

Geographies of Temporary Staffing Unit *Working Brief 27*

The Top 20 Transnational Temporary Staffing Agencies: An Update on Changing Firm Geographies

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Introduction

This Working Brief aims to update the data presented in Working Brief 11 on the Top 20 rankings of firms for 2004 and 2005 presented in Working Brief 26. The aim is to chart the both number of territories in which the firms are present and their broader regional presence. This will facilitate a comparison of firm geographies and allow a brief discussion to be made of commonalities and differences. Tables will be presented for 2004 and 2005, and discussion made of any differences over this short period of time.

Top 20 Firm Geographies in 2004

Table 1 uses the updated top 20 transnational staffing firms ranking presented in Working Brief 26 (Table 1). A number of observations can be made about the top 20 firm's regional presence:

- There are great differences in the numbers of territories in which firms are present across the top 20. Adecco and Manpower have a presence in 70 and 67 countries respectively. For a more detailed discussion of the top 5 firm's geographies, see Working Briefs 19 to 23;
- The number of territories in which firms are present does not directly relate to the firm ranking in the top 20. This is due to differences in the strength of firm presence in particular markets. For example, Michael Page and Corporate Services Group returned similar levels of foreign revenue in 2004. However, Michael Page generates that revenue from 16 countries, compared to Corporate Services Group foreign revenue coming from just the UK and US; that is the revenue of some firms is highly territorially concentrated.
- Only the top 3 firms, Adecco, Manpower and Vedior have a presence in all eight regions presented in Table 1. Therefore it might be argued that these three firms are the only truly 'global' staffing firms;

Table 1: Top 20 firm's regional presence, 2004

Rank	Firm	Origin	Number territories	Europe	Eastern Europe	North America	South America	Asia	Middle East	Australasia	Africa
1	Adecco	Switzerland	70	√	√	√	√	√	√	√	√
2	Manpower	US	67	√	√	√	√	√	√	√	√
3	Vedior	Netherlands	37	√	√	√	√	√	√	√	√
4	Randstad	Netherlands	16	√	√	√					
5	Kelly Services	US	28	√	√	√	√	√		√	
6	Solvus Resource Group	Belgium	10	√	√						
7	Hudson Highland	US	25	√	√	√	√	√		√	
8	United Services Group	Netherlands	7	√							
9	Hays	UK	16	√	√	√				√	
10	MPS Group	US	9	√	√	√					
11	Robert Half International	US	15	√	√	√		√		√	
12	Michael Page	UK	16	√		√	√	√		√	
13	Corporate Services Group	UK	2	√		√					
14	Synergie Group	France	9	√	√	√					
15	CDI Corp	US	5	√		√				√	
16	Monster Worldwide	US	17	√		√		√			
17	Proffice	Sweden	4	√							
18	Robert Walters	UK	13	√		√		√		√	√
19	Westaff	US	5	√		√				√	
20	Harvey Nash	UK	9	√		√		√			

Source: Company reports and websites

- Five firms have a presence in five or more world (? NOT SURE WHAT THIS MEANS?) regions. These are Kelly Services, Hudson Highland, Robert Half, Michael Page and Robert Walters;
- All firms have a presence in Europe, and only three firms are not present in North America: Solvus Resource Group, United Services Group and Proffice. No firm lacks a presence in either Europe or North America, reflecting the dominance of these two regions in the staffing industry, as these regions contain the large markets of the US, France, the Netherlands and the UK (for a discussion of penetration rates, see Working Brief 18);
- Firm presence in the remaining regions is patchy. The Middle East and Africa show the lowest levels of firm presence, reflecting the underdeveloped nature of staffing in many countries in the region, itself a function of other factors such as labour market conditions, political economic context, industrial mix and the extent to which the national economies are integrated into wider global corporate networks;
- While Table 1 is a useful representation of the geographic spread of firm networks, it must be noted that the strength or type of firm presence is not revealed. Some firms have a presence in many countries in a particular region, compared to others with just one. For example, Adecco, Manpower and Vedior have a presence in several African countries, compared to Robert Walters' presence in only South Africa;

Top 20 Firm Geographies in 2005

Table 2 shows the regional firm presence for the updated top 20 for 2005 presented in Working Brief 26. This section will briefly outline changes between 2004 and 2005:

- All firms have maintained or increased the number of territories in which they are present. The largest increases in market presence came from Vedior (7 new markets added), Monster (7), Manpower (5) and Randstad (3);
- The regional geography of the firms has remained much the same. However, four firms have increased the number of regions in which they are present. First, Randstad now has a foothold in Asia as it entered China and India in 2005 (for a more detailed discussion of Randstad's geography, see Working Brief 22). Second, Robert Half has entered South America with a presence in Mexico. Third, Michael Page is now present in Eastern Europe through market entry into Poland. Fourth, Monster has entered a number of new markets, including the Czech Republic, South Korea and China. Therefore it now has a presence in Eastern Europe;
- It should be noted that there are a number of difficulties with identifying the markets in which firms are present. First, the internet-based nature of Monster's business means that its

presence in particular markets can take a different form from that of ‘traditional’ staffing firms. In annual reports and company press releases Monster is not specific about the territories in which it is present. Indeed, in some cases it may be possible for Monster not to have a physical presence in a territory, although it could be suggested that a presence is necessary to deal with customers. For example, in August 2003 Monster terminated their joint venture in Australia and New Zealand with Ninemsn and shut down their websites. Now all traffic is directed via the Monster.com website. In Tables 1 and 2 Monster is not shown as having a presence in Australasia, but they may still be serving a number of customers in these markets;

- Second, the definition of ‘country’ or ‘market’ can vary by firm. For example, there are understandable inconsistencies between firms as to whether China and Hong Kong are counted as one or two markets. In addition, many US firms consider Scotland, Wales and England to be separate countries. For example, MPS Group claims a presence in 10 countries. In Tables 1 and 2 this is shown as nine as England and Scotland are counted as one country. Therefore it is important to be aware of geopolitical changes that can affect the measure of firm presence;
- Third, a few of the top 20 firms have franchise networks which may or may not be considered to be internal to the firm. For example, Manpower and Robert Half have franchise networks, but these are often contained within the respective brands and are considered in financial reporting to be part of the firms’ geographies. This contrasts with CDI who operate a franchise network branded MRI. MRI has 900 franchise offices in the US, and 300 internationally (in 37 countries). However, the presence in these countries is so small, only 6% of MRI revenues are generated outside the US, that they are not included in Tables 1 and 2. Rather, the presence of CDI itself, rather than its franchise, is shown.

Table 2: Top 20 firm regional presence, 2005

Rank	Firm	Origin	Number territories	Europe	Eastern Europe	North America	South America	Asia	Middle East	Australasia	Africa
1	Adecco	Switzerland	70	√	√	√	√	√	√	√	√
2	Manpower	US	72	√	√	√	√	√	√	√	√
3	Vedior	Netherlands	44	√	√	√	√	√	√	√	√
4	Randstad	Netherlands	19	√	√	√		√			
5	United Services Group	Netherlands	11	√	√						
6	Kelly Services	US	29	√	√	√	√	√		√	
7	Hudson Highland	US	25	√	√	√	√	√		√	
8	Hays	UK	16	√	√	√				√	
9	MPS Group	US	9	√	√	√					
10	Robert Half International	US	17	√	√	√	√	√		√	
11	Michael Page	UK	18	√	√	√	√	√		√	
12	Corporate Services Group	UK	2	√		√					
13	Monster Worldwide	US	24	√	√	√	√	√			
14	CDI Corp	US	5	√		√				√	
15	Synergie Group	France	9	√	√	√					
16	Robert Walters	UK	13	√		√		√		√	√
17	Glotel Plc	UK	9	√		√	√	√		√	
18	Harvey Nash	UK	9	√		√		√			
19	Westaff	US	5	√		√				√	
20	Proffice	Sweden	4	√							

Source: Company reports and websites

Conclusion

This Working Brief aimed to update the information presented in Working Brief 11, and relates to revised top 20 tables presented in Working Brief 26. This examination of the regional presence of the top 20 firms in 2004 and 2005 shows that in just a year, there have been changes in corporate geographies. The foreign revenues of the majority of firms has increased between 2004 and 2005, reflecting both a strengthening of sales in existing markets, and a continuation of internationalisation strategies by firms entering new markets. The tables shown in this Working Brief offer a review of the situation in 2004 and 2005, positions that will no doubt continue to evolve over coming years.

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