

Geographies of Temporary Staffing Unit *Working Brief 38*

The Top 20 Temporary Staffing Agencies: 2008 Transnationality Rankings

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June 2009

Introduction

The global market size of the temporary staffing industry in 2007 was estimated at just over US\$341bn (CIETT, 2007). The focus of this working brief is on the globalisation of the staffing industry – illustrated through the ranking of firms by their *transnational* revenues – 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, and Working Brief 33 for 2007).

Top 20 Transnational Staffing Firms: 2007 and 2008

Table 1 shows the top 20 transnational firms for 2007, presented for comparative purposes with Table 2 which details the top 20 transnational firms for 2008. Several points can be made about changes in the rankings over the period 2007-8:

- Both tables show publicly owned, *not* privately owned staffing firms. Where private firms have been able to supply us with total and foreign revenue figures we have included them in the rankings. This year Allegis kindly supplied us with data for 2008, ranking them in 16th place (up from 18th in 2006);
- Other notable large staffing firm absences include the Japanese firms Recruit/Staff Service, Goodwill Group (now part of the Radia Group), Pasona and Tempstaff. Goodwill Group, Tempstaff and Pasona rank 6th, 10th and 12th respectively in our 2008 rankings of global staffing firms by *total* revenue (see Working Brief 42), but none of these firms have sufficient levels of overseas operations to place them in the top 20 transnationality rankings;
- The foreign revenues threshold for inclusion in the top 20 has risen from \$173.98m in 2007 to \$212.32m in 2008 (\$132.8m in 2006; \$122.35m in 2005; \$117.17m in 2004);

Table 1: 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 ⁽¹⁾	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 ⁽²⁾⁽³⁾	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 ⁽⁴⁾	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 ⁽⁵⁾⁽⁶⁾	Germany	469.42	↑	81	↑ 1%	582.30	↑
15	16	Harvey Nash ⁽⁷⁾⁽⁸⁾	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 ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	UK	314.59	↑	29	↑ 4%	1,075.03	↑
19	19	Proffice	Sweden	232.70	↑	40	↓ 2%	585.00	↑
20	-	Resources Connection ⁽¹²⁾⁽¹³⁾	US	173.98	↑	24	↑ 3%	735.89	↑

Source: Company Annual Reports, websites and personal communication.

Exchange rates: Year end Jan 31 2007: £1 = US\$1.96305; Year end June 30 2007: €1 = US\$1.3520; £1 = US\$2.00393; Year end Dec 2 2007: £1 = US\$2.05668; Year end Dec 31 2007: £1 = US\$1.99731; €1 = US\$1.47285; SEK1 = US\$0.154312.

¹ Year end June 30. ² Year end June 30. ³ Domestic revenues include Ireland. ⁴ Domestic revenues include Canada. ⁵ 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. ⁶ Financial data for 2006: total revenue €351.1m (\$463.55m). Revenues outside Germany were €280.6m (\$370.47m), representing 80% of total revenue; revenues outside the Netherlands were €160.1m (\$211.38m), 46% of total revenue.

⁷ Year end Jan 31. ⁸ Domestic revenues include Ireland. ⁹ Year end Dec 2. ¹⁰ 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. ¹¹ 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. ¹² Year end May 31. ¹³ Financial data for 2006: total revenues \$633.84m, foreign revenues \$133.93m.

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- Two firms are no longer included in the top 20; Vedior (due to their acquisition by Randstad) and Proffice (pushed to 21st but shown for illustrative purposes);
 - Two new firms are included in the top 20 rankings for 2008. These are Brunel (ranked 11th) and Allegis (see above);
 - Several firms have changed positions in the rankings. Randstad has moved from 4th to 3rd due to the recent acquisition of Vedior. This has meant that firms ranking 5th to 9th have risen to 4th to 8th accordingly. The only other firm moving up the table in 2008 is SThree (up to 15th from 18th). Firm moving down the transnationality rankings include Harvey Nash (down to 18th from 15th) and Robert Walters (down to 19th from 17th). This may be explained by the weak UK currency;
 - All firms in the top 20 increased their revenues in 2007, with the exception of Hudson Highland and CDI Corp. However, the picture is less clear in 2008 due to the increasingly challenging global economic climate. Firms with the largest revenue increases are; Hays (28%), Brunel (23%), Harvey Nash (21%), SThree (17%), Michael Page (14%) and Resources Connections (14%). With the exception of Resources, all these firms are European (with four headquartered in the UK). Staffing agencies with the largest decreases in total revenues in 2008 include; Hudson Highland (8%), Olympia (7%) and CDI Corp. (6%);
 - All firms increased their foreign revenues in 2007. However, five firms showed a decrease in revenues generated out of their home markets in 2008. These were; Hudson Highland (8%), CDI Corp. (8%), Adecco (6%), Olympia (4%) and Randstad (3%). This may be explained by the conversion of local into home currencies. In all five cases foreign revenues are converted to strong US Dollars and Euros;
 - While all firms increased their foreign revenues in 2007, 2008 has witnessed the largest staffing agency generate a slightly smaller proportion of revenue from foreign operations (down 1%). There have also been shifts in the percentages of total revenue generated by foreign operations. Notable increases in the relative importance of overseas operations come from SThree (up 10%), Monster (7%), Robert Walters (7%), Hays (5%) and Michael Page (5%);
 - 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. (For rankings of the top 20 transnational staffing firms by total profitability see Working Brief 40).
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Table 2: Top 20 Transnational Staffing Firms, 2008

