

insights

Issue 4 | 2022

on the Future@Work

PUTTING PEOPLE AT THE HEART OF THE SUSTAINABILITY TRANSFORMATION

C-suite voice by Karin Reiter, SVP Sustainability & ESG at the Adecco Group

CAN A 4-DAY WORKWEEK IMPROVE OUR WELLBEING, INCREASE EQUITY, AND HELP SAVE THE PLANET?

Breaking down the benefits to a shorter working week

CAN SABBATICALS HELP FIGHT BURNOUT?

Key advantages and disadvantages to allowing workers to take sabbaticals



Illustration: Alejandra Otero

A note from our editor

WELCOME BACK TO Insights Magazine. In our fourth issue of the magazine, we're talking about sustainability. When many people think of sustainability, they think about recycling, climate change, and emissions, all accurate associations. But in the context of the world of work, we're discussing sustainability with a greater scope: climate change, the Green Transition, and sustainable employment.

In this issue, our SVP Sustainability & ESG at the Adecco Group, Karin Reiter, makes the case for putting people at the centre of the sustainable transition. Plus, a conversation

with Holcim's Chief Sustainability Officer, the ways sabbaticals can help fight burnout, our collaborative research with the Economist and sustainable employment, and how a four-day work week can improve wellbeing.

We'd love to hear from you and welcome your feedback and suggestions for future issues. Shoot me an email: mara.stefan@adeccogroup.com

Sincerely,
Mara Stefan,
Editor of Insights Magazine

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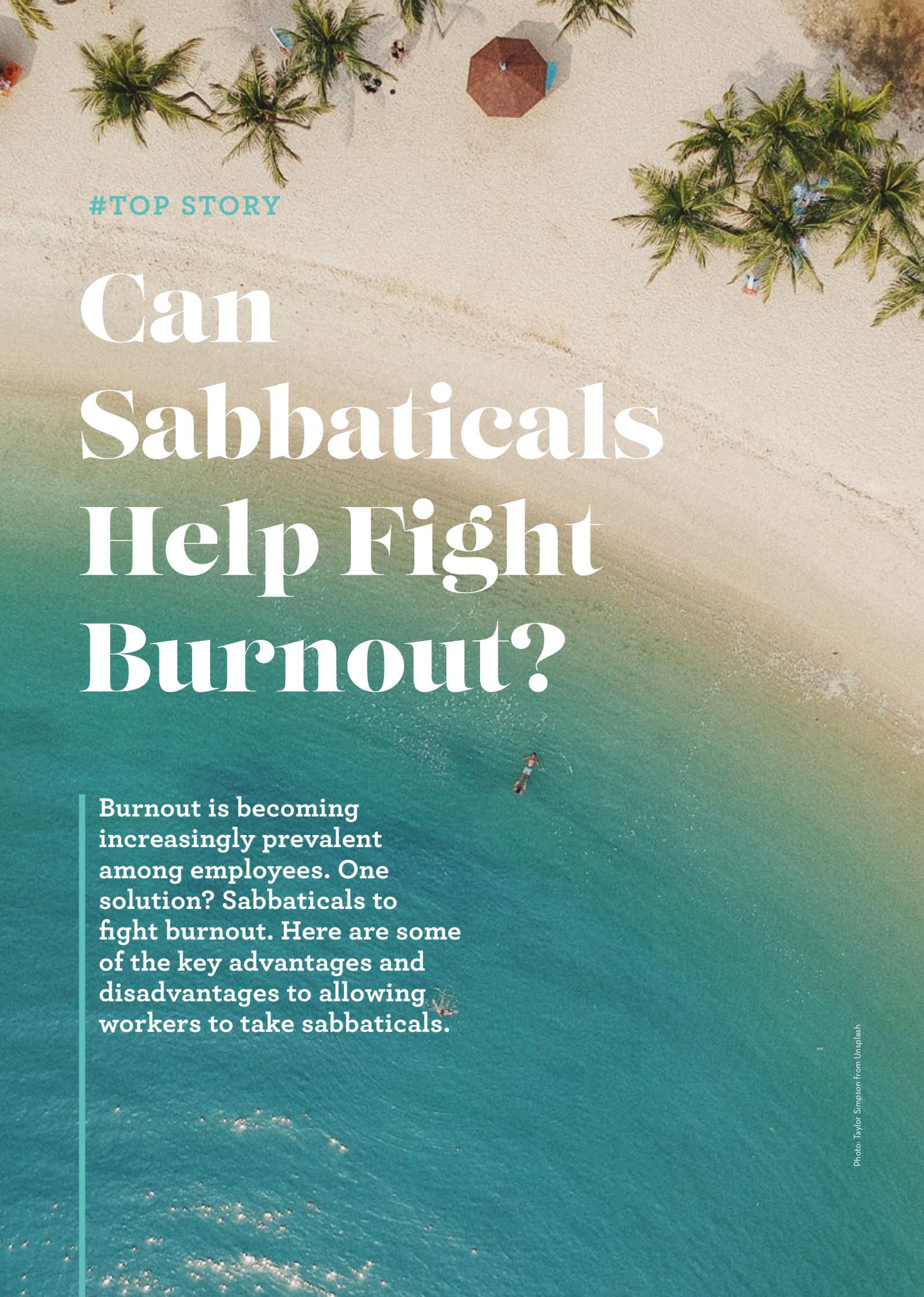
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#TOP STORY

