

Canadian Staffing Industry Outlook

May 2015

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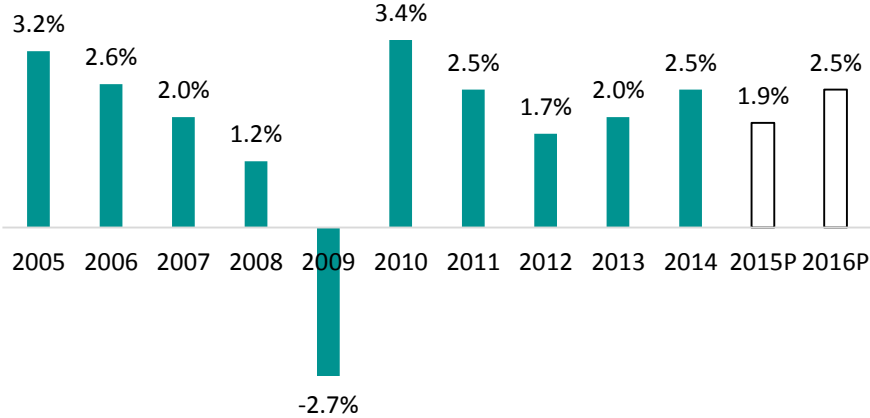
Key Findings

- The Canadian economy is expected to grow a modest 1.9% in 2015, but accelerate to 2.5% expansion in 2016. The sharp drop in oil prices in 2H2014 has caused GDP growth in Alberta to shift from 3.9% in 2014 to a projected 0.5% in 2015, dragging down Canada's overall GDP growth. However, in 2015, growth in British Columbia, Ontario, and Quebec is projected to be a relatively healthy 2.8%, 2.9%, and 2.1%, respectively.
- The recent weakness in the Canadian dollar and strength in the U.S. dollar is expected to spur growth in Canada's exports, which comprise roughly 30% of its GDP. Export industries expected to grow include aircraft and parts, industrial machinery, pharmaceuticals, building and packaging materials, and fabricated metal, according to the Bank of Canada. These industries may represent growth opportunities for staffing firms.
- We forecast that temporary staffing industry (which includes staffing suppliers of both T4 recipients and independent contractors) revenue will decline 2% in 2015 to reach a market size of CAD 8.3 billion, in part because of its large exposure to cutbacks in the oil and gas sector. However, we project a rebound to 6% growth in 2016 as our forecast assumes acceleration in GDP growth and stabilization in oil prices. In addition, we forecast 3% growth in 2015 and 8% growth in 2016 in place and search (direct hire, retained search, and temp-to-hire) revenue. The stronger growth rates in place and search are due to our assumption that it has less exposure than temporary staffing to the oil and gas sector.
- We estimate the temporary staffing industry in 2014 consisted of roughly 50% staffing of professional workers and 50% commercial workers (either office/clerical or industrial "blue collar" workers) by revenue. We estimate the following revenue proportions by skill segment of the worker supplied: IT staffing (25% of temporary staffing industry revenue), engineering (14%), finance/accounting (5%), healthcare (2%), and other professional (4%).
- Ontario, Alberta, Quebec, and British Columbia accounted for 96% of Employment Services industry revenue, according to a report by Statistics Canada regarding 2012 activity. In addition, the six largest metro areas—Toronto, Montreal, Vancouver, Calgary, Edmonton, and Ottawa—account for roughly half the population of Canada, making them key locations of staffing demand.

