



European Confederation  
of Search and Selection  
Associations

# STATE OF THE INDUSTRY BAROMETER

May 2023

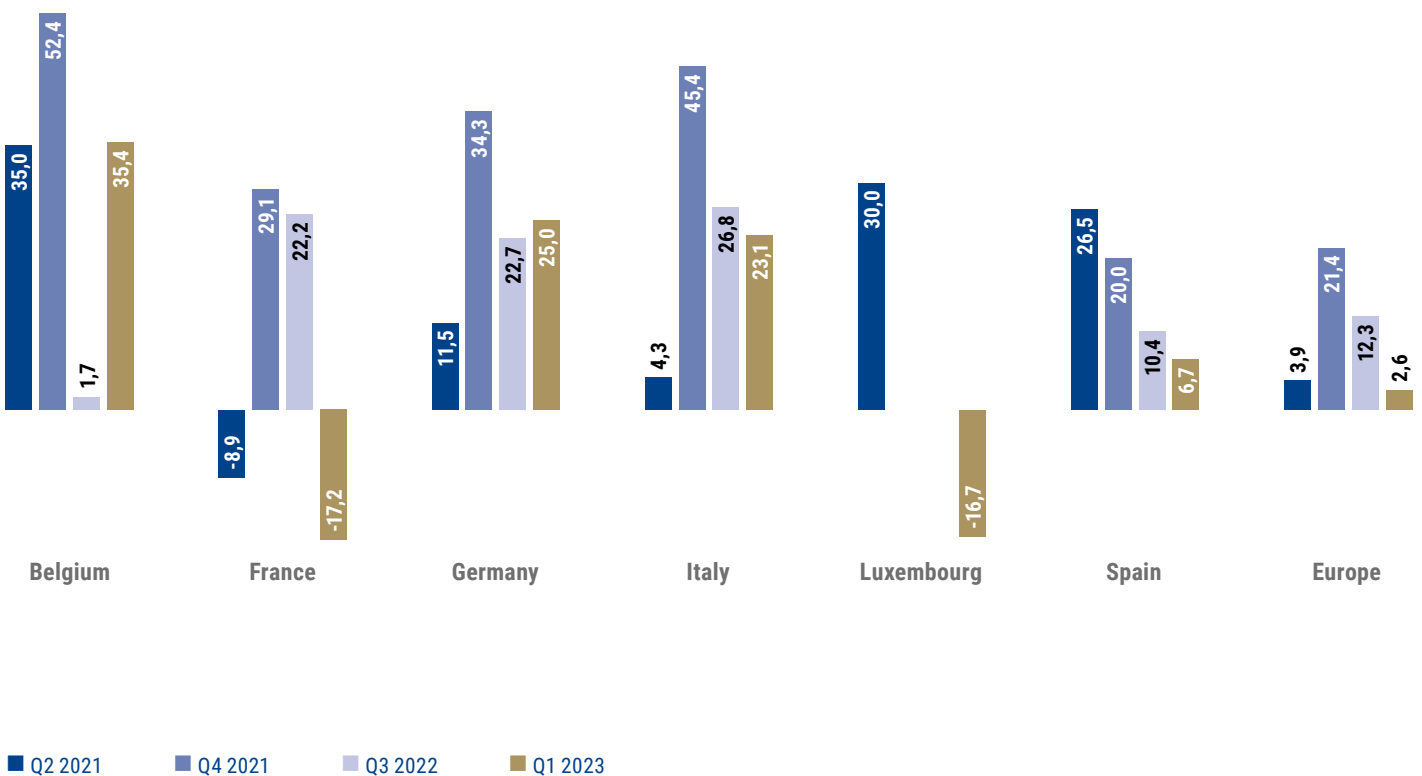
## Summary

### Analysis of the results to May 2023

For May 2023, the ECSSA State of the Industry Barometer show a consolidated index of 2.6, indicating only a slightly optimistic outlook across Europe. This value marks a sharp decrease of almost 10 index points compared to the previous quarter and continues the negative trend observed in the European market.

Overall, it is noteworthy that there are strong differences across countries: France and Luxembourg report pessimistic state of business as well as forecast values, while e.g., Germany and Belgium topped their previous quarters and therefore developed against the trend.

FIGURE 1: STATE OF THE INDUSTRY BAROMETER, Q2 2021 TO Q1 2023 BY COUNTRY



## Results by country:

With an index value of 35.4, **Belgium** ranks first in current European barometer of business climate. Belgium's index value has thus increased by 33.7 percentage points compared to the last ECCSA survey, the sharpest increase of all countries.

The current state of business is considered as satisfying (50%) or good (36%) by a large share of evaluated companies.

Regarding the outlook for the next six months, 95 percent of the Belgian companies expect their performance to remain stable (45%) or even to increase (50%). The latter value marks the highest value of all countries and indicates an exceptionally positive sentiment regarding future company performance development.

**Spain** reported a state of business development that is roughly in line with the development on European level. For Q1/2023, an index value of 6.7 is derived from 10.4 in the previous quarter.

