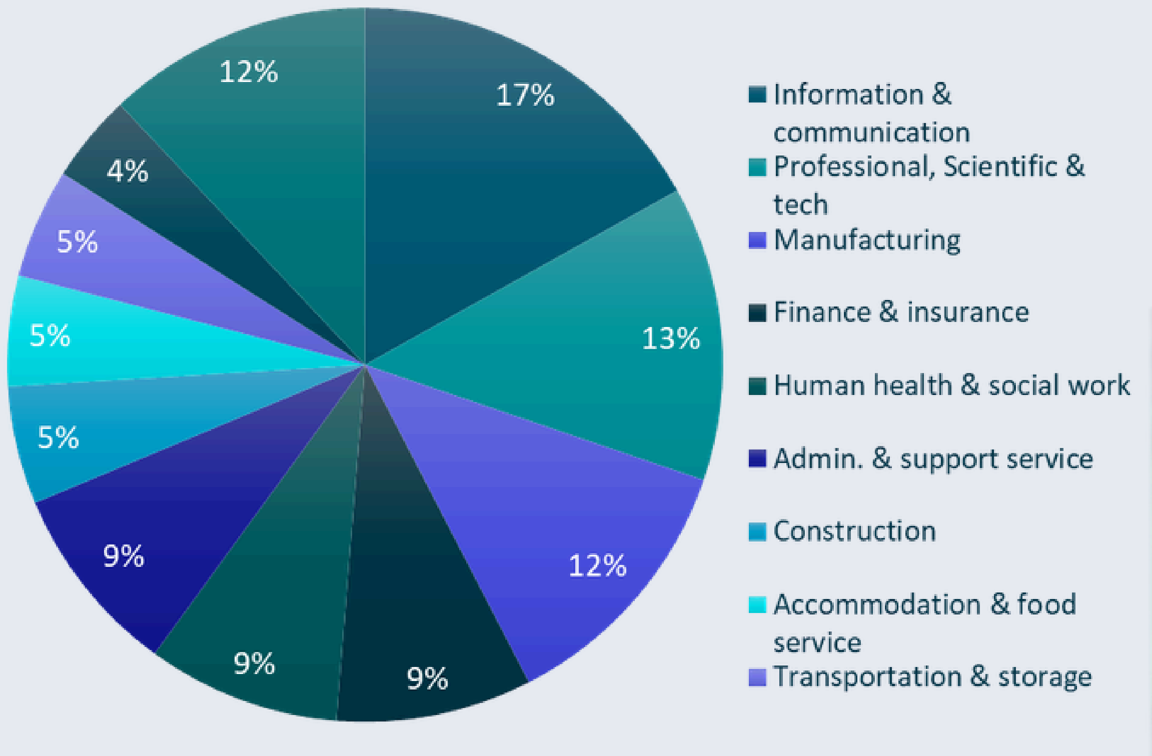
ONLINE JOB MARKET BY INDUSTRY

To complement the classical data collection, the online job market data analysis shows that the staffing agencies' online job postings in 2025 were concentrated in the following top three economic sectors:

- Information and communication (17%)
- Professional, Scientific and Technical activities (13%)
- Manufacturing (12%)

These three industries are consistent with the 2024 results, although, combined, they represented a larger share of the total staffing agencies' online job postings, namely 42.4% in 2025 compared to 39.9% in 2024. Of other industries presented in the chart, the only one expanding its share was Human health and social work activities, adding a full percentage point from 7.7% in 2024 to 8.7% in 2025.

