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Building the future of work together

Modern labour markets need responsible intermediation to create stability and predictability

By Denis Pennel

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In today's fast moving and fluctuating labour markets job creation and destruction is taking place on an unprecedented scale. While our grandparents and great grand-parents are likely to have held an average of three jobs during their lifetime, today this figure has more than trebled and in the years ahead it will not be unusual for people to change jobs every two or three years. That's upwards of 30 different jobs in an average career. It's not just jobs which are appearing and disappearing at a faster pace either. While in the 1980s companies used to have an average lifespan of about 35 years, today this has more than halved and they exist for a mere 15 years.

This new reality brings both benefits and challenges. On the plus side people get to experience different types of work ensuring that they never get stale and that they have to keep their skill-sets and their outlook fresh as they transition from job to job. With movement in the job market commonplace, people are more comfortable in leaving their jobs voluntarily and looking for something they find more interesting or suitable. On the downside of course it means that people always have one eye on the job market and are wondering where their next work opportunity is coming from. This can be stressful, distracting and time consuming. So what's the answer?

The World Employment Confederation has issued a series of five recommendations to governments and policy makers in order to support the efficient functioning of modern labour markets. Key among these is the need for responsible intermediation in order to facilitate the job search process for both workers and employers and to bring some stability and predictability to complex labour markets.

The Confederation calls for the enforcement of a level playing field between labour market intermediaries. Today there are a range of operators providing an intermediary service and each of them has a role to play in matching workers with work and ensuring swift and smooth labour market transitions. By enabling people to move seamlessly from one work opportunity to another we can optimise labour market penetration and ensure that people are constantly in work.

Most markets feature public employment services whose role is to act as intermediaries and find work for job seekers. It is important that these services work hand-in-hand with private employment services to support workers in building their career. There are several examples across Europe and North America of highly successful public private partnerships between employment services and some governments have come to rely on their private sector colleagues to support them in optimising employment levels and delivering smooth transitions. Between them the two employment services offer upskilling and career guidance and can work in a symbiotic way to support people throughout their working lives. The World Employment Confederation is encouraged by this and urges further cooperation in order to maximise opportunities for both organisations and workers.

A further key action is that governments and policy makers must support the existence of three-party work relationships - be they agency work, umbrella companies or online talent platforms. In these situations workers are actually employed by an agency or third party which takes on the role of managing their career and finding them work. The intermediary then makes a separate contract with a company to supply them with the worker. This triangular relationship is highly effective in a fluctuating job market as intermediaries stay close to the workplace and know where there are jobs to be found. Very importantly, the system also reconciles the need for a balance between flexibility and security within a secure legal framework. It provides the worker with a steady stream of work and the security he wants and needs, while at the same time it offers the client company the flexibility it seeks in providing a workforce that they can scale up and down.

Finally, intermediation services need to implement quality standards for cross-border recruitment practices and ensure that existing regulation is enforced. This is essential in our increasingly global labour market where workers are hired in one market and placed in another. If we are to reconcile the predicted over and under-supply of labour around the world in the years ahead then we are going to have to provide companies and workers with assurances and enable them to fish in a global employment pond.

With today's diversity of contracts people are likely to find themselves working under a host of different employment arrangements during the course of their careers – full time, part time, contractors, self-employed, agency workers etc. Labour markets that operate with so many contracts will need greater support from intermediaries in order to work efficiently. We have already seen the emergence of online portals such as UpWork and Task Rabbit that act as intermediaries in matching workers with work. Social networks like LinkedIn have also grown in popularity as an informal way of putting people in contact and opening opportunities for full time or part time work.

I am convinced that whether it is in more traditional jobs or the emerging gig economy, we will see a further growth in intermediaries who are well placed to facilitate smooth labour market transitions and marry workers with work in all its diverse forms. We must embrace this and ensure that there is a level-playing field of both opportunity and quality standards so that both people and organisations receive the quality services that they need and deserve.

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