The negative development observation is especially driven by a mediocre forecast for the next months: Only 8 percent of respondents expect an increase in the company's performance. This marks the lowest of all countries together with Luxembourg. Regarding current business evaluation, Spanish companies reported satisfying or stable results in the majority but did seldom report on a particularly positive performance.

**Italy** shows a strong sentiment overall, with only a slightly reduced index value of 23.1 in the first quarter of 2023. While 23 percent of companies also indicate a decreased turnover over the last three months, the number of recruiting assignments is largely optimistic, with 12 percent reporting a large number and 65 percent reporting a satisfying number of assignments. Forecast optimism is only topped by Belgium: 38 percent of Italian companies expect an increase in company performance over the next six months.

**Germany** shows an index value of 25.0 which shows a positive trend from 22.7 in the previous quarter. German companies were the most optimistic when it comes to commenting on the state of business: 40 percent indicate they are above budget - the highest of all evaluated countries. The same holds for the number of recruiting assignments, where German companies lead the field with 28 percent indicating a large number of recruiting assignments. The outlook is slightly less optimistic compared to e.g., Belgium and Italy, but with 37 percent increasing still among the countries that expect by tendency a high increase in company performance.

**Luxembourg** and **France**, the only countries with a negative index value, have the most pessimistic assessment of the current state of business and future market development. Luxembourg shows a negative index value of -16.7. Recruiters largely consider the present business situation as satisfying (83%) and report that the turnover remained stable (67%). However, the mood is clouded by the dissatisfying numbers of recruitment assignments (42%). Further, 42 percent have a pessimistic assessment of the business outlook and forecast a decrease in performance.

In contrast, France in particular rates the current business situation as dissatisfying (41%). This is in comparison by far the highest value in this category. 23 percent of the interviewed recruitment consultants forecast a further decline in sales. With a negative index value of -17.2, France records the lowest score in the European ranking.

**TABLE 1: STATE OF BUSINESS INDEX Q1 2023**

	<b>Belgium</b>	<b>France</b>	<b>Germany</b>	<b>Italy</b>	<b>Spain</b>	<b>Luxembourg</b>
<b>How is your present state of business</b>	%-Share	%-Share	%-Share	%-Share	%-Share	%-Share
Good (above budget)	36 %	6 %	40 %	27 %	15 %	8 %
Satisfying (breakeven)	50 %	53 %	47 %	58 %	77 %	83 %
Dissatisfying (below budget)	14 %	41 %	13 %	15 %	8 %	8 %
<b>Has your turnover within the last three months...?</b>						
Increased	27 %	46 %	37 %	27 %	38 %	17 %
Remained stable	41 %	12 %	44 %	50 %	54 %	67 %
Decreased	32 %	41 %	19 %	23 %	8 %	17 %
<b>Is your company's current number of recruitment assignments...?</b>						
Large (above budget)	18 %	9 %	28 %	12 %	15 %	17 %
Satisfying (breakeven)	50 %	47 %	49 %	65 %	77 %	42 %
Dissatisfying (below budget)	32 %	44 %	23 %	23 %	8 %	42 %
<b>Will your company's performance within the next six months...?</b>						
Increased	50 %	23 %	37 %	38 %	8 %	8 %
Remained stable	45 %	55 %	49 %	58 %	85 %	50 %
Decreased	5 %	23 %	14 %	4 %	8 %	42 %
	<b>35,4</b>	<b>-17,2</b>	<b>25,0</b>	<b>23,1</b>	<b>6,7</b>	<b>-16,7</b>

### About the ECSSA barometer

The level of business activity of the recruitment consultancy industry requires a finely-tuned steering given the frequency and reactivity with which it is evolving. That is why the index supplied by the barometer of the European Executive Recruitment market, created by ECSSA in 2010, offers a tool that makes it possible to anticipate the industry's short-term and mid-term developments.

This index is the result of a mathematical calculation based on the German Ifo Index (see [www.cesifo-group.de](http://www.cesifo-group.de)) integrating two quality factors:

- ★ the perception of the current situation as experienced by Executive Recruitment Consulting companies.
- ★ their estimation of the short-term trends.
- ★ It makes it possible to draw conclusions at two levels:
  - ★ the evolution of the situation of each respondent country over time,
  - ★ the difference in the evolution of each ECSSA member country.

The ECSSA barometer is quarterly and factors in the data obtained from each of the ECSSA member countries, Germany, Belgium, France, Luxembourg, Spain and Italy.

### About ECSSA:

The European Confederation of Search and Selection Associations ECSSA was formed in 2004 by the French, German and Italian association. Belgium and Spain joined closely after. In 2017 Luxembourg entered the Federation. ECSSA currently counts six national member associations in European countries. The primary objective of ECSSA is to develop the Recruitment and Search & Selection industry on a European level by professional ethics and standards, to become a dynamic forum for networking and exchange of information and views between members and to promote the interests of the Recruitment and Search & Selection industry among different European organizations.