Figure 26. Number of PrEAs' unique online job postings by industry - 2025



Source: Lightcast job postings data, WEC calculations

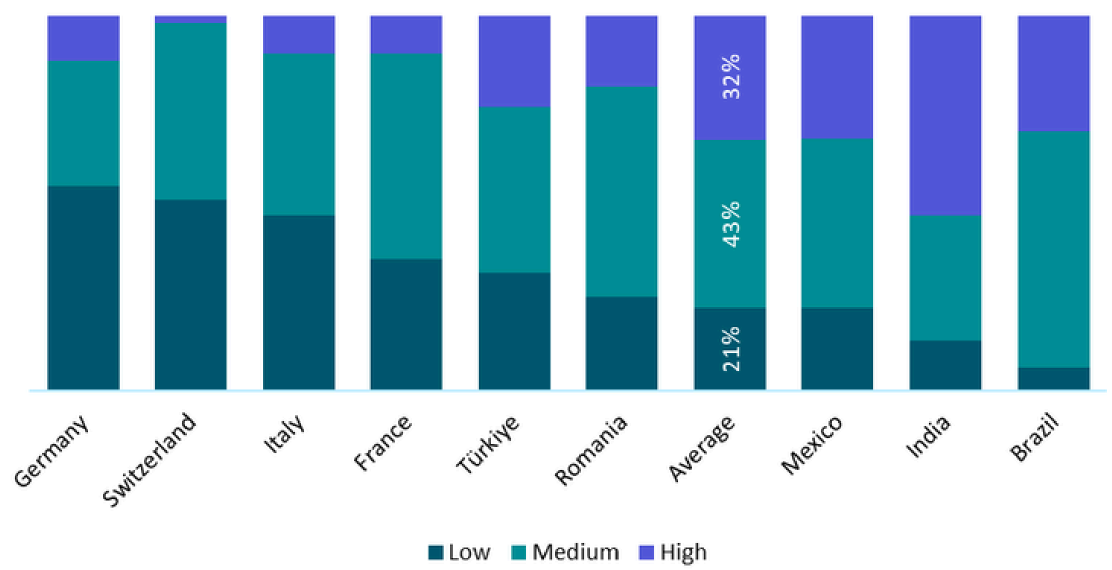
Figure 27. Healthcare roles among agency workers
(% of all agency workers by country; 2020, 2023, 2024)

Source: WEC Members; in-house calculations; average is weighted

In contrast to the common belief that agency workers are usually low-skilled, survey data proves otherwise:

- 32% of agency workers were expected to have a high level of skills in 2024 (compared with 30% in 2023)
- 43% of agency workers were expected to have a medium level of skills in 2024 (compared to 45% in 2023)

Figure 28. Level of skills required of agency workers by user companies – 2024 (% of all agency workers)



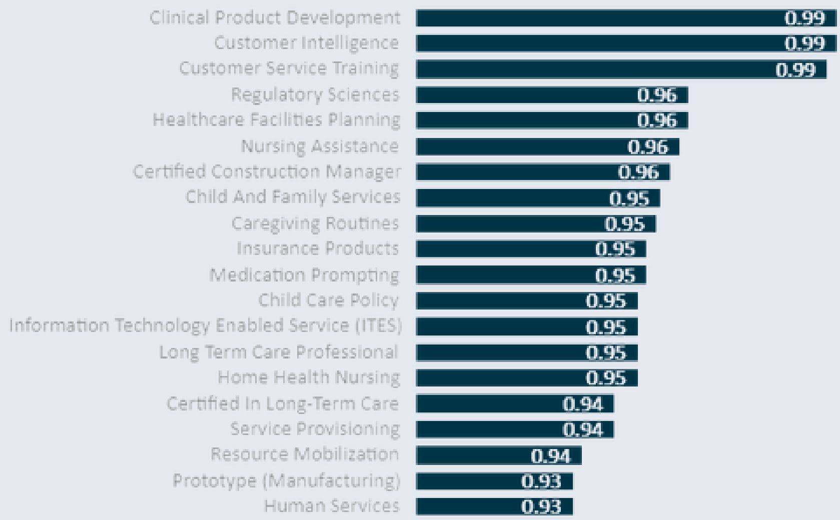
Sources: WEC Member survey; In-house calculations; averages are weighted

SKILLS MOST DIFFICULT TO FILL IN 2025

Analysis of global online job data reveals that the most difficult-to-fill roles in 2025 cluster around three structural pressure points.

