

## Geographies of Temporary Staffing Unit *Working Brief 37*

### Top 20 Transnational Staffing Firm Geographies: Regional Presence, 2005-2007

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#### ***Introduction***

As part of our series of Working Briefs charting the internationalisation of temporary staffing firms, this contribution examines the regional presence of the top 20 transnational staffing firms (see Working Brief 33 for the 2007 rankings). This Working Brief updates data for 2004 and 2005 presented in Working Brief 27.

#### ***Top 20 Firm Geographies, 2005-7***

Table 1 presents the regional presence of the top 20 firms in 2005 (see Working Brief 26 for more details on the ranking). This Table is provided for comparison with 2007 – for observations about this presence, see Working Brief 27. Table 2 presents the data for 2007. A number of observations can be made about the top 20 firm's regional presence and changes since 2005:

- The internationalisation strategies of the transnational staffing firms have resulted in a greater regional distribution for a number of firms. Put simply, Table 2 (2007) is beginning to show more comprehensive global coverage than Table 1 (2005);
- In 2005 only three firms – Adecco, Manpower and Vedior were present in all eight regions. Michael Page now joins this group of truly 'global' staffing firms. Kelly Services and Hays are present in seven regions, but both lack a presence in Africa;
- Tables 1 and 2 are not directly comparable as some of the firms in each ranking for 2005 and 2007 are different, but the data enables us to comment on the geographies of the top 20 transnational firms;
- As in 2005, firms in the bottom half of the table in 2007 have significantly less coverage than their larger competitors. This is supported by data presented in Working Brief 36 showing an

**Table 1: 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

**Table 2: Top 20 firm regional presence, 2007**

Rank	Firm	Origin	Number territories	Europe	Eastern Europe	North America	South America	Asia	Middle East	Australasia	Africa
1	Adecco	Switzerland	60	√	√	√	√	√	√	√	√
2	Manpower	US	80	√	√	√	√	√	√	√	√
3	Vedior	The Netherlands	52	√	√	√	√	√	√	√	√
4	Randstad	The Netherlands	20	√	√	√		√	√		
5	USG People	The Netherlands	13	√	√						
6	Kelly Services	US	36	√	√	√	√	√	√	√	
7	Hays	UK	26	√	√	√	√	√	√	√	
8	Robert Half Int.	US	19	√	√	√	√	√		√	
9	Michael Page	UK	25	√	√	√	√	√	√	√	√
10	Hudson Highland	US	23	√	√	√	√	√		√	
11	MPS Group	US	10	√	√	√		√		√	
12	Synergie Group	France	10	√	√	√					
13	Monster	US	22	√	√	√	√	√			
14	Allbecon & Olympia	Germany	7	√	√						
15	Harvey Nash	UK	9	√		√		√			
16	CDI Corp.	US	4	√		√				√	
17	Robert Walters	UK	15	√		√		√		√	√
18	SThree	UK	8	√		√		√			
19	Proffice	Sweden	4	√							
20	Resources Connection	US	20	√		√	√	√		√	

Source: Company Annual Report and websites

increasingly large gap between the top 10 firms and those lower down the rankings in terms of number of territories in which the firms are present;

- All firms have a presence in Europe, and only three firms are not present in North America – USG People, Allbecon & Olympia 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. A new presence in a region is shown in red. Here we can see that the Middle East has attracted Randstad (Turkey), Kelly Services (Turkey), Hays (United Arab Emirates) and Michael Page (United Arab Emirates). These location decisions reflect the nature of these firms’ operations. According to our firm typology presented in Working Brief 34, Randstad and Kelly Services are ‘global generalists’. They have chosen to locate in Turkey to access a large labour market. In contrast, Hays and Michael Page are ‘global specialists’ and have located in Dubai to offer specialist staffing services;
- Africa is still under represented in firm global networks with only five firms present. Since 2005 Michael Page has established offices in Morocco, Egypt and South Africa;
- Asia continues to attract transnational staffing firm investment with Hays opening a greenfield office in Hong Kong, and later in 2006 acquiring St. George’s Harvey Nash with offices in Hong Kong and mainland China (Shanghai, Shenzhen and Guangzhou). Hays also entered Japan through the acquisition of James Harvard in 2007;
- South America has attracted a new staffing firm between 2005 and 2007 with Hays establishing a new office in Brazil;
- While Tables 1 and 2 are 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;
- In addition, the tables are not an indication of the density of branch network in any country. Again, a distinction between ‘generalist’ and ‘specialist’ staffing firms can be made here. The generalist firms will aim to establish comprehensive branch networks in many national markets, whereas specialist firms may only seek to have offices in capital cities or economic centres;
- 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.

### ***Conclusion***

In just two years we can see the expansion of the top 20 transnational staffing firms into new geographical regions. Since 2005 particular markets in the Middle East have attracted four staffing agencies, and Asia continues to offer attractive markets for this industry. In 2007 four firms had a presence in all eight regions and if internationalisation continues to be a central firm strategy, over time others may join this list. Finally, it should be stressed that while some firms have not entered new regions, many have been expanding within existing territories.

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