

Geographies of Temporary Staffing Unit *Working Brief 39*

Top 20 Transnational Staffing Firm Geographies: Regional Presence, 2007-8

*Neil M. Coe, Jennifer Johns & Kevin Ward
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Introduction

As part of our ongoing 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 38 for the 2008 rankings). This Working Brief provides 2008 data updated since Working Brief 37 (2007).

Top 20 Firm Geographies, 2007-8

Table 1 presents the regional presence of the top 20 firms in 2007. This Table is provided for comparison with Table 2 which provides data for 2008. A number of observations can be made about the top 20 firms' regional presence, and changes therein, since 2007:

- The internationalisation strategies of the transnational staffing firms have resulted in a greater regional distribution for a number of firms. Put simply, Table 2 (2008) demonstrates a more comprehensive global coverage than Table 1 (2007);
- In 2005 only three firms – Adecco, Manpower and Vedior were present in all eight regions. Michael Page joined this group of truly 'global' staffing firms in 2007. Kelly Services and Hays are present in seven regions, but both lack a presence in Africa. Since Randstad acquired Vedior, its geographical network has expanded considerably, adding South America, Australasia and Africa. This places it as a truly 'global' firm in 2008;
- Tables 1 and 2 are not directly comparable as some of the firms in each ranking for 2007 and 2008 are different, but the data enables us to comment on the geographies of the top 20 transnational firms;

Table 1: 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	√		√	√	√		√	

√ new regional presence 2005-7.

Source: Company Annual Report and websites

Table 2: Top 20 firm regional presence, 2008

Rank	Firm	Origin	Number territories	Europe	Eastern Europe	North America	South America	Asia	Middle East	Australasia	Africa
1	Adecco	Switzerland	50	√	√	√	√	√	√	√	√
2	Manpower	US	82	√	√	√	√	√	√	√	√
3	Randstad	Netherlands	50	√	√	√	√	√	√	√	√
4	USG People	Netherlands	13	√	√	√	√	√	√	√	√
5	Kelly Services	US	34	√	√	√	√	√	√	√	√
6	Hays	UK	29	√	√	√	√	√	√	√	√
7	Robert Half Int.	US	21	√	√	√	√	√	√	√	√
8	Michael Page	UK	32	√	√	√	√	√	√	√	√
9	MPS Group	US	12	√	√	√	√	√	√	√	√
10	Hudson Highland	US	22	√	√	√	√	√	√	√	√
11	Brunel	Netherlands	32	√	√	√	√	√	√	√	√
12	Monster	US	24	√	√	√	√	√	√	√	√
13	Synergie Group	France	11	√	√	√	√	√	√	√	√
14	Olympia	Germany	7	√	√	√	√	√	√	√	√
15	SThree	UK	11	√	√	√	√	√	√	√	√
16	Allegis	US	6	√	√	√	√	√	√	√	√
17	CDI Corp.	US	4	√	√	√	√	√	√	√	√
18	Harvey Nash	UK	12	√	√	√	√	√	√	√	√
19	Robert Walters	UK	16	√	√	√	√	√	√	√	√
20	Resources Connection	US	20	√	√	√	√	√	√	√	√

√ new regional presence in 2008

Source: Company Annual Report and websites

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- As in 2005 and 2007, firms in the bottom half of the table in 2008 have significantly less coverage than their larger competitors. This is supported by data presented in Working Brief 36 showing an 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;
 - In addition to Randstad, only two other firms have increased their regional presence between 2007 and 2008. Robert Half International has entered the Middle East and SThree has entered the Middle East and Australasia;
 - The rationale for this apparent slow-down in geographical expansion may be explained by any number of factors (or combination of factors); global economic challenges, consolidation/increased competition in existing markets, changing geographical networks of client firms or geographical expansion being concentrated within existing regions;
 - All firms have a presence in Europe, and only two firms are not present in North America – USG People and Allbecon. No firm lacks a presence in either Europe or North America, reflecting the dominance of these two regions in the staffing industry, with these regions containing the large markets of the US, France, the Netherlands and the UK;
 - Firm presence in the remaining regions is patchy. A new presence in a region is shown in red (2005-7) and green (2007-8). Here we can see that the Middle East has attracted six new staffing firms since 2005;
 - Africa is still under represented in firm global networks with only six firms present. This is an increase from 5 in 2007 due to the inclusion of Brunel in our top 20 rankings for 2008. Brunel supplies specialist staffing to the mining sector and has a presence in several African countries;
 - 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. 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.

Conclusion

The past three years have seen the expansion of the top 20 transnational staffing firms into new geographical regions. The top 20 firms increased their global regional presence significantly between 2005-7, but this rate of growth has decreased between 2007-8. This may be due to a

number of different factors suggested above, the most significant of which is likely to be the global recession. Speculation on the future regional geographies of the top 20 transnational staffing agencies is limited by uncertainty surrounding the global economy, but it seems unlikely that Table 2 will change substantially over the next two years.

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

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