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The cooperation imperative in the Reset Normal.

A call to action to co-create
the future workforce



Lee Hecht Harrison



Kicking off 2020, the world of work was in motion, dealing with the effects of global trends such as digitisation, sociological change, skills imbalances, all amidst geopolitical and economic uncertainty, but within a “Future of Work” context marked notably by the Centenary of the International Labour Organisation (ILO) and milestones such as the Declaration on the Future of Work. And then the pandemic hit.

As the world of work is still grappling with how to deal with the effects of the crisis, a series of realisations have emerged: **government intervention is crucial, the crisis is global, but answers are local** and - regrettably - the mechanisms of cooperation have too often been deprioritised in favour of quick, unilateral and national answers.

Shifting from emergency to recovery and slowly to transition and structural replies, **a key instrument needs to be reactivated: the one of cooperation at all levels:** between countries, between organisations, and importantly between social partners.

The labour market transition began long before the COVID-19 pandemic but has now been accelerated. The quick turn of events poses challenges for businesses, workers, and governments alike. The unprecedented support measures launched by governments over the past months must be recognised, as policy-makers responded to the immense pressure to mitigate the immediate economic impact of COVID-19.

But it is time to bring all stakeholders back to the table, to “reset” the labour market framework, to rethink the social contract, and to re-build the world of work together.





Four key workforce developments confirm the need for a reset

1

Shifting labour markets require unprecedented measures

What got us here won't take us there
- Profound change at unprecedented speed requires new means and expertise, which labour market enablers can and do provide.

Predictions paint a worrisome picture. No country is spared of rising levels of unemployment, inequalities and poverty. According to the OECD, more than a third of jobs are at risk of disappearing or deeply transforming under the forces disrupting labour markets and business practices. 50% of European workers are employed in highly impacted sectors. Given the speed and intensity of the disruption, our findings indicate that people are more at risk of redundancy than in previous “regular” downturns. The **tremendous political investment** to keep people at work – 50+ million workers on short-time work across the EU – mirrors the lack of resilience.

At the same time, the thriving sectors lack people and skills. **Agile ways to match workforce** supply and demand are thus more necessary than ever. Short-term, unconventional labour shift could so be handled.

The crisis has accelerated another reality: according to a recent study, more than one in four adults report a mismatch between their current skill sets and job requirements. As many as 80mn adults in Europe have profound skill mismatches. As **new skills are required**, we have witnessed an increased readiness to acquire those when offered.

2

Accelerated digitalisation requires addressing the new mismatch

Digitalisation allows for hybrid working models, at the workplace and remotely. Businesses and workers need to co-shape the new reality of work.

Economies accelerate their going digital, businesses adapt their operating models, processes and offerings, and consumers modify their demands. These rapid changes impact the labour markets: **evolving ways of working, rethinking resources supply and demand matching, or shaking up the skilling space.**

According to ILO statistics, only up to a third of the jobs in the European countries (e.g. UK 32%) can technically be carried out remotely, so the mismatch is massive. In the interest of workers, businesses and a country's competitiveness, this mismatch needs to be addressed, with the implications it entails for working time and mental health.



3

The greening of the economy calls for a massive shift in labour

Incentives towards redeployment should be part of the recovery measures and those facilitating redeployment should be recognised.

The “reset normal” reflects the accelerated shift in the allocation of resources, to environment-friendly and sustainable industries, products and consumption patterns. First recovery plans by governments tend to favour innovative, renewable and emission-free investments which leads to a **redefinition of entire sectors, and thus to massive shifts in labour**. The existing workforce in some key sectors such as automotive, aeronautics or manufacturing has to respond to these “now urgent” shifts.

4

The jobs market is reacting and preparing for restructurings

Investment in career guidance and skills need to be part of recovery measures, incentivising workers and businesses to start / continue re- & upskilling the workforce – importantly also during downturn.

Businesses are on hold. And very often, they are preparing for restructuring. They do so with a growing realisation that change will be more profound than what was the norm pre-crisis. And they feel the acceleration: the number of businesses that has brought restructuring plans from a 5 years span to within the year 2020 is growing exponentially. This in turn **accelerates the new reality for workers who need to embrace new ways to stay relevant** beyond the crisis. Taking advantage of career guidance and mindset coaching as well as up-/ reskilling measures is becoming a sine qua non reality for every worker, regardless of the sector, skill level, seniority or geography.

Businesses are adjusting to the new reality. The pandemic has impacted the nature of business transformation. Restructuring is changing. Roles are shifting. Companies transform and have to let many jobs go away, yet (often) replacing these with new ones.



To remain competitive in this context, businesses need to develop their capacity to renew and re-energise their skill sets; and so, do workers. Managing the shift will mean maintaining employment. Maintaining employment sustainably will need to prioritise developing and protecting skills over protecting jobs.



Our Call to Action

Our priority is to support organisations and individuals in times of transition. The pandemic has triggered the biggest wave of transition in recent times. We consider it our role and responsibility to promote sustainable employment within businesses, in cooperation with the individuals. Our approach hinges on the cooperation with all stakeholders. We look for enhanced cooperation in three key areas:



1. Building the New Social Contract.

The time has come to recalibrate the expectations and responsibilities of workers, businesses and governments alike. The evolving world of work creates new sets of expectations and obligations, which workers need to be enabled to respond to. This is an unprecedented opportunity to reset normal and design a better Social Contract, a framework fostering sustainable employment and inclusiveness of social partners to drive workforce strategy to ensure no worker is left behind.



2. Breaking the vicious hire-fire cycle.

The reset normal can't perpetuate the unsustainable hire-fire practice. Our message is loud and clear: employers should start putting the **Individual into the 'ROI'**, considering their employees and talent as renewable resources and investing in their skills and expertise. We know this will result in tangibly higher returns for all.



3. Smoothing labour transitions where/when possible.

Profound transformations are unavoidable: most sectors will be impacted, most businesses will transform, most workers will need to adapt. The solution lies in building the frameworks together, with experts, and to embrace innovative approaches. Whether it is bridging people to new employers and sectors demanding workforce or promoting effective redeployment solutions to allow people to avoid unnecessary unemployment: there are proven mechanisms that should be replicated, scaled and incentivised for the benefit of workers, business and government alike.

Now more than ever, we have the opportunity and responsibility to maintain employment and co-create the jobs of the future. Governments are willing to stimulate labour markets, businesses look for ways to thrive and workers can tap into diverse forms of work. The solution is to not hold on to the past and protect jobs that won't exist in the future but to enable businesses and workers to maintain their relevance through targeted investments in people and re-energising the social contract for sustainable employment.



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About us

In today's marketplace, organisations are discovering the need to turn their attention inward to find their future talent. At LHH, we help companies see the possibilities in their people.

A division of The Adecco Group – the world's leading HR solutions partner – LHH enables half a million workers every year to take charge of the work-life journey and own their future – financially and meaningfully.

Alongside the Adecco Group we are committed to the power of dialogue between all labour market stakeholders. As an employer of record, the Adecco Group and its affiliates are involved in social dialogue and collective bargaining in numerous countries. In addition, we are a part of the European Sectoral Social Dialogue on Agency Work. In-house, the Adecco Group employees and management meet through national Works Councils, as well as a European Works Council. When it comes to government stakeholders, the Adecco Group shapes its engagement among other things via active roles in employers' federations.

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