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Building the future of work together

The HR Services sector is taking a lead to support businesses post pandemic

by Denis Pennel

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The HR Services sector is ready to take a lead in supporting businesses in emerging into the post-pandemic era. We have a host of experience in working alongside companies to tackle the challenges and opportunities presented by evolving labour markets.

Our sector plays a key role in **simplifying labour market complexity**. Let's start with the impact of technology: *harnessing new technology* is a key theme right across the business community. A McKinsey global survey finds that 36% of companies have accelerated the digitisation of supply chains since the start of the Covid-19 crisis – with 67% speeding up automation and the use of AI in particular. The HR Services sector can help business to make sense of how these changes will impact recruitment supply, career management and selection procedures.

New ways of working are a new frontier for business too and McKinsey finds that over 20% of the workforce could effectively work remotely 3-5 days a week post pandemic. Implementing sustainable, hybrid models that recognise the shift to remote and flexible working while reflecting the needs of business and workers is set to be a major challenge for organisations around the world. Employers will need support and new approaches to leadership and management.

Making sense of complexity and supplying agile workforce solutions has become a permanent feature of Covid labour markets and much of this will remain. Our industry can help by reconciling individual expectations with mass-customised solutions, developing digital solutions to simplify routine tasks, and using on-the-ground knowledge to deliver an in-depth understanding of labour markets - including talent analytics, vacancies and skills shortages.

The 'new normal' will also bring *new market opportunities* for the HR Services sector. External recruitment services for example – normally the preserve of large companies – are now more likely to be sought by SMEs and micro businesses. A further opportunity will be in helping policymakers to understand the variety of different working options and the new business models and components

within recruitment supply chains. In particular, they will need to better understand the complexities of certain sectors such as hospitality, airlines and real estate which have been hit hard by the pandemic.

I believe that one legacy of the pandemic will be an enhanced focus on **risk management**. Our industry is uniquely placed to be a **solution provider** here, working alongside clients to enhance their brand and drive reputation management. The crisis is likely to have *a lasting impact on workforce-related risk* and in the current stop-go economy, agile workforce solutions will play a central role in quickly addressing and pre-empting risk. In essence we are moving from a just-in-time approach to staffing to a just-in-case one, as employers struggle to anticipate the skills and staff they will need.

McKinsey found that 87% of organisations experienced skills gaps or expected to do so. Companies have always turned to temporary staff to address short-term needs and in the post-Covid era skills will continue to be in high demand and we will need to monitor evolving needs as a priority. Failure to attract the right staff - whether permanent, temporary, contractors or interim - is a material risk to business success. Over the past year we have worked collaboratively with many companies in facilitating a safe return to work for all workers, regardless of their contract, following periods of lockdown.

Setting in place the right hiring and workforce management procedures and supporting companies to establish compliant and ethical recruitment supply chains will be a key element in reputation management strategies.

This goes hand in hand with mitigating the *risk of unemployment* by enabling work, providing new opportunities, facilitating transitions and increasing job creation in a low-growth environment. Career management experts play a huge role in facilitating transitions and have supported large numbers of people around the world in gaining a foothold in the labour market. In Chile, Greece, Germany and Mexico for example, over 50% of agency workers were previously unemployed or inactive.

The HR Services sector supports both employers and workers by delivering **responsible intermediation that makes jobs markets work**. The crisis has shone a light on the importance of flexible and agile staffing and on the need for diversity in every area of the labour market - in labour contracts, working time and work location. Our sector is uniquely placed to help companies succeed by harnessing technology and driving innovation. We operate within a clear and established regulatory framework in most markets and abide by a Code of Conduct to behave responsibly.

It will be important to promote a regulatory level playing field for those offering workforce management services in order to protect both companies and workers and uphold their rights and protections. With this in place intermediaries can support employers in embracing speed and operational flexibility as they build back in the new normal.

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