Can Sabbaticals Help Fight Burnout?

Burnout is becoming increasingly prevalent among employees. One solution? Sabbaticals to fight burnout. Here are some of the key advantages and disadvantages to allowing workers to take sabbaticals.

BURNOUT IS BECOMING an epidemic among today's workforce. After years of working long hours without really and truly disconnecting, workers are *feeling more burned out than ever before, research shows*. Part of the problem? Blurred lines between work and family have led to a growing number of workers experiencing burnout during the pandemic. *Employees have quit their jobs* resulting in a shortage of workers and low employee retention rates. As a way to combat burnout, *some employers are turning to a new strategy*, borrowing from academia: sabbaticals, i.e. periods of time off from work. Can sabbaticals help fight burnout?

The *Great Resignation* is an ongoing trend. *Workers are hungry for change*, swapping their existing jobs for better ones. But what do they value the most? Well, *it's not the money*. Besides salary, work atmosphere, and career development, workers

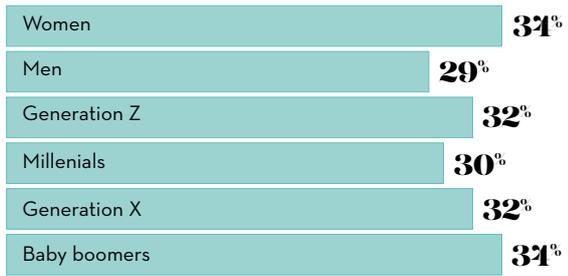
521%
of young leaders reported that they experienced burnout over the course of 2021 according to our research



Photos: Simon English from Unsplash

% Who say their mental wellbeing worsened in 2021 (Net worse)

32%
said their mental wellbeing worsened



Source: *Resetting Normal: Defining the New Era Of Work 2021*

value more things when choosing to stay or join an organisation. In one of our whitepapers, *Exploring Workers' Professional Aspirations*, researchers found that flexibility, health and safety, and wellbeing are key factors in employee satisfaction.

According to our own research, four in 10 people have suffered from overwork and burnout over the course of 2021. 34% of women said mental wellbeing has worsened over the past month. It's even worse for younger leaders: 54% of young leaders report that they have experienced burnout.

"There is a tendency for people to view burnout as a personal mental health issue, so it's their problem, not anybody else's. And if it's your problem, then you're the one that's going to have to fix it. But there's a whole other part of this, which is the workplace and the chronic job stressors that are the sources of burnout," Christina Maslach, a professor of psychology at the University of California, Berkeley told the *Wall Street Journal*.

Although sabbaticals are still not a common benefit, companies of all sizes and types are experimenting



with the idea of paid time-off. Some companies agree that a long break may be the best way to recharge, increase productivity, and prevent burnout.

Catherine Merritt, CEO of Spool Marketing in Chicago recently began offering sabbaticals to her employees after noticing burnout among her team as a result of pandemic-induced stress. In addition to their vacation time, employees who have worked for the company for three years can take three paid weeks off. As another way to attract and retain top talent, Ms Merritt recommends offering longer breaks as a perk.

