

December 18, 2019



Building the future of work together

How research helps to steer labour market transformation

By Denis Pennel

Tag: #employment #job #labourmarket

Since 2010, the **ADAPT international conference** has served as our ‘rendez-vous’ with the academic world to hear about the very latest research on employment and labour law and compare it with our own experience as labour market enablers. The theme for this year’s 10th edition couldn’t be more spot on: “Labour is not a commodity”. Certainly the world of work has changed tremendously since the first ADAPT conference. The disruptive trends we see today are inevitable, but for society to function well it is essential that labour markets remain dynamic and inclusive, provide people with quality work, ensure skills maintenance and offer adequate social protection.

The private employment services industry not only acknowledges this evolution but is also creating socially inclusive solutions that support labour markets around the world. Our new report “*Labour market activation, transitions and inclusiveness: The contribution of the private employment services industry*”, explores the social impact of private employment services in facilitating labour markets and provides insights and examples of initiatives from different countries and regions.

A key finding is that private employment services raise labour market participation. Acting as intermediaries, specialised in matching supply with demand, the global industry found jobs for 54 million people worldwide in 2017. By reducing barriers to job entry, employment agencies reduce unemployment and support jobseekers in finding their way back into the labour market.

Without temporary work agencies, unemployment rates would be significantly higher - in the Netherlands research shows there would be a 9% rise in unemployment without agency work. The sector is also responsible for a sizeable proportion of job creation. Figures for 2017 show agency work accounted for 24% of new positions in Brazil, 19% in Germany and 12% in France.

Working as an agency worker has a positive impact on employment prospects compared to unemployment and almost three-quarters of agency workers are still employed 12 months after their assignment. Agency workers themselves rate it highly too – in Switzerland 46% are likely to

recommend it to a friend and 92% of agency workers in the US are satisfied or extremely satisfied with their work situation.

A second area where the sector is well placed to support labour markets is in facilitating transitions and mobility. Companies appreciate agency work as it allows them to adjust to economic cycles and also to screen potential staff before hiring them full-time. Agency work can provide an effective stepping-stone from part-time to full-time work e.g. in Spain, during the first six months of 2019, over 37% of all new, open-ended contracts were converted from fixed-term contracts. On average one-third of all agency workers are eventually taken on by the client company – 46% in the US.

The sector has a strong record of transitioning workers across sectors: initiatives in the US focus on helping military veterans build careers outside of the armed forces; while a scheme to transition athletes into the labour market at the end of their sporting careers has helped over 30,000 individuals in 185 countries.

The third area where private employment services make an important contribution to work is in driving inclusiveness. Young people, older workers, women, immigrants and the disabled often suffer from discrimination and find it more difficult to enter the labour market. Private employment services are there to support them and ensure that they don't get left behind. In more than two thirds of countries surveyed, the share of young people in agency work is higher than in the overall employed population and in nearly half of the countries, the share of women is higher.

Such expertise from the markets, combined with knowledge that the World Employment Confederation acquires from the academic world, is instrumental in steering labour markets in transformation through fact-based policymaking. Research is fundamental to ensure that people are offered decent work, with a sustainable income and solid, secure working conditions. The ADAPT conference certainly inspired ideas for new projects.

Cooperating with such a major international network of scholars and researchers is of great value to the World Employment Confederation. Building bridges between the academic world and the business community is instrumental to our mission of advancing knowledge on the changing world of work and promoting thought leadership on the issue. With ADAPT's stated ambition being to better understand labour law and industrial relations and build a sound body of knowledge on the subject, we are in good hands and hope to continue our fruitful mutual cooperation for (at least!) another decade!

Denis Pennel
Managing Director, World Employment Confederation
 @PennelDenis