Sluggish GDP growth expected in 2015 due to oil price shock

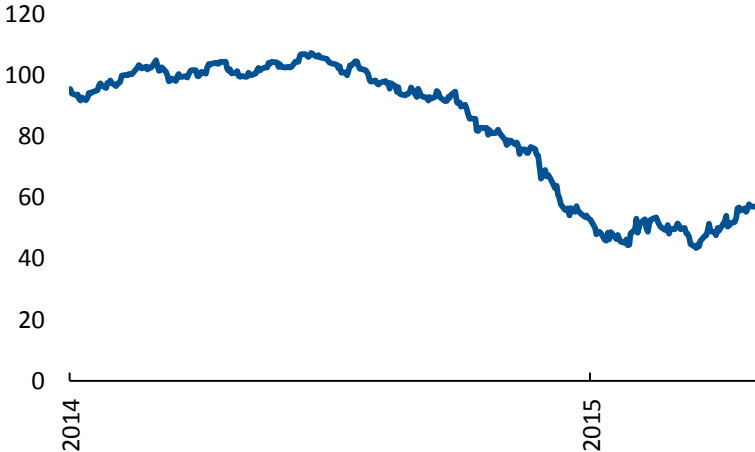
- The Canadian economy achieved solid growth through most of the past decade as shown in the top graph. It is noteworthy that Canada weathered the global recession of 2008-2009 better than other large economies thanks in part to the health of its banking sector (Canada GDP declined for only one year in 2009—versus U.S. GDP declines in 2008 and 2009.)
- In the current time frame, Canada GDP growth is being negatively impacted by the roughly 50% drop in oil prices that occurred in the second half of 2014 (see graph below.) Along with layoffs at oil and gas firms and suppliers, a negative ripple effect is expected to hit tax revenues, financiers, and local businesses in oil production areas. (In addition, oil and gas operations—due to their project nature—have been a disproportionately large buyer of staffing services.)
- On a more positive note, Canada GDP growth is expected to benefit in the near term from growth in exports. The recent appreciation of the US dollar should make Canadian goods and services more attractively priced to buyers in the U.S., who purchase roughly 70% of Canadian exports. Export industries expected to grow include aircraft and parts, industrial machinery, pharmaceuticals, building and packaging materials, and fabricated metal, according to the Bank of Canada. See page 10 for more details on export industries.
- We note that the 2015 GDP outlook varies significantly among the four most populous provinces: Ontario (+2.9%), Quebec (+2.1%), British Columbia (+2.8%), and Alberta (+0.5%). Alberta faces a tough 2015 due to the oil shock, while Ontario is expected to benefit from growth in manufacturing. See page 9 for more detail.

Canada real GDP growth, 2005 to 2016P



Source: World Bank; 2015 and 2016 projections from Bank of Canada Monetary Policy Report April 2015.

Crude oil prices (WTI benchmark), 2014-2015



Source: U.S. Energy Information Administration

Employment growth weak in 2014, unemployment rate at pre-recession levels

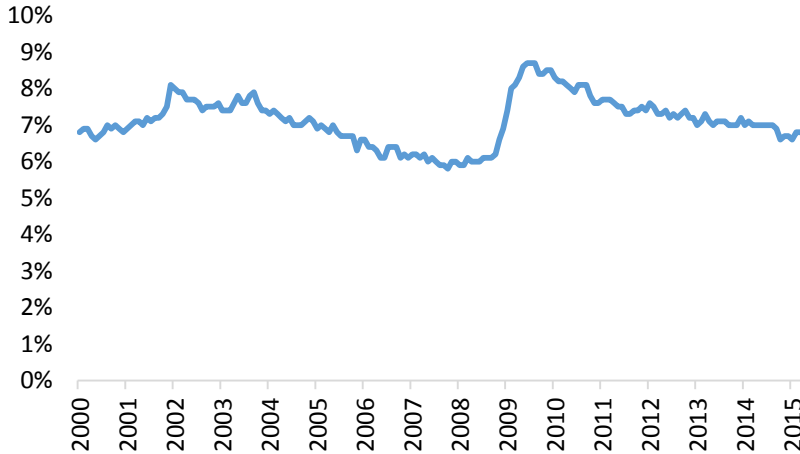
- Despite GDP growth of 2.5% in 2014, total employment growth for Canada was a surprisingly weak 0.7% in 2014, as shown in the top graph. Job growth was sluggish even in the first half of 2014 before the drop in oil prices. The 0.7% growth rate is disappointingly low given that Canada’s population has been growing steadily at a 1.1% annual average rate from 2007-2013, according to the latest figures from the World Bank. Some analysts point to Canada’s aging population and retirees exiting the workforce as a factor putting downward pressure on employment growth.
- On a brighter note, employment growth has accelerated slightly in the first three months of 2015. During this period, Canada gained 63,000 jobs.
- The unemployment rate was 6.8% in March 2015, one percentage point above the low point of 5.8% reached in October of 2007, before the last recession.

