

## Geographies of Temporary Staffing Unit *Working Brief 33*

### Updating the Top 20 Transnational Temporary Staffing Agencies: 2007 Rankings

*Neil M. Coe, Jennifer Johns & Kevin Ward  
August 2008*

#### ***Introduction***

The global market size of the temporary staffing industry in 2006 has been estimated at just over \$300 billion (CIE'TT, 2007). This represents a three fold increase in turnover in just a decade – in 1996 global revenue was \$106 billion. In 2007 the world's 50 largest staffing companies accounted for \$151 billion in worldwide sales and collectively increased their revenues by nearly 15% since 2006 (Staffing Industry Analysts, 2008). However, the focus of this working brief is on the globalisation of the staffing industry and aims to build on data presented in earlier briefs (see Working Brief 8 for 2004; Working Brief 26 for 2005; Working Brief 29 for 2006).

#### ***Top 20 Transnational Staffing Firms: 2006 and 2007***

Table 1 shows the top 21 transnational firms for 2006, presented for comparison purposes with Table 2 which details the top 20 transnational firms for 2007. Several points can be made about changes in the rankings over the period 2006-7:

- Table 1 differs to that presented in Working Brief 29 as the Allegis Group were able to supply us with a figure for their foreign revenue in 2006. This placed them in 19<sup>th</sup> position and pushed Westaff out of the top 20 rankings;
- Table 2 shows publicly owned, *not* privately owned staffing firms. Data on Allegis Group was unavailable. However, based on estimated 2007 revenues of \$5.57bn and constant returns from overseas territories (5%), foreign revenues would be around \$278m. This would again place Allegis in 19<sup>th</sup> position;
- The foreign revenues threshold for inclusion in the top 20 has risen from \$132.8m in 2006 to \$173.98m in 2007 (\$122.35m in 2005; \$117.17m in 2004);

**Table 1: Top 20 Transnational Staffing Firms, 2006**

Rank 2006	Rank 2005	Firm	Origin	Foreign revenue 2006 (\$m)	Vs. 2005	% revenue foreign	Vs. 2005	Total revenue 2006 (\$m)	Vs. 2005
1	1	Adecco <sup>1</sup>	Switzerland	26,402.60	↑	98	-	26,953.00	↑
2	2	Manpower	US	15,447.60	↑	88	↑	17,562.50	↑
3	3	Vedior	Netherlands	9,336.00	↑	92	-	10,112.20	↑
4	4	Randstad	Netherlands	6,962.23	↑	64	↑	10,806.72	↑
5	5	United Services Group	Netherlands	2,559.56	↑	55	-	4,669.10	↑
6	6	Kelly Services	US	1,911.90	↑	34	↑	5,605.80	↑
7	8	Hays <sup>1</sup>	UK	1,098.45 <sup>2</sup>	↑	31	↑	3,584.85	↑
8	7	Hudson Highland <sup>3</sup>	US	914.25 <sup>4</sup>	↓	67	-	1,373.47	↑
9	10	Robert Half International	US	844.04	↑	21	↑	4,013.55	↑
10	9	MPS Group	US	731.88	↑	39	↑	1,876.62	↑
11	11	Michael Page	UK	660.70	↑	52	↑	1,273.83	↑
12	15	Synergie Group	France	385.08	↑	27	↑	1,406.07	↑
13	12	Corporate Services Group	UK	362.53	↑	35	-	1,049.00	↑
14	14	CDI Corp	US	346.48	↑	27	↑	1,265.29	↑
15	13	Monster	US	323.78	↑	29	↓	1,116.68	↑
16	17	Harvey Nash <sup>5</sup>	UK	313.07	↑	63	↑	494.06	↑
17	16	Robert Walters	UK	267.08	↑	50	↑	538.65	↑
18	18	Allegis Group	US	255.00	↑	5	↑	4955.00	↑
19	20	Proffice	Sweden	174.57	↑	42	↑	416.83	↑
20	19	Glotel	UK	148.78 <sup>6</sup>	↑	57	↓	263.33	↑
21	18	Westaff	US	132.80	↓	22	↓	614.95	↑

Source: Company Annual Reports, websites and personal communication.

<sup>1</sup> Year end 30<sup>th</sup> June.

<sup>2</sup> Excludes revenues from Ireland as these are reported together with UK figures.

<sup>3</sup> 2006 figures are compared with restated 2005 figures: total revenues \$1,364.806m; foreign revenues \$918.5m.

<sup>4</sup> Excludes Canadian revenues.

<sup>5</sup> Figures are for end of Jan 2007. Figures for end Jan 2006: Revenues £202.29m (\$397.02m); UK £79.23m (\$155.5m); Foreign £123.07m (\$241.52m) 61% of revenue foreign.

