

NOW OR NEVER. 7 SOLUTIONS TO OVERCOME LABOUR SHORTAGES

Labour markets across the world are currently facing severe workforce and skills challenges. Solutions already exist, as the Social Impact Report 2022 of the World Employment Confederation demonstrates. Yet, further progress to solve this challenge impacting both economic growth and workers' well-being, requires collective action.

Brussels, 14 November 2022 – The post-pandemic era has been characterised by swift and significant surges in demand for labour across key sectors of the economy. Meeting this demand has never been more important. It has also never been more challenging. As addressing the skills mismatch holds the key to growth and recovery, the focus now needs to be on identifying practical solutions to the skills and staffing squeeze.

“Skills mismatches and understaffing drain organizational energy, impact on worker well-being and unleash a vicious cycle of increased stress and attrition. On the flip side, good recruitment and effective staffing procedures are a driver of productivity, cohesion, culture and agility,” explains Bettina Schaller, President of the World Employment Confederation (WEC). *“They critically contribute to the achievement of the ILO’s Decent Work agenda and the UN’s Sustainable Development Goals (SDGs) – particularly those linked to decent work, well-being, equality and economic growth.”*

In its Social Impact Report 2021, the World Employment Confederation evaluates the scale of the current workforce and skills challenge and identifies seven areas in which the HR services industry is deploying innovative approaches to reduce labour shortages. Solutions range from delivering agile staffing solutions to taking a lead on reskilling, transitions and career management, through to supporting international recruitment drives and bridging the expectation gap between workers and employers. The Report documents the different solutions with data and real-life examples collected from WEC members across the world.

Several factors are at play in the current situation, including the pandemic legacy, demographics, a lack of cross-border mobility, skills mismatches and economic inactivity. The HR services sector can play its part by harnessing its unique insights from labour markets but future progress requires collective action. The Report therefore also creates a roadmap for future progress by making targeted recommendations to the HR services sector itself but also to employers as well as governments and policymakers. Recommendations for employers include investing in recruitment and workforce planning and building a genuine partnership approach with external employment experts. For governments, the priority should be to create long-term national workforce strategies, with a focus on effective career management, public/private co-operation, an enabling regulatory framework and better synergy between public policy areas such as education, skills, social security and employment.

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About the World Employment Confederation

The World Employment Confederation is the voice of the private employment services industry at a global level, representing national federations as well as large international workforce solutions companies from across the world. Members of the World Employment Confederation represent a wide range of HR services, including agency work, direct recruitment, career management, Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP).

The World Employment Confederation works to broaden recognition of the positive economic and social role which the private employment services industry plays in enabling work, adaptation, security and prosperity. This role involves building networks with relevant stakeholders such as policy makers, social partners and the academic world; setting high recruitment and employment standards and practices; acting as a thought-leader shaping futureproof and competitive labour markets and providing strategic data on employment issues.

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