

Webinar: “Challenges in the labour market” (June 19th, 2017)



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➤ **Challenges in the labour market**

The evolving population in Europe and its impact on the labour market:

- Aging population: birth rates are lower, life expectancy is higher.
- The working age population will shrink by a considerable 8 million people by 2025 according to Eurostat forecasts. The labour force is to decrease, adversely affecting future GDP growth rates.
- Feminization of the workforce: women make up for more and more of the workforce, and they also make most of the purchasing decisions (80% of them in the last two decades)
- The labour market is therefore adapting to change: feminization, integrating people from outside the EU, adapting to the arrival of migrants. The LGBTI community also gets more and more visibility.
- Religions in Europe: religious groups are of varying sizes. The largest religious group professes Christianity (account 72% of EU population). Judaism and Islam are part of the historical religion diversity in Europe. Nowadays, fewer and fewer people believe in God or practice a religion in Europe.

Expectations regarding the future of the labour market:

- The evolutions of the labour market are not homogeneous; they are going to be different for every country.
- New technologies and the digitalization of work require more flexibility. Companies must learn how to adapt to new skills and how to include them in the recruitment processes.
- Companies ought to work in collaboration with structures such as “Ecole 42” that train students to these new skills – skills that will become basic in the years to come. As Nicolas Sadirac, the General Director of 42 said: *“Learning how to code will soon be as basic and central as to be able to read, write or calculate.”*
- The rise of artificial intelligence is also getting more and more important. For example, AI will soon be better than men to translate texts (2024), drive trucks (2027), perform surgery (2053) according to study from Oxford University.
- “uberisation” of the labour market: the growing trade of expertise on demand – more and more services from one person to another, put in relation thanks to an intermediary (such as an app).
- Types of contracts are also evolving: permanent contracts are getting rarer, it is getting more and more frequent to change jobs regularly, with short-term contracts, as opposed to the predominance of permanent contracts from a few years ago. As a consequence of these new forms of employment, the legal frameworks are not always prepared to control these contracts. Then again, not all countries have the same advancement regarding these changes.

A report made by the US agency Sparks & Honey made the following estimations:

- 65% of schoolchildren will have a job that does not exist yet.
- Evolution comes from new needs: assistance/care, environmental issues, social networks etc.
- Many today jobs are new: datamining, CRM manager, community managers etc.

- More are to come: US agency Sparks&Honey predict the emergence of positions such as:
 - **Corporate disorganiser:** an expert at shuffling company hierarchies to create a start-up culture of organised chaos.
 - **Crowdfunding specialist:** skilled on workings of websites such as kickstarter and who knows how promote ideas to attain maximum funding.
 - **3D printing handyman:** offers do-it-all repairs by making parts on site.
 - **Digital death manager:** A person who creates, manages or eliminates content to craft your online presence posthumously.
 - **Privacy consultant:** identified vulnerabilities in individual's personal, physical and online security.

You can find the report here: <http://www.stetson.edu/other/strategic-planning/media/SparksandHoney.pdf>

To wrap up: on the whole, we can see 2 types of change: on the one hand, there is change in the way the company works from within; on the other hand, work changes towards more services from one individual to the other. This creates bigger needs for soft skills. There is a downside to this: these needs might encourage the replication of social inequalities, as not everyone can do independent learning.

➤ **Peer to peer exchange**

Experience from Holland:

- Signatories are working on the topic of new forms of employment. The charter is the main driver, but they need to communicate better and tell companies that they can come to them if they need.
- Help from the EU platform would be appreciated. Evolving labour market could be a topic for common meetings
- Focus on diversity of educational background and ethnicity

Experience from Denmark:

- Focus on how to integrate people from various backgrounds to innovate and adapt to the workforce. Inclusion of all types of profiles.

➤ **Attraction and retention of talents**

There are 5 main reasons why employers should focus on employee retention:

- It costs a lot of time and money to hire new employees
- Turnover causes valuable knowledge to be lost
- Turnover can cause profits to take a hit
- Turnover can damage client relationships
- Turnover can hurt employee morale and set off a damaging cycle

Why does an employee leave?

- Employees feel the job or workplace is not what they expected.
- There is a mismatch between the job and person.
- There is too little coaching and feedback.
- There are too few growth and advancement opportunities.
- Employees feel devalued and unrecognized.



- Employees feel stress from overwork and have a work/life imbalance.
- There is a loss of trust and confidence in senior leaders.

Top retention tips to help employers keep talents in the company:

- Treat your employees like you treat your most valuable clients
- Get your employees to “fall in love” with your organization, everyone should feel they have a role in the company: positive inclusive culture
- Strong retention strategies become strong recruiting advantages: show appreciation via compensation and benefits
- Know the job, know the employees and their motivation: employees seek to use their talent and skills in the workplace. A motivated employee wants to contribute to work areas outside of his specific job description
- They should have good reasons to stay in position, money is not the only reason for a person to stay: training, mentoring, flexibility etc.
- Get the input of employees by creating employee committees
- Leadership must be deeply invested in retention, help employees be more active and promote open dialogue: good management is crucial
- Recognition is a powerful strategy of retention, people who feel underappreciated tend to leave their jobs more easily
- Lower stress and foster work-life balance
- Make sure employees know what is expected of them

➤ **What role for a Diversity Charter? Peer to peer exchange**

Experience from Holland:

- Signatories work on the topic of retention of talents
- The Charter creates strategies with them
- Retention of women: difficult topic. Ideas: More flexibility, more work-life balance
- Spouse program in robotic industry. Since they need people from all around the world/international talents, they create programs to attract and retain also the families of people they hire: community, social events, and family events, for people to feel integrated. The idea is to make it a nice place to stay for the whole family

Experience from Denmark:

In the military in Denmark, they try to attract and retain women in the army, in order to anticipate the change in the population. They believe that having more women in the military will be beneficial.