Year-over-year change in Canada employment (3 mo. avg.), 2007-2015



Source: Statistics Canada, Labour Force Survey

Canada unemployment rate, 2000-2015

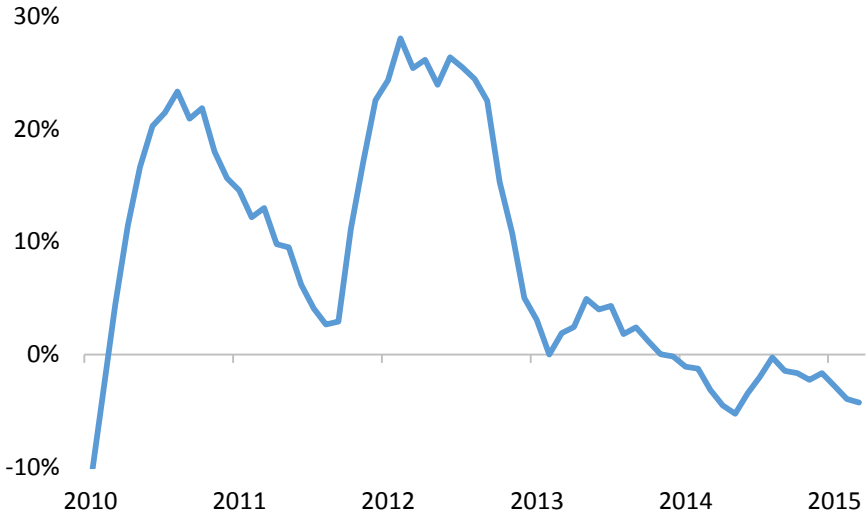


Source: Statistics Canada, Labour Force Survey

Billed hours survey shows trend of staffing volume decline starting in 2014

- The Canadian Staffing Index, a survey of the monthly volume of billed hours for temporary staffing from a panel of leading staffing firms in Canada, has shown a trend of single-digit year-over-year declines starting in 2014.
- We note that as the Canadian Staffing Index reflects trends in total hours, it is more reflective of trends in the lower pay-rate staffing segments (industrial and office/clerical) because these lower pay-rate positions account for roughly 80 percent of total hours billed by staffing firms. In terms of revenue dollars, the industrial and office/clerical segments (due to their lower bill rates) represent only 50 percent. More discussion of skill segment market sizes can be found on page six.

*Year-over-year change in the Canadian Staffing Index (3 mo. avg.)**



Source: Association of Canadian Search, Employment and Staffing Services (ACSESS) and Staffing Industry Analysts

*The index reflects volume of billed hours each month from a panel of leading staffing firms in Canada, with the index value of 100 equal to the size of the industry in July 2008. The index is produced by Staffing Industry Analysts in partnership with ACSESS.

Canadian staffing industry projected to decline slightly in 2015 and return to growth in 2016

- We estimate the size of the *temporary* staffing industry in Canada in 2014 to be CAD 8.5 billion in revenue. (A breakdown of the temporary staffing industry by skill segment can be found on the next page.) Note that temporary staffing includes revenue from supplying T4 recipients (equivalent of W-2 form employees in the U.S.) and independent contractors. Place and search revenue (direct hire, retained search, and temp-to-hire conversion fees) amounted to CAD 1.3 billion by our estimates. Definitions for these segments can be found on page 15. Adding these segments produces our estimate of CAD 9.8 billion for the Canadian staffing industry in 2014, as shown in the table.
- In 2015, we project that temporary staffing revenue will decline 2% overall due to a steep drop in demand in the oil and gas sector and related industries (with steepest declines concentrated in engineering and industrial staffing in Alberta, the province with the most oil activity.) Outside of oil and gas sector declines, we forecast that industrial staffing (that is, staffing of “blue collar” workers) will grow modestly in 2015, supported by demand in manufacturing and transportation as exports rise. We also forecast growth in the IT staffing segment due to the secular trend of increased use of technology by businesses.
- In 2015, we forecast that place and search revenue will grow a modest 3%, in line with the ongoing trend of weak employment growth, but stronger than trends in temporary staffing due to smaller exposure to the oil and gas vertical.
- In 2016, we forecast a broad rebound as oil prices stabilize and GDP growth begins to accelerate. We project 6% growth in temporary staffing and 8% growth in place and search.

