European Confederation of Search and Selection Associations

STATE OF THE INDUSTRY BAROMETER

April 2025

Summary

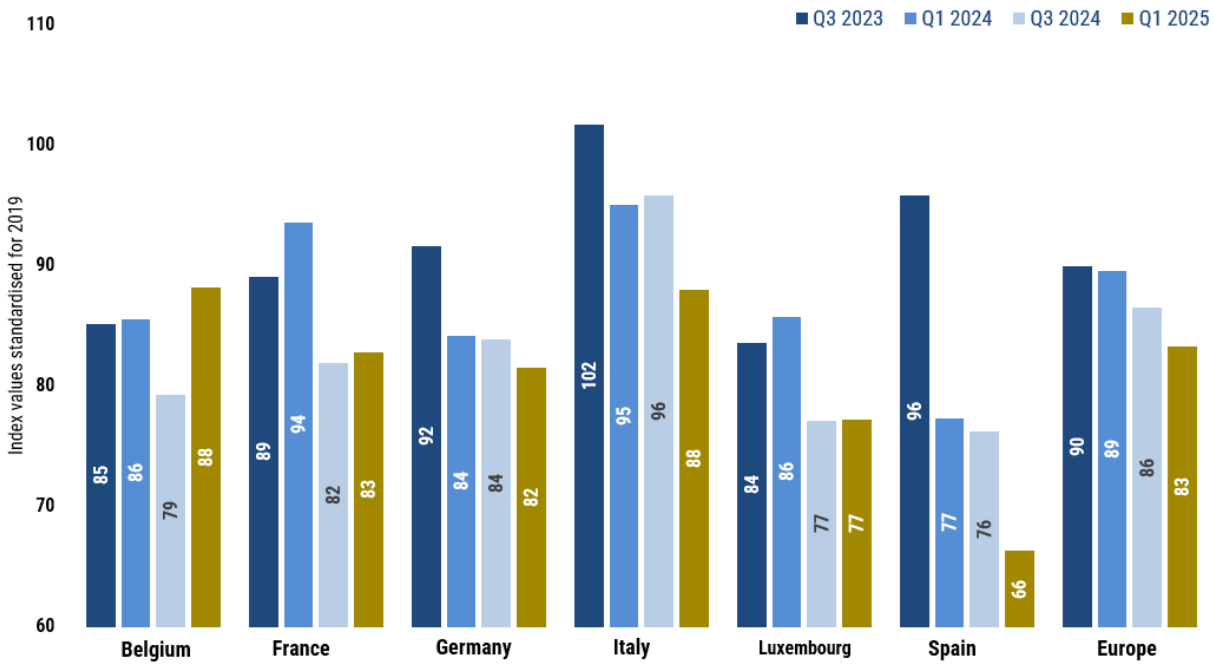
Analysis of the results of April 2025

In the first quarter of 2025, the European Executive Search market shows slight signs of recovery but remains well below the levels of earlier growth phases. The national index values highlight the ongoing fragmentation: Belgium records the strongest increase with a gain of 8.8 points, reaching 88.1. In contrast, Germany continues its downward trend for the third consecutive quarter, falling to 81.5 – its lowest level since Q2 2020. France, still affected by structural uncertainties, stands at 82.8 points, significantly below its Q1 2024 value of 93.5.

Italy remains in the upper tier with 88.0 points but loses 7.8 points compared to the previous quarter – the sharpest decline among all countries. Luxembourg stagnates at 77 points and remains at the bottom of the ranking. Spain experiences a steep drop to 66 points, marking a new low not seen since the COVID-19 crisis.

The upward momentum seen in 2021–2022 has dissipated across nearly all markets. The current development remains volatile and inconsistent. A sustained, broad-based recovery is not yet in sight. Instead, selective signs of stabilization are emerging against a backdrop of continued uncertainty.

FIGURE 1: STATE OF THE INDUSTRY BAROMETER, Q3 2023 TO Q1 2025 BY COUNTRY



The respective index values are standardised to the average for 2019. An index value of 100 means that the current business climate index, i.e. the mood in consulting, is at exactly the same level as in 2019.

Results by Country

Table 1: STATE OF THE INDUSTRY INDEX Q1 2025

	Belgium	France	Germany	Italy	Luxemburg	Spain
Present State of Business	%-Share	%-Share	%-Share	%-Share	%-Share	%-Share
Good (above budget)	6%	4%	13%	20%	10%	0%
Satisfying (breakeven)	56%	33%	38%	37%	50%	25%
Dissatisfying (below budget)	38%	63%	49%	43%	40%	75%
Sales development in the past 3 months						
Increased	44%	25%	22%	17%	30%	14%
Remained stable	25%	37%	37%	43%	20%	29%
Decreased	31%	38%	41%	40%	50%	57%
Current number of assignments						
Large (above budget)	13%	4%	6%	3%	10%	14%
Satisfying (breakeven)	49%	29%	37%	54%	20%	14%
Dissatisfying (below budget)	38%	67%	57%	43%	70%	72%
Performance within the next six months						
Increased	50%	21%	21%	27%	30%	0%
Remained stable	37%	37%	40%	53%	30%	67%
Decreased	13%	42%	39%	20%	40%	33%
Index 1st Quarter 2025	**88**	**83**	**82**	**88**	**77**	**66**