- First, care economy roles — including nursing assistance, long-term care professionals and home health nursing — remain among the hardest to fill, reflecting demographic ageing and chronic workforce shortages.
- Second, regulatory and compliance-intensive roles — such as regulatory sciences and clinical product development — rank near the top, underscoring increasing governance complexity across healthcare, insurance and life sciences.
- Third, customer-facing and digital capability roles — including customer intelligence, service training and IT-enabled services — show acute gaps, signalling growing pressure on organisations to improve service quality while modernising operations.
- These patterns indicate that skills shortages are not confined to a single sector. They reflect deeper structural shifts in demographics, regulation and digital transformation — areas where effective labour market intermediation becomes increasingly critical.

Figure 29. Ranking of top 20 online labour market skills by difficulty to fill - 2025



Source: Lightcast job postings data, WEC calculations

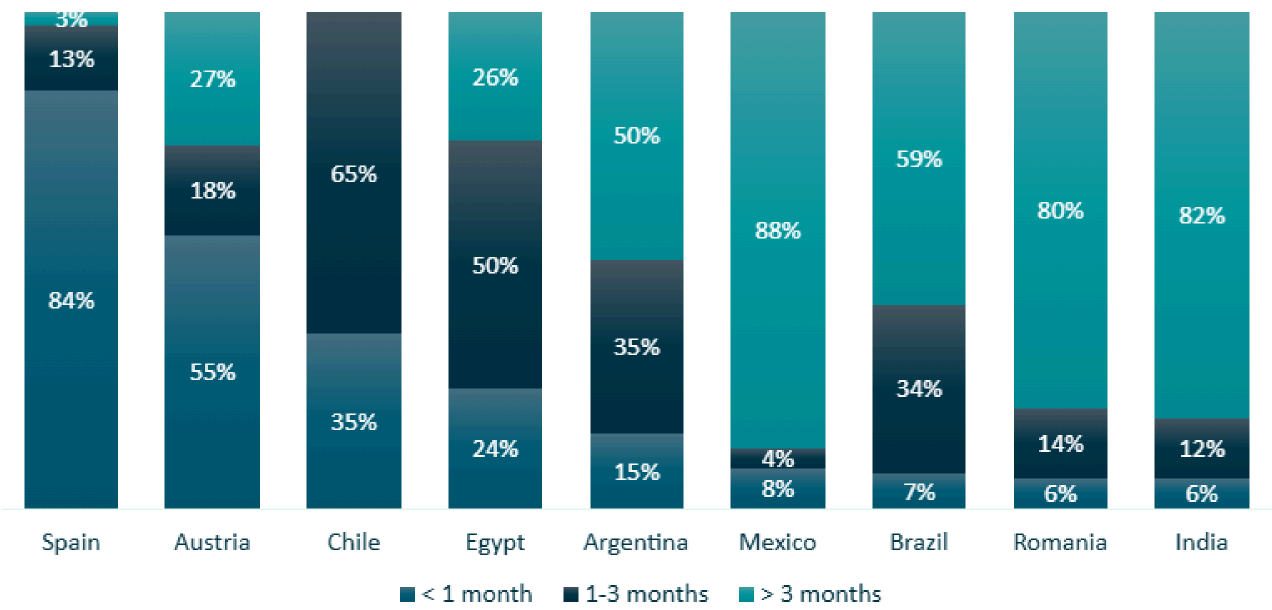
The Difficulty-To-Fill index (on a scale from 0 to 100%) is the average number of days it takes to fill a job vacancy that requires a given skill, weighted by the difference between the average salary for that job and the offered salary (a skill-enhanced "salary premium").

The length of agency work assignments and contracts varies significantly across countries. Average duration depends on multiple factors, including the dominant sectors served and national regulation on the temporary nature of agency work, which often sets a maximum length of assignments. In France, for instance, a large share of agency workers is employed in construction and logistics, where "just-in-time" operating models lead to very short assignments.