<sup>6</sup> 'Home' figures cover EMEA so shown foreign revenue figure should be higher but company reporting yields no further data.

- Three firms are no longer included in the top 20; Allegis (see above), Glotel Plc and Corporate Services Group. Glotel Plc were acquired by UK based Spring Group in July 2007. The overseas revenues of the group are not sufficient to include them in the rankings. In May 2008 the Impellam Group merged with Carlisle group Ltd and acquired the Corporate Services Group. The firm has nearly £1bn in revenues, but not significant overseas operations. Data on Corporate Services Group in 2007 is not available.
- Other notable large staffing firm absences include Recruit/Staff Service, Goodwill Group and Pasona who are ranked 7<sup>th</sup>, 11<sup>th</sup> and 16<sup>th</sup> respectively by Staffing Industry Analysts in their measure of size by total revenue. Goodwill Group and Recruit/Staff Service do not publish data on their foreign revenues. 2008 has been a difficult year for Goodwill Group particularly in their home Japanese market, and data is not forthcoming. Personal communication with Recruit/Staff Service has confirmed that their foreign revenues are not yet large enough to put them in the top 20 ranking. Pasona does report segment data by geographical territory. In 2007 foreign revenues totalled ¥4,414m (\$36.3m), representing 1.9% of total revenues. This is not sufficient to be included in the top 20 rankings. Additionally, at year end May 2008 Pasona's overseas revenues dropped to ¥3,738m (\$33.33m) or 1.6% of total revenues. This is a 15.3% drop in foreign revenues between May 2007 and May 2008.
- Three new firms are included in the top 20 rankings for 2007. These are Allbecon and Olympia, SThree and Resources Connection, ranked 14<sup>th</sup>, 18<sup>th</sup> and 20<sup>th</sup> respectively. These firms are all European or US-based.
- All firms in the top 20 increased their revenues in 2007, with the exception of Hudson Highland and CDI Corp.
- All firms increased their foreign revenues. This suggests that overseas revenue is of increasing significance for Hudson Highland and CDI Corp.
- Several firms have changed positions in the rankings, although the top seven have remained constant. Firms that have increased their foreign revenues more in relation to their competitors are Robert Half International (9<sup>th</sup> to 8<sup>th</sup>), Michael Page (11<sup>th</sup> to 9<sup>th</sup>), Monster (15<sup>th</sup> to 13<sup>th</sup>) and Harvey Nash (16<sup>th</sup> to 15<sup>th</sup>). Those moving down the table are Hudson Highland (8<sup>th</sup> to 10<sup>th</sup>) and CDI Corp. (14<sup>th</sup> to 16<sup>th</sup>).
- While all firms increased their foreign revenues, there have been shifts in the percentages of total revenue generated by foreign operations. Notable increases in the relative importance of overseas operations come from Monster (9%) and Hudson Highland (8%). Both are US-based firms and this may reflect the challenging economic climate in their home territories. Only one firm did not increase the percentage of foreign revenue. Proffice foreign revenues account for

**Table 2: Top 20 Transnational Staffing Firms, 2007**

Rank 2007	Rank 2006	Firm	Origin	Foreign revenue 2007 (\$m)	Vs. 2006	% revenue foreign	Vs. 2006	Total revenue 2007 (\$m)	Vs. 2006
1	1	Adecco <sup>(1)</sup>	Switzerland	30,411.61	↑	98	-	31,062.41	↑
2	2	Manpower	US	18,033.50	↑	88	-	20,500.30	↑
3	3	Vedior	The Netherlands	11,523.58	↑	93	↑ 1%	12,419.07	↑
4	4	Randstad	The Netherlands	8,806.32	↑	65	↑ 1%	13,545.80	↑
5	5	USG People	The Netherlands	3,186.76	↑	56	↑ 1%	5,725.97	↑
6	6	Kelly Services	US	2,212.67	↑	39	↑ 5%	5,667.59	↑
7	7	Hays <sup>(2)(3)</sup>	UK	1,395.74	↑	33	↑ 2%	4,228.69	↑
8	9	Robert Half International	US	1,136.37	↑	25	↑ 4%	4,645.67	↑
9	11	Michael Page	UK	941.23	↑	57	↑ 5%	1,661.04	↑
10	8	Hudson Highland <sup>(4)</sup>	US	887.55	↑	75	↑ 8%	1,179.08	↓
11	10	MPS Group	US	853.12	↑	39	-	2,171.84	↑
12	12	Synergie Group	France	536.41	↑	31	↑ 4%	1,750.78	↑
13	15	Monster	US	511.48	↑	38	↑ 9%	1,353.31	↑
14	-	Allbecon & Olympia <sup>(5)(6)</sup>	Germany	469.42	↑	81	↑ 1%	582.30	↑
15	16	Harvey Nash <sup>(7)(8)</sup>	UK	417.78	↑	67	↑ 4%	625.51	↑
16	14	CDI Corp.	US	365.73	↑	31	↑ 4%	1,187.30	↓
17	17	Robert Walters	UK	341.64	↑	54	↑ 4%	638.74	↑
18	-	SThree <sup>(9)(10)(11)</sup>	UK	314.59	↑	29	↑ 4%	1,075.03	↑
19	19	Proffice	Sweden	232.70	↑	40	↓ 2%	585.00	↑
20	-	Resources Connection <sup>(12)(13)</sup>	US	173.98	↑	24	↑ 3%	735.89	↑

