

November 30, 2021



Building the future of work together

How the HR services industry creates more value for the world of work

by Bettina Schaller

Tag: #HRservices #labourmarkets #futureofwork

Worker shortages have become an established challenge in labour markets and the Covid-19 pandemic has now exacerbated the situation by prompting a “Great Resignation”. But what is keeping workers from the labour market? And what is the value of these missing workers to our society and economies?

Certainly, the pandemic has led people to reflect on their lives and priorities. Microsoft’s 2021 Work Trend Index finds that 41% of workers are considering leaving their jobs and as unemployment rates fall, resignation rates are rising to levels not seen for years.¹

Hiring is at a record high but so are difficulties in finding staff according to 69% of employers across 43 countries². Pandemic-related factors such as fear of catching the virus and restrictions in worker migration have obviously had an impact, but labour markets have been tight for many years and data suggests that they show no signs of slowing. Meanwhile, over the past two years, labour force participation has fallen more than unemployment rates have risen. It is estimated that 70% of the global unemployment loss during the pandemic is due to people not actively seeking new employment having lost their work.

For a growing number of people this has been a conscious decision. They have realised that life is precious and want greater work/life balance. Many believe that their job prospects will improve in the future and are falling back on savings until the right opportunity comes along. When people decide to respond to a job offer, money is no longer the main factor. Security, employer values, purpose, opportunities to progress, autonomy and flexibility are increasingly important. Four in five workers don’t want to lose the flexibility they have enjoyed over the past two years and two in five are considering moving to a more flexible job.

And it doesn’t stop at flexibility. Less than 50% of workers are satisfied with their current career prospects. They want more in areas such as well-being, professional development and perks

¹ Source: US BLS

² Source: Manpower Employment Outlook Survey Q4 2021

and expect their work to make them happy. Perhaps it's not so much a Great Resignation as a Great Re-evaluation of what work means.

In the future, if employers are to attract the talents they need, they are going to have to take this into account and look to meet worker expectations. This is where the HR Services Industry has a role to play. In several ways, we can create more value in the world of work for everyone - individuals, society and businesses. We are committed to achieving this by supporting transitions to new economies, driving social purpose and social innovation, simplifying labour market complexity, providing risk management solutions and delivering responsible intermediation.

Let me give some examples. The OECD estimates that half of all adults are not engaged in adult learning, and the pandemic together with digitisation has amplified this. Millions of workers around the world take advantage of training schemes offered by our industry and, as the need to move to new occupations and sectors increases, so our career management and guidance services will become increasingly critical too. Job-to-job transitions are on average 30-50% faster when a career management firm is involved.³

Our industry is critical in keeping people attached to the labour market. 72% of agency workers remaining employed having started out with a job in the industry and the sector is effective in bringing unemployed and inactive people into the labour market – particularly for young people, a segment that has suffered disproportionately from the pandemic.

Accessing social protection has proved a particular challenge for some categories of workers during Covid-19. When it comes to accessing benefits such as unemployment pay, sick pay and health insurance, some gaps remain between employees on open-ended, full-time contracts and other types of employment relationships. In our sector, we have long advocated for similar levels of protection for all workers, irrespective of their employment status, and we have developed various schemes that serve as best practice models. For example, agency workers often benefit from sectoral supplementary provisions to top-up their access to benefits, with social partners engaging in collective bargaining and developing sector funds and solutions such as portable rights to improve access to safety nets, training funds or schemes to improve access to health insurance.

Our industry also contributes to economic growth, by creating formal jobs and thus lowering unemployment. It provides an early indicator of where the economy is heading and most recently saw positive growth in Q1 2021 signalling a turning point, even though the year-on-year figures were still negative.

In sum, Covid-19 has accelerated the deep transformations already taking place in our labour markets. With expectations changing, the value of work is changing too and the HR services industry has a vital role to play in helping people and organisations adapt to new realities and redefine the value of work.

This opinion piece reflects the presentation given at [ADAPT's 2021 International Conference](#) held in Bergamo on 24-26 November.

Bettina Schaller
President, World Employment Confederation
 [@beschabo](#)

³ Source: 2021 WEC Social Impact Report