The history of Sabbaticals

Long-term leave for career and personal development is a concept borrowed from academia, where sabbatical leaves are still highly popular.

The entry for the word “sabbatical,” in the Cambridge Dictionary, reads “a period of time when college or university teachers are allowed to stop their usual work in order to study or travel, usually while continuing to be paid.” Although the first known use of the term was in 1599, sabbatical leave programmes began at Harvard University in 1880, followed by Columbia University in 1890 and Brown University in 1891. The word derives from the Greek word sabbaton. Sabbaton itself can be traced to the Hebrew word shabbāth, meaning “rest.”

The sabbatical is deeply ingrained in academia. Looking back at the history of sabbatical leave, it has been viewed as an investment in the future of an institution. Granting leaves of absence to professors was established not in the interests of the professors but for the good of university education.

Harvard University introduced sabbatical leave programs, with professors granted a year of half-pay every seventh year and by the early 1930s it was a common practice in 178 institutions.

Early US colleges used them to recruit faculty members in the 1800s, says Michael Miller, a professor of higher education: academic staff were entitled to go on leave every seven years as part of their benefits. During the early 20th century, public institutions in the US began offering sabbaticals focusing on research. By the 1960s, career development became an important part of the process and scholars applied for sabbaticals with specific objectives in mind, such as improving teaching.



Photo: Briana Tozour from Unsplash

What is a sabbatical?

Nowadays, sabbaticals differ from country to country. Generally speaking, a sabbatical is a three, six, or 12-month leave from work meant to allow workers to recharge and try something new – all while promising a job upon your return. The benefit, which some companies offer as part of their benefits packages, is much more common in countries like the US, UK and Australia. It's even more common for academics and healthcare professionals, though it's becoming increasingly common for other workers as well, given the pandemic and the effects of burnout.

These modern sabbaticals are different from just saving up your time off and spending it all at once. It's an extended, paid time off work for employees to recharge, learn new skills, or simply spend time with family.

Companies Offering Sabbaticals

The type of sabbaticals differs per company. A long-term employee or an employee who has been with the organisation for at least five years is usually eligible. These are some of the companies that offer sabbaticals as part of their talent retention or employee benefits programs.

HSBC

Employees at HSBC, headquartered in London, have the opportunity to take a sabbatical as part of the company's commitment to a healthy work-life balance. A communications manager at HSBC in London, Andy Russell, took six months off to see the world, which offered him a new outlook on his career.

HubSpot

You get a four-week paid sabbatical after five years with HubSpot, plus a bonus of \$5K.

Adobe

Adobe offers sabbatical programs for employees to recharge and reenergize.

Hallmark

Paid time off, paid holidays, flexible work options, and leaves of absence are some of the ways that Hallmark offers flexibility to their employees.

Autodesk

After every four years of service, Autodesk's US employees are entitled to paid time off. During a six-week uninterrupted leave period, they receive 100% of their current salary and benefits though the time must be taken all at once.

Buffer

Buffer, a global social media company with employees based around the globe, is now testing sabbaticals as a way to combat burnout. For every five years of work, at Buffer, the company is offering a fully paid 6-week break.

