

June 30, 2017



*Building the future of work together*

## **Tackling a new world of work: We can't just keep doing more of the same**

By Denis Pennel

**Tag:** #employment #contracts #futureofwork

**With non-traditional employment contracts now the new norm I believe it is time to take a fresh approach to the working models of the future.** We cannot solve 21<sup>st</sup> century issues with solutions invented a century ago! Simply put we need to consider how work needs to be contracted and organised in the decades ahead in order to best serve both people and business.

In my view one of the first things that we need to do is to stop holding up full-time, permanent contracts as the standard ideal and classifying anything else as inferior.

**In a world of work that has never been so diverse and complex, we need a multiplicity of work relationships to address the diversity of expectations and constraints.** So we should stop opposing different forms of work and recognise that they are all very complementary.

Decent work can be found in a myriad of non-traditional labour contracts such as self-employment, agency work, fixed-term or part-time while people holding a permanent contract can face decent work deficit (minimum wage not being paid, health and safety abuse, burn out, etc.) So decoupling the discussion on decent work from the type of contract being held by a worker is key if we are to have a productive debate on the future of work.

**In France and Belgium where I live and work there are over 30 contracts operating in the labour market and they each have their place in serving business and workers.** The multifaceted dimensions of work in Europe today were further explored in the 6<sup>th</sup> Eurofound European Working Conditions Survey (EWCS) which came out in November 2016. It revealed a significant difference in employment status across Europe and identified seven key indices of work quality highlighting the importance of improving work-life balance, managing workload and designing meaningful jobs whatever the type of contract.

**These diverse forms of working contract are a reality in today's labour markets. They reflect the multiplicity in the workforce which has never been so diverse in its mix of ages, cultures, gender, education systems and expectations.** The growth in diversified forms of work and working contract reflect the demands of business in the 21<sup>st</sup> century which requires agility in order to respond the ebb and flow of demand. Gone is the age of mass-production. Today we live in an age of mass-customisation and that requires that a new set of labour requirements in order to meet customer expectations.

**Let's be clear though that today's diversity of contracts also meets the needs of workers. With three generations in the workplace people have very different priorities and motivations.** Mothers of young children, millennials and semi-retired each require a degree of freedom, autonomy and flexibility in their working lives in order to balance their work with other life priorities. The wider range of contracts and working structures allows them to do this and to increase labour market participation and inclusion.

In addition, the very idea that permanent contracts were ever the norm is a very one-sided view in the first place. The fact is that permanent full-time contracts were a feature of the second half of the 20<sup>th</sup> century in the manufacturing based economies of Europe, North America and Japan. But they were never a global norm.

**Nowadays just 27% of the world works with a permanent, full-time contract. The rest have always embraced a much wider and diverse approach to employment contracts and the mix needed to meet the demands of business and workers.** In developing countries, most people are working as self-employed, in a family job or simply informally!

And don't let's be mistaken in thinking that these countries are less productive or successful. In India for example, where over 90% of the workforce has no contract at all, they have enjoyed annual GDP growth of over 7% in recent years - way above levels of growth achieved in Europe, Japan or the USA.

**Of course the rights and protections of workers must remain paramount.** People must be confident of decent work that affords them the appropriate social rights and protections whatever type of contract they have. But this needs to be achieved by adapting our social security systems and making them more portable and attached to the worker not the job. It cannot be achieved by forcing the rest of the world to adopt an outdated western notion of how the workplace should look.

**Around the world, economies and workforces are increasingly subject to the forces of globalisation and this is a trend that is set to intensify and grow.** In order to address it, we need to look to the sort of workplace contracts that labour markets will need in the future. We must take steps now to adapt our working models to embrace a mixture of contracts and work situations that meet the needs of modern businesses and economies.

**In the apocryphal words of the most recent Nobel Laureate, "*The times they are a changing*" and the way that labour is organised needs to change with them.**

*Denis Pennel*  
Managing Director, World Employment Confederation  
 @PennelDenis