Canadian staffing industry market size and forecast
(Market sizes in billions of Canadian dollars)

	2014	2015P	2016P
Temporary staffing*	8.5	8.3	8.8
<i>y/y growth</i>	3%	-2%	6%
Place and search	1.3	1.3	1.4
<i>y/y growth</i>	4%	3%	8%
Total staffing industry	9.8	9.7	10.3
<i>y/y growth</i>	3%	-1%	6%

Source: Staffing Industry Analysts

*Includes staffing of both employees (T4 tax form recipients) and independent contractors

Skill segment market sizes for temporary staffing: IT and Engineering the largest professional staffing segments

- The table at right provides our estimates of the 2014 Canada temporary staffing industry by skill set (or occupation) of temporary worker supplied.
- Staffing of office/clerical and industrial temporary workers comprises half the industry by revenue, with the other half comprised of staffing of professional workers (IT, Engineering, Healthcare, Finance/Accounting, etc.) This 50-50 proportion is roughly in line with the U.S. staffing industry.
- IT staffing is the largest professional staffing segment, and makes up a quarter of industry revenue, by our estimates. This proportion is also similar to the U.S. staffing industry.
- Engineering staffing represents 14% of staffing revenue, a much larger proportion than in the U.S., due to the heavier concentration of staffing demand for projects in the oil and gas sector.
- Finance/accounting staffing represents 5% of the industry, a percentage similar to that in the U.S.
- We estimate the size of healthcare staffing to be a mere CAD 0.2 billion, or 2% of the total. This is a much smaller proportion than in the U.S., where the healthcare segment is the second largest after IT. The lack of demand for healthcare staffing is related to Canada’s more socialized healthcare system, and government-run facilities that do not use staffing firms.

Canada temporary staffing industry size by skill segment, 2014
(Market sizes in billions of Canadian dollars)*

	Market size (CAD billion)	%Total
Office/clerical	1.7	20%
Industrial	2.6	30%
IT staffing	2.1	25%
Engineering	1.2	14%
Finance/accounting	0.4	5%
Healthcare	0.2	2%
Other professional	0.3	4%
Total temporary staffing	8.5	100%

Source: Staffing Industry Analysts

*Includes temporary staffing of employees (T4 recipients) and independent contractors. Staffing of independent contractors is widespread in the IT segment, and also found in the Engineering and Finance/Accounting segments.

Staffing revenue generated mostly in four provinces: Ontario, Alberta, Quebec, and British Columbia

- The table at right lists the 10 provinces of Canada in the order of their volume of employment (that is, number of jobs), with Ontario as the largest with 6.9 million jobs and Prince Edward Island the smallest with 0.1 million jobs. We note that 87% of jobs are concentrated in the four most populous provinces: Ontario, Quebec, Alberta, and British Columbia.
- The table also shows Employment Services industry revenue by province according to Statistics Canada. By these estimates, 96% of such revenue is generated in the four provinces mentioned above.
- A comparison of the percentage of total jobs by province with the percentage of Employment Services revenue by province reveals some stark differences. Ontario accounts for 39% of jobs but 50% of Employment Services revenue, while Alberta accounts for 13% of jobs but 27% of revenue, meaning that there is above-average demand for staffing, or that staffing is more developed, in Ontario and Alberta. On the other hand, Quebec accounts for 23% of jobs, but only 13% of revenue, and British Columbia represents 13% of jobs, but only 6% of revenue.
- The Employment Services industry revenue figures above differ from our staffing industry market size estimates (on page five) because we are only including temporary staffing (T4 and IC) and place and search. The Employment Services category also includes PEO, outplacement, managed services (MSP), HR consulting, and solutions revenue. See definitions on page 15.