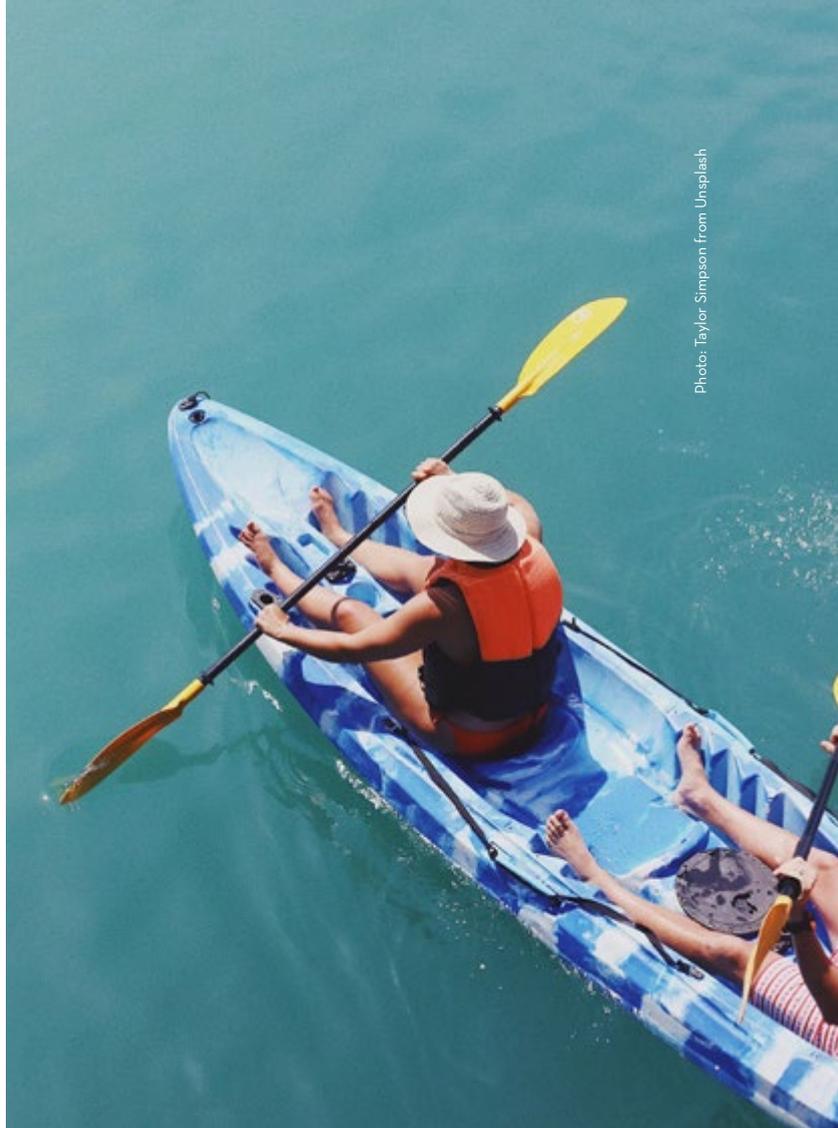


Photo: Taylor Simpson from Unsplash

To put it in perspective: less than a third of US employers allow sabbaticals to some of their employees, according to the National Study of Employers by the Families and Work Institute.

In Europe, for example, regulations may allow for unpaid leave for employees while still protecting their jobs – or at least promising a job. But the sabbatical may happen once or twice during an employees' career.

On the other side of the globe, for example, Australian workers take sabbaticals much more often. The time may be spent working overseas, or simply living a totally different way of life for a little bit, Brett Evans, executive director of Atlas Wealth Management in Southport, Australia, told the BBC.

In India, for example, sabbaticals have only recently become an accepted part of business practice, according to Lovaii Navlaxhi, founder and chief executive officer of financial planning firm International Money Matters in Bangalore.

Advantages and disadvantages to offering sabbaticals

Research shows that academic sabbaticals are effective at boosting morale, allowing for study, research, and travel, having a positive effect on the institution and making a difference in advancing a faculty career.

In business, sabbaticals are periods of paid or unpaid time away from work agreed upon between the employer and employee. Some studies indicate that a prolonged break can help fight burnout. The number of companies allowing employees to take several months off to recover from work-related stress is on the rise. Our own data shows that burnout may just be the next worker pandemic, with 4 in 10 workers reporting that burnout is a significant cause of concern for them. More than half of young leaders are suffering from burnout, the same group that shoulders significant responsibility for future progress. In fact 32% of workers say their mental wellbeing got worse over the past 12 months.

Besides burnout, there are many premature deaths associated with overworking. The World Health Organization and the International Labour

The World Health Organization and the International Labour Organization described long working hours as “a serious health hazard” for people working at least, or over, hours per week.

Organization described long working hours as “a serious health hazard” for people working at least or over 55 hours per week.

However, there are pros and cons to offering sabbaticals both for employers and employees. Those who oppose sabbaticals as a means of preventing or dealing with burnout suggest sabbaticals could help with retaining and attracting talent but they can't be effective at managing burnout.





Advantages to sabbaticals for companies

- **Mental and physical health boost:**

The Adecco group research reveals that *employees call for greater long-term flexibility* with their jobs. Taking a sabbatical may help offer workers the possibility to balance work and life and ease work stress and career anxiety.

