

LIVE OR DIE

By Denis Pennel, Managing Director,
World Employment Confederation on
how regulation is shaping the future of
the staffing industry.



As labour markets are shifting faster and more frequently than ever, the staffing industry plays a pivotal role in connecting talent with opportunities, and clients with economic growth. As we peer into 2024, our Staffing Executive Regulatory Outlook (SERO) provides a reassuring perspective, indicating a stabilising regulatory landscape for the industry after years of turbulence. >



REGULATION

Effective regulation is crucial in fostering a healthy and sustainable staffing sector. Twice a year, we survey top executives among our National Federations members to assess the likelihood and potential impact of regulatory changes on the staffing industry. For this year's second edition, 23 federations replied and about half of them deem the situation to remain neutral in the period from November 2023 to March 2024.

However, in a handful of countries – including Belgium, Romania, Australia, and Chile - the circumstances are headed in a downward trend. Yet, despite the challenges, the industry and our members in those countries know that they can count on the support of the World Employment Confederation (WEC) and their network of peers around the globe to share best practices and provide advocacy support. In fact, it's through the collective power of membership that in recent years, we have seen success stories in Italy, Spain, Mexico and India despite regulatory challenges. Our shared knowledge enabled us to engage with policymakers in a constructive way in those countries and avoid disproportionately restrictive regulation.

In addition to our forward-looking regulatory monitoring, we also conduct an annual survey to build a 'picture' of the regulatory landscape for the agency work sector over time. Those findings also reveal that in reality the staffing industry is far from the negative myths that too often surround agency work. Now, it's time to reset the reality based on the data we collected from WEC members.

Dispelling myths and resetting reality

The myth propagated by some, that the staffing industry is a 'Wild West', is firmly dispelled by our Regulatory Report 2023 which showcases a well-regulated sector. In fact, 82 per cent of countries surveyed mandate government registration or licensing for staffing agencies, demonstrating a strong commitment to accountability and transparency. >

Moreover, 85 per cent of countries require periodic reporting from employment agencies, ensuring ongoing compliance and ethical practices. The staffing industry's commitment to quality and compliance is further evidenced in the 65 per cent of countries where self-regulatory initiatives are in place. Such initiatives focus on areas such as the quality and compliance of employment agencies, training, and the promotion of occupational health and safety.

Contrary to the misconception that agency workers lack job security and social benefits, the data show that the majority of countries, 85 per cent, have regulations in place to ensure equal treatment and pay for agency workers. These regulations extend to social security benefits, including unemployment insurance, maternity benefits, and labour-related sickness or disability. The reality is that agency workers enjoy formal, secure, and decent working conditions.

Busting the myth that agency workers can't stand up for their rights, our report shows that in 76 per cent of countries, there is some form of social dialogue between the agency work sector and trade unions. Almost half of the countries surveyed, particularly in Europe, engage in sectoral collective bargaining, covering essential topics such as wages, occupational health and safety, and industry quality.

Striving to thrive

In a world where the nature of work is evolving rapidly, the staffing industry is a cornerstone for labour markets, facilitating employment opportunities for all. As we navigate the complexities of 2024, it is clear that good regulation is not merely a safeguard, it is the foundation upon which a resilient and thriving staffing sector stands. By acknowledging the realities and dispelling the myths, we demonstrate to policymakers that balanced and appropriate regulation can unlock the potential of the agency work sector and enable staffing companies to deliver better labour market outcomes for all. Even through the ebbs and flows of economic and regulatory fluctuations, our industry aims to not only stay alive but strives to positively thrive. ■