According to the annual WEC Regulatory Report, contract duration is also shaped by national regulation: in Chile, the maximum assignment length is three months and in Turkey four months, whereas in Romania and Sweden it can extend up to two years, while in India, Norway and Japan up to three years. In such European countries like France, Germany and Poland, the maximum length of an agency work assignment is fixed at 18 months.

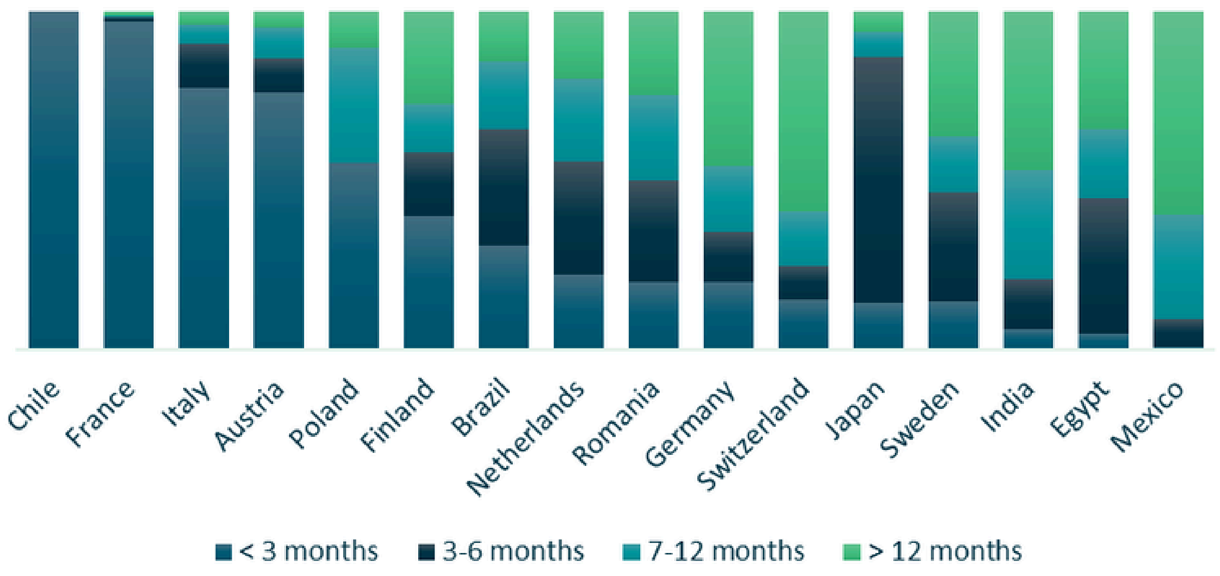
In some countries, agency work contract can be renewed. For example, in the Netherlands, the agency work contract can be renewed up to six times, in Switzerland up to five times. In France, Turkey and Luxembourg the number of renewals is limited to two, while in Estonia, Chile and Brazil to just one.

Figure 30. Agency work assignment length by country – 2024 (% of all agency workers)



Source: WEC Members; in-house calculations.

Figure 31. Agency work contract length by country – 2024 (% of all agency workers)



Source: WEC Members; in-house calculations.

Overall, despite economic softness, 2024 demonstrated that private employment agencies are a key engine of inclusion and labour market resilience: they placed more people, supported more transitions, and anchored those most vulnerable firmly within the world of work.