- **Longer breaks can help fight burnout:**

Accomplishing a good work-life balance is key to preventing burnout and as *studies* have shown one way to fix burnout is with a prolonged break.

- **Increased employee retention rates:**

Top talent may feel more loyal to an organisation with better benefits, such as a sabbatical programme for its employees. Also, it may be that long-term employees feel appreciated and cared for by the company.

- **Time off work policy as a perk to recruit talent:**

Workers confirm they value additional benefits to join a company. In recent job postings, employers have begun to *highlight benefits* such as remote work, flexibility and four-day workweeks as strategies to stand out during the “Great Resignation.”

- **New skills and abilities:** It is possible that employees may return to work not just with new ideas, but also with new skills. A sabbatical leave, if taken with a well-defined goal in mind, may be an excellent opportunity for employees to develop their skills. Many employees have doubts about their future careers and skills. A sabbatical with a goal to expand experience, skills, learn new things or advance academic qualifications will help employees boost their confidence in their careers.

- **High employee morale and productivity:** When an employee returns from a sabbatical, they may be excited to dive back into their job with fresh ideas and well-rested.

Disadvantages to sabbaticals

- **Cost in time and money:** Sabbaticals can be costly both for employers and for employees. On the employee side, workers should start planning a sabbatical at least two years in advance to review career goals and how they will finance this break from work. For companies, sabbaticals may accrue additional administrative challenges.
- **Business disruption challenges and financial strain for the company:** Besides costs and to avoid any disruption to their business, employers should also plan carefully. Hiring interim employees or consultants to cover the sabbatical vacancy could create additional administrative challenges, including efforts to bring the new hire up to speed to avoid business disruption. The extra workload can put an added burden on the team. As a result, companies should consider having an approval process that coordinates time off to ensure business needs are continually met.
- **Emotional disconnect:** On the employee side, workers could feel disconnected with their previous life or workplace after returning to the office and after the experiences they gained.

Consider adding in team building events to help workers feel connected with their colleagues.

- **Transition back to work might be difficult:** While many companies promise their workers a job upon their return, it might be difficult to find the same exact role when the employee returns due to reorganization or other changes within the company.

Key takeaways

Sabbaticals may be an effective way to boost employee wellbeing, prevent burnout, and improve dropout and retention rates. Employers can develop well-organised sabbatical programmes with clearly defined goals to ensure return on investment both for the business and the employees.

Further, the sabbaticals should be organised in a way that makes it easier for employees to ease back to work. Besides improving their mental and physical condition when taking a long break from work, employees may learn new skills and come up with new ideas that are of great value to their careers and the workplace once they return to work.





#PODCAST

How do you ensure that you have the right skills, expertise and talent within your organization to make that transition happen?

In this latest episode of the *Future of Work Conversations*, **Karin Reiter**, SVP Sustainability & ESG of TAG sat down with **Magali Anderson**, Chief Sustainability and Innovation officer of Holcim to discuss *sustainability* and human capital strategies, how can upskilling be successful, what motivates people and what good leadership needs to do.

Future of work conversations



IN CONVERSATION WITH...

Karin Reiter, SVP Sustainability & ESG of the Adecco Group,
with Magali Anderson, Chief Sustainability and Innovation officer of Holcim

Talking Sustainability and Human Capital Strategies

During a previous conversation, we explored the shifting role of women in the workplace and the importance of emotional intelligence in leadership. This conversation will take a slightly different tack and look at how sustainability strategy and human capital strategy are interrelated.

“Most people are very proud to work for a company that is trying to do something for the planet and I’m working for a company that is transforming the way we built to make the world better. So overall, I think we really got a lot of positive answers from people because we were giving them the answers they needed,” said Magali Anderson, Chief Sustainability and Innovation officer at Holcim.

People want to be engaged, said Karin Reiter, SVP Sustainability & ESG at The Adecco Group.

“They want to bring their own values to work, they want to connect to it, but they don’t know how they don’t know how they can contribute to the work

that you’re doing to the net zero targets or targets within the human rights space. So it’s how do we enable them and empower them to connect with it,” she said.