Population, employment, and Employment Services revenue by province

	Population ¹ (million)	Employment ² (million)	%Total	Employment Services Revenue ³ (million CAD)	%Total
Ontario	11.3	6.9	39%	5,731	50%
Quebec	6.8	4.1	23%	1,535	13%
Alberta	3.3	2.3	13%	3,063	27%
British Columbia	3.9	2.3	13%	675	6%
Manitoba	1.0	0.6	4%	71	1%
Saskatchewan	0.9	0.6	3%	83	1%
Nova Scotia	0.8	0.4	2%	89	1%
New Brunswick	0.6	0.4	2%	100	1%
Newfoundland/Labrador	0.4	0.2	1%	109	1%
Prince Edward Island	0.1	0.1	<1%	NA	NA
Total	29.2	17.9	100%	11,457	100%

Source: Statistics Canada

1. Population over age 15 as of March 2015

2. Employment as of March 2015

3. Operating revenue for the Employer Services industry (NAICS 5613) for 2012, the most recent data available

Six largest metro areas are key centers of staffing demand

- The six largest metropolitan areas in Canada (in order of size) are: Toronto (Ontario), Montreal (Quebec), Vancouver (British Columbia), Calgary (Alberta), Edmonton (Alberta), and Ottawa (Ontario). The map at right shows the location of these metro areas and the table below shows their current population.
- Combined, these metro areas have a population of 16.6 million, representing 47% of Canada’s population. These metro areas not only represent key locations of staffing demand and worker supply, but they also host the corporate headquarters (or “head offices”) of many companies who buy staffing services.
- Each of the six metro areas have distinctive features. On the west coast, Vancouver is the home of many start-up technology companies as part of its efforts to be “Silicon Valley North.”
- In Alberta, Edmonton and Calgary have benefited from a boom in oil and gas exploration and production over the past decade. From 2004 to 2014, Edmonton grew 31% and Calgary increased 34% in population. However, the recent drop in oil prices has brought layoffs and an abrupt halt to its robust economic growth.
- In Ontario, Ottawa is the national capital and Toronto is Canada’s largest metro area with 6 million people. Toronto is Canada’s financial services hub, a manufacturing and distribution center, and also boasts twice as many IT professionals as Vancouver.
- In Quebec, Montreal is the second largest metro area in Canada, and the second largest primarily French-speaking city in the world after Paris. Montreal is the site of many industries, and a leader in aerospace and video game development, to give two examples.

Location of six largest metro areas in Canada



Population of six largest metro areas in Canada, March 2015

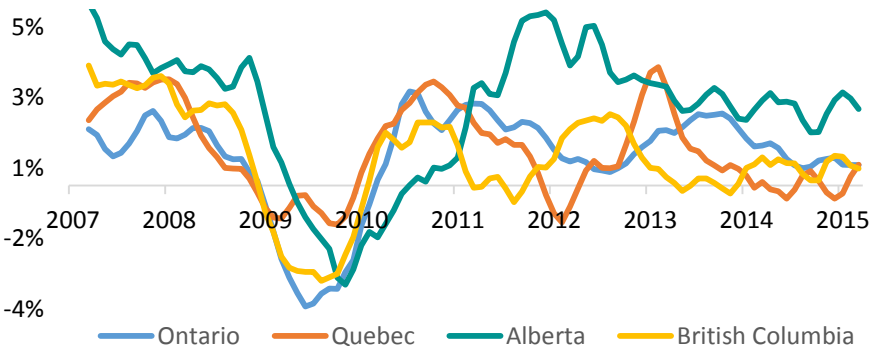
	Population
Toronto	6,055,724
Montreal	4,027,121
Vancouver	2,470,289
Calgary	1,406,721
Edmonton	1,328,290
Ottawa	1,318,122
Total	16,606,267