PART 3

The Connector Industry

Private employment agencies: services and channels

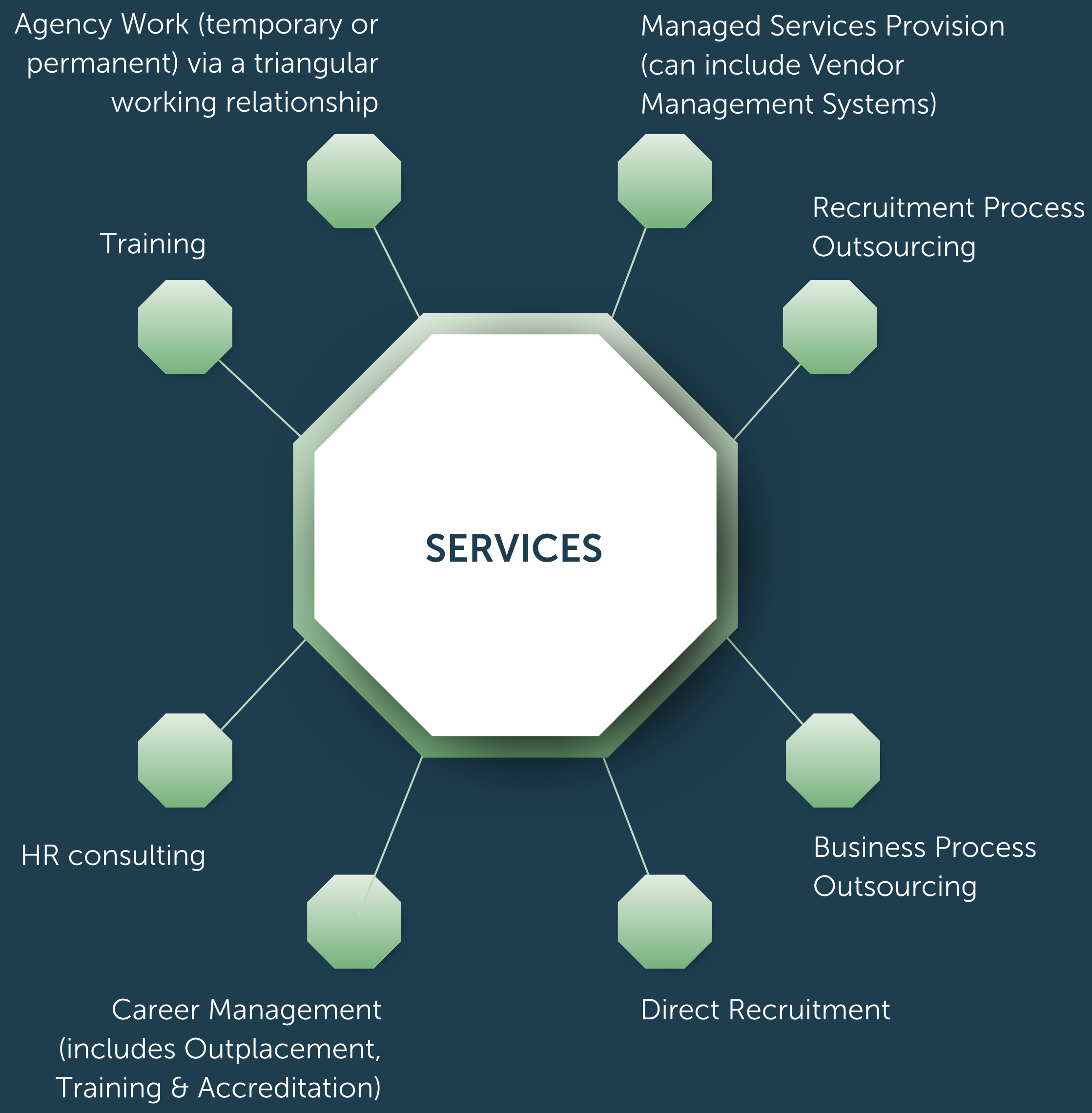
The private employment agency industry functions as a key labour market enabler by bridging supply and demand, helping employers access the skills they need while supporting individuals in entering, remaining, and progressing in work. HR services companies connect millions of workers to jobs each year by creating pathways to employment, especially for groups who often struggle to access formal work. Through solutions such as agency work, direct recruitment, apprenticeships, reskilling, and career management, the industry helps people enter the labour market more quickly, gain experience, and build employability over time.