Well, it goes from the top to the bottom and from the bottom to the top,” emphasised Anderson. “People want to act, but it takes a huge amount of communication and trainings to make sure everyone knows what to do. As an example, we just launched recently, a programme called Office Goes Green. There are no more plastic bottles in our offices here, but we wanted to engage everyone as we realised that the technical transformation actually was only touching upon a relatively small number of colleagues.”

You don't need to have sustainability in your title and irrespective of where you sit in the organisation, you can contribute to a sustainable future, Anderson explained. "Designing the strategy in such a way that everyone knows what they had to do required a lot of work, but this is a way to make it tangible for everyone and show them they can contribute to it as well," she said.

"Indeed, you are touching upon something very interesting: that you need to bring the whole organisation along on this transformation journey, not just your team or the team that drives the initiative," said Reiter.

According to Reiter one challenge today is that we now increasingly talk about Environmental, Social, and Corporate Governance (ESG) as if people look at it in isolation but we need to look at it like the two parts of a helix, much like we do with DNA.

"Say, for example, in our company if we're working on our nature strategy, the climate people, the human right colleagues, everyone is here and part of the conversation giving their feedback and opinions," added Anderson. "This way we won't forget any angles, we will do something that works for both people and planet."

Invest in upskilling but new skills is not everything

So it's more a question of using what employees already know, train people properly, and get them to be part of the transformation, let them have an active role in it as per Anderson's examples. Of course, new skills are needed...but sometimes it's more than that.

"Now, when we talk about a construction site, this is where you will have upskilling needs to cover," says Anderson. "For example, in Africa we used 3D printing in Malawi, where we printed the first school. There is a societal gap there and so we could really close that gap much quicker by printing the wards in 18 hours by training people to use a 3D printer instead of laying bricks."

"Because there's so many skills, gaps, and bottlenecks, [many industries] don't know how to address it. And many companies are reluctant to invest in their people still, despite everything that we know how beneficial it is, just because it's still seen as a cost on the balance sheet rather than actual an investment.

— Karin Reiter, SVP Sustainability & ESG of the Adecco Group

Despite the fact that many industries know they must *upskill and reskill their employees*, they fail to take action. "Because there's so many skills, gaps, and bottlenecks, they don't know how to address it. And many companies are reluctant to invest in their people still, despite everything that we know how beneficial it is, just because it's still seen as a cost on the balance sheet rather than actual an investment," says Reiter.

As Anderson points out, there is a huge shortage of talent. "I just think we can do so much better."

An important aspect of innovation is diversity of thought

It would be helpful if you embraced diverse perspectives and were multidisciplinary and multifaceted, not just in terms of gender, but also in terms of experiences. "I believe we are still too single-minded when it comes to diversity," said Anderson. Diversity of thought is critical for innovation teams. The statistics show that diverse innovation teams perform much better than non-diverse ones. "That's why my team is made up of such a diverse group of people, of different nationalities, and different backgrounds. And that's why when we do strategy work, I bring everyone together." We can be biased ourselves, or we come from our own backgrounds, which we think is the correct way to do things, instead of putting ourselves in others' shoes. So much learning that still needs to happen.

An illustration featuring two human profiles in profile, facing each other. The background is a vibrant blue with white circular patterns. Inside the heads of the profiles are various nature and sustainability icons: a green tree, a recycling symbol, a yellow lightning bolt, and a green leaf. The profiles are filled with a light orange color, and the right profile has a pattern of red dots. The overall theme is the connection between human thought and environmental sustainability.

#C-SUITE VOICE

Putting People at the Heart of the Sustainability Transformation

By Karin Reiter, SVP Sustainability & ESG at the Adecco Group



SUSTAINABILITY IS TOP OF MIND For many people these days – and for good reason. The challenge is that many still most often associate it with environmental responsibility alone. But sustainability is multi-faceted and extends to social considerations, as well as good economic management and corporate governance. Unfortunately, the respect for the rights and needs of people seems to have ended up as a side note in a discourse centred on decarbonization.

It's time to fundamentally rethink our decision-making, product and process design as leaders and put people squarely at the heart of the sustainability transformation. To ensure a just transition in every respect, we need a humanity-centred lens to sustainability.