Source: Statistics Canada

Economic outlook for British Columbia, Alberta, Ontario, and Quebec

- Although Canada GDP growth is forecast to be 1.9% in 2015, a closer look at the four most populous provinces reveals clear differences in outlook: Alberta is forecast to have paltry growth of 0.5% due to the oil shock, while the other large provinces of British Columbia, Ontario, and Quebec are expected to have decent growth of 2.8%, 2.9%, and 2.1%, respectively, as shown in the table below.
- British Columbia experienced weak employment growth in 2013, as shown in the top graph, but hiring trends improved in 2014. In addition to the growth of the technology sector in Vancouver, British Columbia has benefited from significant immigration and investment from China and Hong Kong.
- Alberta has flip-flopped from being the province with fastest economic growth (see page 8) to the province with slowest projected growth. While y/y job growth was still positive (as shown in top graph) as of March, Alberta lost 14,000 jobs in February, and gained only 2,000 jobs in March. Significant layoffs have been reported in Calgary, home of many oil and gas firm headquarters. The outlook for Alberta will depend in large part on the recovery in the price of oil.
- Ontario is the heart of Canadian manufacturing, and is the province that stands to gain most from a weaker Canadian dollar. As one example, Ontario manufactures more cars each year than the state of Michigan, which it borders.
- Quebec experienced the weakest job growth of the four provinces in 2014, and struggled with only 1.5% GDP growth. However, acceleration to 2.1% growth is forecast for 2015.

Year-over-year change in employment (3 mo. avg.)



Source: Statistics Canada, Labour Force Survey

Real GDP forecasts by province (%)

	2014	2015	2016
British Columbia			
BMO Capital Markets*	2.3	2.6	2.5
Royal Bank of Canada**	2.9	3.1	2.8
TD Economics***	2.5	2.7	2.5
Average	2.6	2.8	2.6
Alberta			
BMO Capital Markets*	3.5	0.4	1.9
Royal Bank of Canada**	4.2	0.6	1.1
TD Economics***	4.0	0.5	1.8
Average	3.9	0.5	1.6
Ontario			
BMO Capital Markets*	2.2	2.5	2.4
Royal Bank of Canada**	2.5	3.3	2.7
TD Economics***	2.4	2.8	2.5
Average	2.4	2.9	2.5
Quebec			
BMO Capital Markets*	1.6	2.1	2.0
Royal Bank of Canada**	1.5	2.0	1.9
TD Economics***	1.5	2.2	2.0
Average	1.5	2.1	2.0

*Forecast as of April 24, 2015 **Forecast as of March 2015 ***Forecast as of April 10, 2015

Falling foreign exchange rates may provide a lift to Canada's export industries, leading to potential growth in staffing demand in these sectors

- The Canadian dollar/U.S. dollar exchange rate fell significantly in the fourth quarter of 2014 and first few months of 2015, from around USD 0.90 to around USD 0.80. As a result, Canada exports appear cheaper to buyers in the U.S., who typically purchase more than 70% of Canadian exports. Growth in export industries may provide an opportunity for staffing firms to supply additional workers to enable expansion of client operations.
- Exports accounted for a massive CAD 529 billion in 2014, which amounts to roughly 30% of Canada's GDP. (For comparison, exports from the United States amount to only 13% of its GDP.)
- The table at right breaks out Canada exports by product category, sorted from largest to smallest. Primary industries include energy products (\$129 billion), mineral products (\$58 billion), food products (\$31 billion), and minerals (\$19 billion). Manufacturing industries include motor vehicles and parts (\$75 billion), consumer goods (\$59 billion), forestry products and building and packaging materials (\$37 billion), chemical/plastic/rubber products (\$36 billion), industrial machinery (\$29 billion), electronic equipment (\$24 billion), and aircraft and parts (\$22 billion).

Canada goods exports by product category (CAD billion), 2014

	2014	%Total
Energy products	129	24%
Motor vehicles and parts	75	14%
Consumer goods	59	11%
Metal and non-metallic mineral products	58	11%
Forestry products and building and packaging materials	37	7%
Basic and industrial chemical, plastic and rubber products	36	7%
Farm, fishing and intermediate food products	31	6%
Industrial machinery, equipment and parts	29	6%
Electronic and electrical equipment and parts	24	5%
Aircraft and other transportation equipment and parts	22	4%
Metal ores and non-metallic minerals	19	4%
Other	12	2%
Total merchandise exports	529	100%

Source: Statistics Canada

Appendix:

Additional data and insight on the Canadian Staffing Industry

Definitions of terms

Competitive landscape in the Canadian staffing industry

- We estimate that 21 firms generated at least CAD 50 million in Canadian staffing and talent engagement revenue in 2013. Added together, these firms generated CAD 4.5 billion in such revenue in 2013, accounting for 45% of the market. Please note that the “staffing and talent engagement” market is broader than the “staffing industry” market size estimates shown on page 5 of this report. The “staffing and talent engagement” industry also includes MSP fee revenue, RPO, online staffing, and PEO revenue. Definitions of these segments can be found on page 15.
- We have ranked companies by revenue, according to industry custom, but this ranking should not be taken to imply that a firm with a higher rank provides better service or more value to its shareholders.
- Staffing firms varied in degree of financial transparency, and even when forthcoming with information, in some cases data provided was adjusted for the sake of consistency. Therefore, for all firms on this list, the revenue reported is estimated by Staffing Industry Analysts.

Largest staffing and talent engagement firms in Canada

Rank	Company	2013 Canadian Staffing and TE Revenue (CAD million)	Market Share
1	Adecco	605	6%
2	Randstad	590	6%
3	Allegis Group	440	4%
4	Procom	400	4%
5	Design Group Staffing	317	3%
6	ManpowerGroup	260	3%
7	Kelly Services	223	2%
8	Robert Half International	200	2%
9	S.i. Systems	167	2%
9	CDI	167	2%
11	TES - The Employment Solution	145	1%
12	TRS Staffing Solutions	135	1%
13	The Ian Martin Group	130	1%
14	Eagle	129	1%
15	Calian Technologies	100	1%
15	Drake International	100	1%
15	Act-1 Group	100	1%
18	Express Employment Professionals	94	1%
19	Superior Group	82	1%
20	The Quantum Group of Companies	80	1%
21	Veritaaq Technology House	77	1%
Total		4,541	45%

Source: Staffing Industry Analysts: 2014 Largest Staffing and Talent Engagement Firms in Canada

Canadian staffing industry size represented 0.5% of GDP in 2014, smaller than the 0.7% size of the U.S. staffing industry

- We note some statistics regarding Canada and the United States, as a way of comparing the relative size of their economies and staffing industries. Currency on this page is presented in USD to allow for easier comparison between Canada and the U.S. The rest of this report uses Canadian dollars.
- Despite having about the same surface area, the United States is roughly nine times larger than Canada in terms of both population and GDP. As another point of reference, Canada is slightly smaller in population and GDP than California (the most populous U.S. state), which had a population of 38.4 million and GDP of USD 2.2 trillion in 2013.
- In 2014, we estimate that staffing industry revenue represented USD 8.9 billion (or 0.5% of GDP) in Canada, and USD 124.1 billion (or 0.7% of GDP) in the United States. The U.S. staffing market generally has higher penetration than that in Canada, especially in staffing of healthcare professionals, as one example.

Relative sizes of Canada and U.S. area, population, GDP, and staffing industry revenue, 2014

	Canada	US	US:Canada ratio
Area (square kilometers)	9,984,670	9,831,510	1.0
Population	34,834,841	318,892,103	9.2
GDP (USD trillion)	1.9	17.4	9.2
Staffing industry* revenue (USD billion)	8.9	124.1	14.0
Staffing Industry revenue (% of GDP)	0.5%	0.7%	NA

Sources: World Bank, US Census Bureau, US Bureau of Economic Analysis. Staffing industry revenue estimates made by Staffing Industry Analysts.

*Staffing industry revenue includes temporary staffing (T4/W2 employees and independent contractors) revenue along with direct hire, retained search, and temp-to-hire conversion revenue. See definitions on page 15.

Canada ranked as second-most attractive staffing market in analysis of 58 countries

- In an analysis of 58 countries to assess the attractiveness of their staffing market, Canada earned the second highest score, as shown in the listing of the top ten countries below.
- The ranking was based on an assessment of 10 dimensions of market attractiveness (on a scale of 1 to 10, with 10 being the highest). Canada scored highly in the categories of (liberal) regulations on temporary agency work (10 score), political stability (9 score), market size (9 score), ease of doing business (8 score), long-term growth potential (8 score), and higher education & training availability (8 score).
- For full details, please download the report “Most Attractive Staffing Markets Globally” from our website.