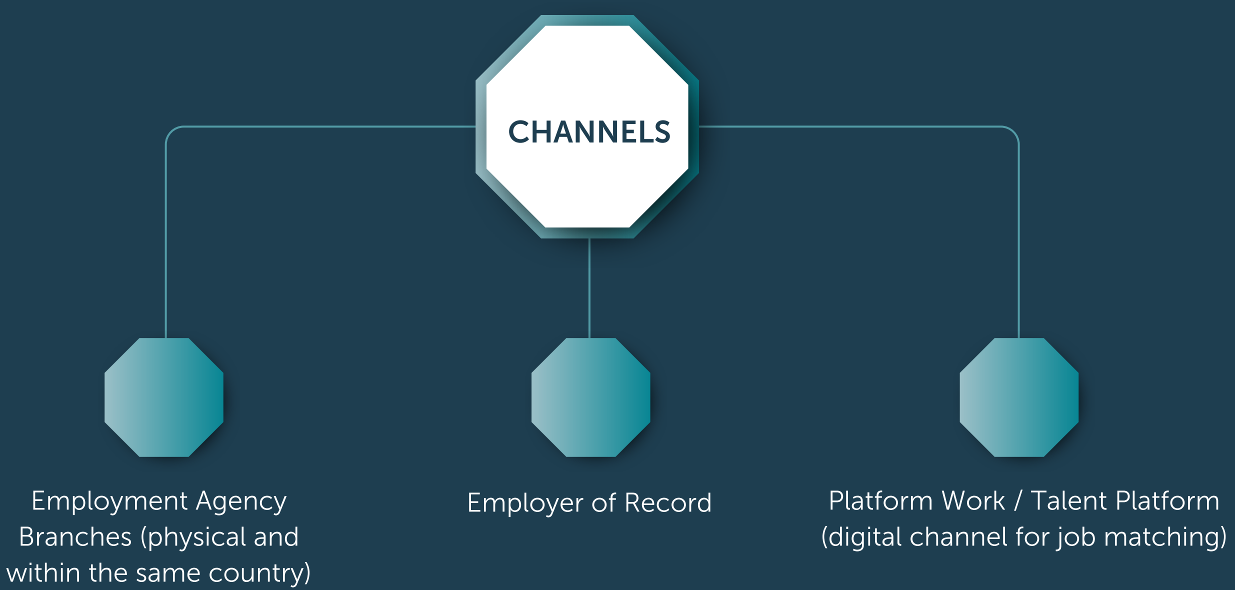
The industry also enhances labour market agility by providing flexible workforce solutions that allow organisations to respond to demographic shifts, changing skill needs, and economic cycles. HR services providers support employers through tailored and adaptive staffing models, helping them manage volatility while protecting workers through regulated forms of flexibility. This includes enabling knowledge transfer between generations, mitigating talent shortages, and facilitating workforce reintegration for older workers and jobseekers facing barriers.

In doing so, HR services providers strengthen the overall functioning of the labour market by balancing flexibility with security.

Finally, HR services providers act as strategic labour market partners, not only filling vacancies but also improving long-term workforce resilience. The industry's role in reskilling workers, supporting apprenticeships, and guiding career transitions across all age groups is invaluable. By helping individuals adapt to technological and demographic shifts, and by supporting companies in developing future-ready talent pipelines, HR services providers contribute to a more inclusive, efficient, and sustainable labour market.

To realise the various roles agencies play in the economy and society, they deploy a diversified toolkit to match, train and transition talent: agency work (temporary and permanent), direct recruitment, managed services provision (including VMS), recruitment process outsourcing, business process outsourcing, career management (including outplacement), training and accreditation, HR consulting, and support for freelancing. Delivery channels include branches, Employers of Record and digital talent platforms.


Agency Work (temporary or permanent) via a triangular working relationship
Managed Services Provision (can include Vendor Management Systems)
Training
Recruitment Process Outsourcing
SERVICES
HR consulting
Business Process Outsourcing
Career Management (includes Outplacement, Training & Accreditation)
Direct Recruitment


CHANNELS
Employment Agency Branches (physical and within the same country)
Employer of Record
Platform Work / Talent Platform (digital channel for job matching)

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Acknowledgements

WEC partners contributing to this report:

SIA STAFFING INDUSTRY ANALYSTS

Lightcast

SIA is a global research and advisory firm focused on staffing and workforce solutions. Its research covers all categories of employed and non-employed work, including temporary staffing, independent contracting, and contingent labour. SIA provides independent analysis of the workforce solutions ecosystem—spanning staffing firms, managed service providers, recruitment process outsourcers, compliance firms, and talent acquisition technologies such as vendor management systems, online staffing platforms, and crowdsourcing. It also offers training and accreditation through its Certified Contingent Workforce Professional (CCWP) program. Known for its award-winning content, data, tools, publications, and executive events, SIA helps suppliers and buyers make informed decisions that improve results and reduce risk. Founded in 1989 by staffing pioneer Peter Yessne, SIA is a brand of Crain Communications and is headquartered in Mountain View, California, with offices in London. Learn more: www.staffingindustry.com

Lightcast is the global leader in labour market intelligence, empowering smarter decisions for businesses, education institutions, and governments worldwide. With the world's most comprehensive database —spanning over 3 billion job postings, 500 million career profiles, and 100+ government sources—Lightcast delivers unparalleled insight into skills, jobs, companies, professional profiles, and workforce trends across 150+ countries. Their proprietary taxonomies, advanced AI, and expert guidance transform complex data into clear, actionable intelligence. Lightcast market research, analytical software, and data expertise is used by companies across the globe to better understand their own workforce and identify skilled and diverse talent for future growth. The company also guides colleges and universities in connecting their programmes to the needs of the local labour market and advises government entities in creating more effective programs for economic prosperity. Lightcast has offices in the United States, United Kingdom, Canada, Italy, New Zealand, and India. Learn more: www.lightcast.io

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
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.

Methodology, data sources and estimation notes

The data presented in this report is for the calendar year 2024, 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.

WEC members covered in this report (grouped by region), are:

- North America: Canada, USA
- Latin America: Argentina, Brazil, Chile, Colombia, Mexico
- Europe: 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
- Asia-Pacific (APAC): Australia, China, India, Japan, New Zealand
- Africa: Egypt, Tanzania, South Africa

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. The World Employment Confederation also acknowledges its partnership with Lightcast, whose timely online job market data for all countries, including those that are not WEC members, has been instrumental in supporting and complementing the analysis presented in this report.

For the calculation of the total global market size of the private employment services industry, four service segments have been included: agency work, direct recruitment, RPO and career management services. The size of the MSP market is measured in spend under management, which is methodologically different from sales revenues, and is thus presented separately in Figure 11.

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It must be noted that some figures presented in this report may be underestimating the true picture of 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.

Penetration rate is the ratio of full-time equivalent number of agency workers to all working population aged 15+ (ILO).

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)

Citations:

[1] "Ageless Talent", Social Impact Report, World Employment Confederation, 2025 [https://wecglobal.org/publication-post/social-impact-report-2025/]

[2] Private employment agencies are:

- Allowed to offer open-ended contracts in Argentina, Australia, Austria, Brazil, Canada, China, Denmark, Egypt, Estonia, Finland, France, Germany, India, Ireland, Italy, Japan, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Portugal, Romania, South Africa, Spain, Sweden, Switzerland, UK and the USA.
- Not allowed to offer open-ended contracts in: Belgium, Chile, Colombia, Czech Republic, Greece, Poland, Turkey.

[3] "Ageless Talent", Social Impact Report, World Employment Confederation, 2025 [https://wecglobal.org/publication-post/social-impact-report-2025/] and World Employment Confederation's Strategic Research Project "The Work We Want" [https://insights.wecglobal.org/the-work-we-want/home/]

[4] Dynamics calculated in nominal terms (not inflation and exchange rate adjusted)

[5] OECD (2025): AI use by individuals surges across the OECD as adoption by firms continues to expand

[6] "Agency Work in Healthcare", Issue Paper, World Employment Confederation, 2026 [https://weceurope.org/uploads/2026/02/WEC-Strategic-Issue-Paper-AW-in-healthcare-Sept-2025.pdf]

[7] The WEC Regulatory Report is internal, not available to the public.

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