Focus on people

Employees are not merely stakeholders of a business – they are the business. They are not a cost, but an asset, and merit being treated as such. A recent survey by Gartner revealed that *workforce-related issues are indeed increasingly moving up the list of priorities for businesses*. In fact, these issues are now a higher priority than financial issues such as cash flow and profitability, and corporate initiatives such as M&A and restructuring. The 'Great Resignation' has already given us a glimpse into the potential risks to businesses that do not heed the call for a stronger focus on workforce wellbeing, diversity, equity and inclusion, decent working conditions, and fair pay, among others.

This focus on the workforce is reflected by consumers, too. PWC research reveals that *the way a company*

treats its workforce has just as much impact on building consumer trust as price, quality and service.

But the responsibility does not end at the business gates. Companies need to be more aware and more considerate of the ramifications of their actions on people in the past, present, and future. It's time to be more deliberate in the design, development and implementation of processes, products, and services, and their impacts on people – regardless of whether they are employed by a business, its clients, or suppliers, or are simply affected by its activities in one way or another. It is people and their needs that should be at the core of planning, thinking, and doing – and not the benefits to the institution alone.

This doesn't mean that businesses can't turn over a healthy profit. But actions should be about more than just maximum efficiency. Behind every number on the balance sheet is typically a person – someone's livelihood. For example, artificial tax structures, while they can be good for the bottom line, can detrimentally impact the ability of communities to fund critical public services such as infrastructure, education, or health systems. The Adecco Group recently published its first tax transparency report to show how we create value through the taxes we pay and the underlying approach we take.

Marrying the S with the E

Just to be clear: human-centred does not mean human-selfish. Shining a light on the S in ESG doesn't mean we shouldn't give the E its due place at the top of the agenda. But the two should not be looked at as completely distinct from each other; becoming planet-positive must go hand in hand with becoming people-positive, towards the end goal of being humanity-positive.

Environmental responsibility by nature includes human-centric aspects: being mindful in our use of natural resources today ensures they remain available for future generations to meet their own needs. But we must go further than this. Too often climate strategies are developed without considering critical people aspects.

Many companies have committed themselves to operating net-zero or even climate-positive over the coming decades. To achieve this, they talk of the need for investments in new technologies and R&D.



However, very few connect these efforts with their human capital strategies. But without people and their skills, the green transition will not happen. Companies will thus need to build a deeper understanding and more purposefully consider what this significant transition will mean from a people perspective. What skills do they need to make this happen, what skills do they already have, and how will they bridge this gap? How do we facilitate people's continued access to employment and employability and company's access to talent if supply chains are being re-engineered? For example, because production hubs such as Bangladesh will increasingly be flooded or because certain jobs or industries may no longer be considered sustainable? How do we smoothen the labour market integration of refugees in the face of increased migration from highly climate-impacted areas? How do we strengthen the safety and wellbeing of workers exposed to increasingly harmful weather conditions?

Our own research shows that climate action must be labour market action. Investing in people and their skills will not only drive the transition today but make workers more adaptable and flexible in the future .

Empowering people

Systemic change at the scale that will be required can only be brought about by collective action – albeit harder to come by in the increasingly polarized world we live in today. But it takes a myriad of diverse perspectives and experiences to create sustainable solutions.

This is exactly why sustainability cannot be a department, a job title, a report or a tick-box exercise. It is not a one-off effort. And it requires concerted action across all industries and sectors, from meaningful policymaking to strategic corporate action to individual behaviour change – for the benefit of all. We can't just think in organizational silos; instead, we must take an ecosystem approach covering the full value chain.

Sustainability is essentially a change-management journey. For it to be effective, it must be bought into

and driven by all. But we witness what I call an 'action readiness gap': people understand that action needs to be taken, and most are willing to play their part, but simply don't know how.

We thus need to make it more tangible for everyone to understand how they can contribute towards more sustainable outcomes, particularly through their day job but also beyond. Within organizations, we need to give people permission to make changes that move us towards a more sustainable future. We need to be more intentional in our actions and embed environmental, social and governance considerations into decision-making from the outset. It's more important than ever to be aware of the connections and broader ramifications of our actions from the beginning, rather than trying to re-engineer solutions after the fact. These ideas are hardly new. Yet in the day to day, they often take second seat.

At the Adecco Group, we have the vision of a future that works for everyone. For this to happen, we indeed need everyone. And we need to significantly pick up the pace for there to still be a future.