Belgium

Belgium reports the strongest positive shift among all surveyed countries in the first quarter of 2025. The national index rises sharply from 79 to 88 points, reflecting a marked improvement in market sentiment. This increase is primarily driven by a significantly improved outlook: while only 35% of firms expected better conditions in the previous quarter, 50% now anticipate an upturn, and the share of pessimists dropped from 28% to 13%.

The current business situation also improved: the share of dissatisfied consultancies declined from 59% to 38%, while satisfactory assessments more than doubled to 56%. However, only 6% of firms report performance above budget, indicating that the recovery is still not broadly felt across the market.

Revenue developments show a positive tendency, with 44% reporting increases, up from 17% last quarter. Assignment volumes have also improved slightly. Belgium thus positions itself as the clear recovery leader in Europe at the start of 2025, with rising confidence and increasing operational momentum.

France:

France continues to move sideways in the first quarter of 2025, with the national index rising slightly from 82 to 83 points. However, this moderate stability conceals countervailing developments beneath the surface. The current business situation has improved, with the share of consultancies reporting dissatisfying performance dropping from 75% to 63%, while satisfactory assessments increased from 20% to 33%.

Revenue performance remains subdued, with 25% of firms reporting growth, while 38% face declining revenues. Assignment levels are still low, with 67% of firms stating they have insufficient project volumes.

However, the outlook for the next six months has worsened. Only 21% expect improvement, while 42% foresee a further deterioration — a negative shift from the previous quarter. France is the only major market this quarter with a clear divergence between an improved present and a weakened future outlook, which may weigh on the index in upcoming quarters.

Germany:

Germany records no significant change in Q1 2025, as the national index slips slightly from 84 to 82 points. This sideways trend reflects continued mixed market sentiment. The current business situation remains stable: 13% of Search & Selection firms exceed budget, 38% meet expectations, and 49% fall short.

Revenue trends over the past three months are stagnant, with 22% seeing growth and 41% reporting declines. Assignment volumes remain low: only 6% report high activity, while 57% still face insufficient demand.

Expectations for the next six months are mixed—21% anticipate improvement, 39% expect further decline. This suggests a potential softening of the index, though no major shifts are forecast. Germany's persistent lack of momentum contrasts with Belgium's recent recovery, keeping pressure on the market.

Italy:

Italy records a significant decline in the first quarter of 2025, with the national index falling sharply from 96 to 88 points. This drop is driven by a marked deterioration in the assessment of the current business situation. While 23% of consultancies had rated their business above budget in the previous quarter, this share fell to 20%. More strikingly, the share of satisfactory assessments dropped from 51% to 37%, while dissatisfactory ratings surged from 26% to 43%.

Revenue developments and assignment volumes show no major shifts, with 17% reporting increased revenues and 54% maintaining satisfactory assignment pipelines.
Expectations for the next six months remain stable and slightly positive, with 27% forecasting improvement and 20% expecting further decline. However, the deterioration in the current business situation may weigh on future performance if this trend continues.

Luxembourg:

Luxembourg shows a clear recovery in the first quarter of 2025, although the national index remains unchanged at 77 points. This discrepancy reflects the time-lag between perception and index adjustment. Compared to Q3 2024, the current business situation has improved significantly: the share of dissatisfied consultancies dropped from 60% to 40%, while satisfactory evaluations rose from 40% to 50%, and 10% now report being above budget, up from 0%.

Equally important, expectations for the next six months have improved, with 30% now expecting a positive development (compared to just 6% in the previous quarter), while the share of pessimists has declined.

Despite these improvements, the overall assignment situation remains weak, with 70% of consultancies still experiencing low project volumes. Nevertheless, Luxembourg shows early signs of stabilisation and may return to growth territory if this momentum continues.

Spain:

Spain sees a sharp downturn in Q1 2025, with the national index falling from 76 to 66 points — the lowest in Europe. This reflects a severe collapse in business sentiment: previously 18% of firms reported a positive outlook, now none do. Satisfactory ratings dropped from 35% to 25%, while dissatisfaction rose to 75%.

Revenue and project volumes mirror this decline: 57% report falling revenues, and two-thirds face low or insufficient workloads.

Expectations for the next six months have slightly improved (net balance: −33 vs. −35), but no firms expect growth, and a third still anticipate further decline. Spain remains structurally weighed down by deep pessimism and ongoing market strain.

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 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.

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