Ranking of countries based on attractiveness of their staffing market

Rank		Market Size	Protection of Permanent employees	Regulations on Temporary Agency Work	Ease of Doing Business	Economy (GDP 2015 - 2019)	Staffing Market Growth 2015	Long Term Growth Potential	Market Competition	Political Stability	Higher Education & Training	Total
1	Ireland	6	7	9	9	4	7	7	7	8	8	72
2	Canada	9	4	10	8	3	6	8	5	9	8	70
3	Germany	10	9	8	9	1	7	5	2	9	8	68
4	Sweden	7	7	9	9	4	4	6	3	10	9	68
5	United States	10	3	10	10	5	6	5	1	8	10	68
6	South Korea	6	5	5	10	7	7	9	5	6	7	67
7	Netherlands	9	8	9	7	2	7	4	1	9	10	66
8	Australia	9	6	9	9	5	4	3	2	9	9	65
9	Denmark	5	6	8	10	3	6	8	1	9	9	65
10	Singapore	4	3	8	10	5	7	7	2	9	10	65

Source: Staffing Industry Analysts: Most Attractive Staffing Markets Globally

Definitions of terms

Direct hire — A term commonly used to refer to services provided by a staffing agency related to helping an organization obtain an employee to work on their payroll as opposed to a temporary staffing relationship where the employee is typically working on the staffing firm's payroll. Also called permanent placement.

MSP (managed service provider) — A company that takes on primary responsibility for managing an organization's contingent workforce program. Typical responsibilities of an MSP include overall program management, reporting and tracking, supplier selection and management, order distribution and often consolidated billing.

Online staffing — An online platform that enables specific hirers and specific (typically contingent) workers to enter into, complete and transact work arrangements. Elance-oDesk (now Upwork) is a leader in this category.

Outplacement — A service to guide a terminated employee of a company to a satisfactory new position or career through the provision of short- or long-term counseling and support services, on a group or individual basis, most often paid for by the terminating employer.

PEO (professional employer organization) — A service that assumes, via contract, a significant portion of employer responsibilities and associated risk for either part or all of a client's workforce. In this situation, employees are typically employed by the PEO but work on an indefinite basis under the control and direction of the client organization.

Retained search — Service provided by an executive search firm to locate a candidate for a specific position at a client company. Fee is payable whether or not a hire is made.

RPO (recruitment process outsourcing) — Partial or full outsourcing of the internal recruitment function to a third-party specialist provider, which serves to provide the necessary skills, activities, tools, technologies, related recruitment supply chain partners and process methodologies to assume the role of the client's recruiting department.

Solutions revenue — Most often used when describing the provision of IT services as a total "solution" or package customized to an organization's specific needs. Solutions work is typically sold on a fixed-fee basis rather than a time basis. Used to distinguish from "staffing," which is the simple provision of a person or persons to fulfill a specific work assignment.

Temp-to-hire conversion fee — Compensation fee paid to a temporary staffing firm for the loss of an employee when the staffing firm's customer hires the temporary employee on a direct-hire basis.

Temporary staffing — A segment of the staffing industry that provides temporary help and related staffing services to businesses and other clients. The temporary staff provided are recruited, screened, possibly trained, and employed by the temporary staffing provider, then assigned to client organizations. Temporary staff may have employee status (T4 recipient in Canada or W-2 recipient in the U.S.) or have independent contractor status. In Canada, temporary staffing of independent contractors is widespread in the IT segment, and also found in the engineering and finance/accounting skill segments.

About Staffing Industry Analysts

Staffing Industry Analysts is the global advisor on contingent work. Known for its independent and objective insights, the company's proprietary research, award-winning content, data, support tools, publications, and executive conferences provide a competitive edge to decision-makers who supply and buy temporary staffing. In addition to temporary staffing, Staffing Industry Analysts also covers related staffing sectors. The company provides accreditation with its Certified Contingent Workforce Professional (CCWP) program. Founded in 1989 and acquired by Crain Communications Inc. in 2008, the company is headquartered in Mountain View, California, with offices in London, England.

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