Rank 2008	Rank 2007	Firm	Origin	Foreign revenue 2008 (\$m)	Vs. 2007	% revenue foreign	Vs. 2007	Total revenue 2008 (\$m)	Vs. 2007
1	1	Adecco	Switzerland	30,183.47	↓ 6%	97	↓ 1%	31,068.93	↓ 5% ¹
2	2	Manpower	US	19,607.40	↑ 8%	91	↑ 3%	21,552.80	↑ 5%
3	4	Randstad ²	Netherlands	18,159.82	↓ 3%	78	-	23,242.91	↓ 3%
4	5	USGPeople	Netherlands	3,109.24	↑ 7%	57	↑ 1%	5,446.22	↑ 3%
5	6	Kelly Services	US	2,280.15	↑ 2%	41	↑ 2%	5,517.29	↓ 3%
6	7	Hays	UK	1,904.43	↑ 17%	38	↑ 5%	4,994.57	↑ 28%
7	8	Robert Half Int.	US	1,321.96	↑ 14%	29	↑ 4%	4,600.55	↓ 1%
8	9	Michael Page	UK	901.19	↑ 1%	62	↑ 5%	1,443.83	↑ 14%
9	11	MPS Group	US	882.07	↑ 3%	40	↑ 1%	2,222.30	↑ 2%
10	10	Hudson Highland	US	806.58	↓ 8%	75	-	1,080.23	↓ 8%
11	-	Brunel	Netherlands	757.88	↑ 21%	78	↑ 2%	966.39	↑ 23%
12	13	Monster	US	602.69	↑ 15%	45	↑ 7%	1,343.63	↑ 1%
13	12	Synergie Group	France	526.09	↑ 6%	32	↑ 1%	1,624.95	↑ 1%
14	14	Olympia	Germany	415.13	↓ 4%	83	↑ 2%	499.84	↓ 7%
15	18	SThree	UK	363.02	↑ 37%	39	↑ 10%	937.32	↑ 17%
16	-	Allegis	US	360.00	↑ 20%	6	-	5,740.00	↑ 1%
17	16	CDI Corp.	US	344.74	↓ 8%	31	-	1,118.60	↓ 6%
18	15	Harvey Nash	UK	315.87	↑ 25%	67	-	472.93	↑ 21%
19	17	Robert Walters	UK	302.93	↑ 17%	61	↑ 7%	500.65	↑ 5%
20	20	Resources	US	212.37	↑ 12%	25	↑ 1%	840.29	↑ 14%
21	19	Proffice	Sweden	190.42	↑ 1%	36	↓ 4%	532.67	↑ 13%

Source: Company Annual Reports, websites and personal communication.

Percentage changes 2008 on 2007 calculated on home currency to reduce impact of currency fluctuations.

Exchange rates used: € to US\$: June 2008 1.55617; December 2008 1.35311. £ to US\$: June 2008 0.508552; December 2008 0.673752. SEK to US\$: December 2008: 0.124863

¹ Adecco revenues have declined: €21,090m (2007) to €19,965m (2008) but conversion to dollars shows an increase.

² Randstad revenue figures are pro forma following the consolidation of Vedior Group in May 2008. Comparison is made with 2007 pro forma data. Revenue: 2007 €17,625.2m (\$25,647.66m); 2008 €17,177.4m (\$23,242.91m)

Conclusion

This Working Brief has aimed to provide an update to the Top 20 transnational staffing firm ranking presented in Working Brief 33. We acknowledge that Tables 1 and 2 represent a snap-shot of the industry and the time period covered may 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 regional distribution of transnational staffing firm activities, firm profitability in 2008, first quarter profitability in 2009 and the top 20 firms by total revenue, please see Working Briefs 39, 40, 41 and 42 respectively.

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