Source: Company Annual Reports and websites

Exchange rates:

Year end June 30 2007: €1 = US\$1.3520. Year end Dec 31 2007: €1 = US\$1.47285

Year end Jan 31 2007: £1 = US\$1.96305. Year end June 30 2007: £1 = US\$2.00393. Year end Dec 2 2007: £1 = US\$2.05668. Year end Dec 31 2007: £1 = US\$1.99731

Year end Dec 31 2007: SEK1 = US\$0.154312

<sup>1</sup> Year end June 30. <sup>2</sup> Year end June 30. <sup>3</sup> Domestic revenues include Ireland. <sup>4</sup> Domestic revenues include Canada. <sup>5</sup> Allbecon & Olympia operational headquarters are in Germany, however the group holding company is based in the Netherlands. These figures are based on revenues outside Germany. Revenues outside the Netherlands would total €176.83m (\$260.44m), representing 45% of total revenues. <sup>6</sup> Financial data for 2006: total revenue €351.1m (\$463.55m). Revenues outside the Netherlands were €280.6m (\$370.47m), representing 80% of total revenue; revenues outside the Netherlands were €160.1m (\$211.38m), 46% of total revenue.

<sup>7</sup> Year end Jan 31. <sup>8</sup> Domestic revenues include Ireland. <sup>9</sup> Year end Dec 2. <sup>10</sup> Foreign revenues are calculated by location of client. If calculated by location of operating company, the foreign revenue figure is £43.18m (\$88.80m), accounting for 8% of total revenues. <sup>11</sup> Financial data for year end Nov 30 2006: total revenues £393.26 (\$767.25), foreign revenue by location of client £97.60 (\$190.39) or 25% of total revenues; foreign revenue by location of operating company £20.70 (\$40.38) or 5% of total revenues. <sup>12</sup> Year end May 31. <sup>13</sup> Financial data for 2006: total revenues \$633.84m, foreign revenues \$133.93m.

2% less than in 2006. For further discussion of foreign revenue percentages from 2004-7 see Working Brief 35.

- Tables 1 and 2 reveal changes in total revenue and foreign revenue. They do not however, show how profitable territories are. It may not be the case that foreign operations are necessarily more profitable. Unfortunately consistent and comparable information on profit generation by territory is not publicly available.
- Future developments include the acquisition of Vedior by Randstad. Vedior figures are consolidated into Randstad reporting from May 16<sup>th</sup> 2008. This will significantly alter the top 20 transnational rankings in 2008. It is anticipated that combined revenues will place Randstad in 2<sup>nd</sup> position, above Manpower. Second quarter 2008 results for Randstad are up from €2,253.7m in 2007 to €3,376.0m (a 50% increase). As a condition of the acquisition, the European Commission required Randstad to sell its Portuguese operations. These were sold in July 2008 to Kelly Services. Vedior operations in the territory remain.

## ***Conclusion***

This Working Brief aimed to provide an update to the Top 20 international staffing firm ranking presented in Working Brief 29. We acknowledge that Tables 1 and 2 represent a snap-shot of the industry and the time period covered does not provide an accurate reflection of broader changes in the industry. However, by ranking the transnational firms on an annual basis we hope to provide data by which we can trace the internationalisation of the global staffing industry over time. For further information on the characterisation of the 2007 Top 20 firms, and a longer-term perspective on the relative importance of foreign revenue to staffing firms, see Working Briefs 34 and 35 respectively.

**For more information about this working brief, please contact:  
Jennifer Johns ([j.johns@liverpool.ac.uk](mailto:j.johns@liverpool.ac.uk))**

**For more on GOTSU and its activities please visit:  
[www.sed.manchester.ac.uk/geography/research/GOTSU](http://www.sed.manchester.ac.uk/geography/research/GOTSU)**