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*Building the future of work together*

## The Great Mismatch

by Denis Pennel

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**When it comes to workplace expectations, employees and employers are often not on the same page. In some cases, they are reading entirely different chapters!** The COVID pandemic has significantly increased gaps in the labour market, leading to an unprecedented level of dissatisfaction and mismatches. The HR Services industry has a clear contribution to make to build back labour markets better!

**As an individual or an organisation, there are always many opportunities to reimagine how (we want) to work.** But only once in a lifetime, are we faced with the chance to implement a new way of working. This is the unique situation that we are facing today.

**Much has been said about the impacts of the COVID pandemic on the world of work. Now is the time to regenerate work and to implement on the ground - and in management practices - new ways of working.** The good news is that there is no other way to move forward, the status quo is not an option and most of the trends that have affected labour markets over the past two years have been accelerated and amplified by the pandemic. Those trends include a wider use of diverse forms of work, remote working, digitalisation, and polarisation of labour markets. In addition, several new trends have emerged, such as the rise of output-oriented work, the need to reinvent social interactions within the workplace and the growing importance of physical and emotional wellbeing issues at work.

**The one-million-dollar question is what will be the world of work's Next Normal resulting from the pandemic?** Many articles and studies have tried to coin a term describing the new situation: the Great Attrition, the Great Reshuffle, the Great Resignation, the Great Re-evaluation etc. What is beyond question is the fact that the pandemic strained and tested the worker-employer relationship beyond anyone's anticipation, ending up with a situation where labour markets are facing what I call "The Great Mismatch". This new situation, in which employee and employer expectations have never seemed to be so unaligned, is characterised by tight labour markets and skills shortages; a workforce that feels disconnected and less motivated; and people willing to go back to the office on their own terms but not willing to give up the flexibility and autonomy that they have gained over the past two years.

**What are the concrete symptoms of this Great Mismatch and the increasing gap between worker expectations and employer practices? Well, 19 million US workers have quit their job since April 2021.** 54% of the 800 million LinkedIn users have changed their jobs on their profile, reflecting either a new position or a change in their career. People have re-evaluated what work means to them and acted consequently. At a global level, 41% of employees are considering leaving their current employer and 46% are likely to move because they can now work remotely<sup>1</sup>. 73% of employees want flexible, remote work options to remain<sup>2</sup>. From the employer's side, 64% of them expect voluntary turnover to remain elevated or to increase within the next six months. Indeed, more workers want to shift from an hours-based to an outcome-based working environment but employers struggle to gauge productivity based on "output and merit" as teams have become remote and dispersed. Moreover, only 36% of workers feel that their managers are assessing their performance based on results... And while mental health is a big issue for many workers, 67% of them say that leaders don't meet their expectations in checking-up on their mental well-being<sup>3</sup>. As a consequence, satisfaction with leadership at non-management and worker relationship levels is low. Motivation and a sense of team and company culture have clearly deteriorated over the past year...

**Another illustration of the Great Mismatch is the fact that many people have deserted the labour market altogether.** In several developed economies, early retirements and sickness (whether long term or temporary) have led to an increase in levels of inactivity/decline in employment levels. Besides, because of lockdowns, people have realised that, without the social interactions with colleagues, their job proved to be useless and meaningless (the famous "bullshit jobs") or jobs that were simply underpaid and over painful (the Great Covid Reveal). Many parents (mostly women...) have also disappeared from the world of work to take care of their family, in view of the difficulties in accessing adequate childcare during lockdown situations.

**As a result, many countries are experiencing tight labour markets, with a high level of skills shortages, especially in the construction, manufacturing, leisure and hospitality sectors.** Employers are struggling to recruit talent and to retain their best employees: 69% of companies around the globe are reporting talent shortages and difficulty in hiring – at a 15-year high<sup>4</sup>.

**Against that background, the HR Services industry is on a mission to address those mismatches and create labour contractual arrangements that would reconcile the expectations of both sides: workers and employers.** The labour market's Next Normal will require a full diversity of working arrangements, with decent and fulfilling work opportunities and adequate social protections for all. This is precisely what the HR services sector has been striving for over recent decades via social innovation!

**The HR Services industry is there to support employers in rethinking how employees should be recruited, managed and retained, providing career planning and guidance.** Thanks to their expertise, private employment agencies assist companies in reviewing how their employees' working conditions can be adapted, in a flexible way, including possibilities to work remotely, non-standard working hours, and offering different options to formalise the contractual arrangement (part-time, fixed or agency work contract). One thing that we can be certain about in the Next Normal is that when it comes to the employer-employee relationship we will need to abandon a one-size-fits-all approach. Adapting to a changing world of work is in the DNA of the HR Services industry: contributing to aligning the expectations of employees and employers and creating a workplace that meets the emotional and career needs of its workers, as well as the HR & business needs of the

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<sup>1</sup> Microsoft's Work Trend Index – July 2021

<sup>2</sup> McKinsey – July 2021

<sup>3</sup> The Adecco Group - Resetting Normal: Defining the New Era of Work – September 2021

<sup>4</sup> ManpowerGroup Talent Shortage Study – October 2021

company. One thing is for sure: employers will have to satisfy the new expectations of workers. Higher pay, more flexible hours, enhanced benefits and perks, better treatment and more autonomy are the new demands for those who have remained in the labour market. These are issues that the HR Services industry has been working on for many years, developing expertise, innovative practices, and demand-driven solutions.

**As the world of work reinvents itself, the future of the HR services industry can only be bright as it contributes to making the employee-employer relationship more pleasant, agreeable to as many people as possible, meaningful and enjoyable!**

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