An aerial, top-down view of a city street intersection. The image shows several multi-story buildings with various architectural styles, including modern glass facades and older brick structures. The streets are filled with cars and trucks, indicating a busy urban environment. The overall color palette is a muted, teal-blue tint.

#RESEARCH

Why HR Professionals Need to Think Like Economists

By Caroline Styr, Head of Thought Leadership Research,
and Will Weightman, Vice President, Global Pricing

IF YOU'VE TAKEN A FLIGHT over the last few months, you may have experienced first-hand the concept of 'finite resources,' whether it's the lack of ground staff impacting departure times, or the lack of hospitality staff reducing the chances of a tasty pre-flight breakfast. *Post-pandemic talent scarcity* means that the right people with the right skills are now a finite resource for many organisations. This key economic principle is the cornerstone of HR strategy for organisations struggling to find great talent to get the work done.

'Thinking like an economist' doesn't just mean understanding the economic terminology that underpins the work of HR. HR must also look more broadly at economic factors that impact employment levels, and ultimately *an organisation's ability to recruit and retain talent*. Using these factors, HR must work with stakeholders across the business to prepare for various scenarios that could impact the talent supply at their organisation.

How do economic factors impact HR?

Before we dive into specific economic factors relevant to organisations, let's first briefly explore *how* economic factors relate to employment levels.

Economists will intuitively relate a country's economic growth to its employment level. When an economy is growing, there is more demand for goods and services and subsequently more people are required to deliver. This relationship was formalised by Arthur Okun, a professor at Yale University, who established a statistical relationship between the two in 1962. According to *Okun's Law*, a country's Gross Domestic Product (GDP – the most common measure of economic growth) has a connection to employment levels, with a 1%-point increase in employment level being associated with a 2-3% increase in GDP.

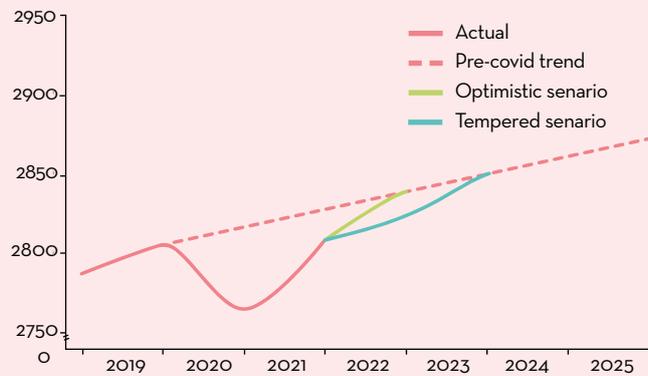
That means that any economic factors impacting GDP will also impact talent supply. Policymakers, economists and central bankers frequently use Okun's Law, including during the Great Recession (2008) and the covid-19 economic fallout.

The relationship between GDP and employment level postulated in Okun's Law is useful as it allows us to make *predictions* about employment levels and therefore talent scarcity, based on GDP predictions. In our *recent research with Economist Impact*, we based global and regional employment level forecasts on Okun's law and the Economist Intelligence Unit's GDP

Global labour market recovery

When employment levels globally will return to the pre-Covid trend, in an optimistic and tempered scenario

Labour market employment in millions:

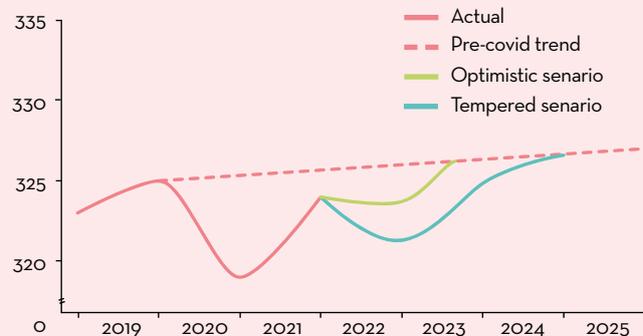


Source: Economist Impact

European labour market recovery

When employment levels across Europe will return to the pre-Covid trend, in an optimistic and tempered scenario

Labour market employment in millions:



Source: Economist Impact

predictions. We predicted employment levels across 75 countries until 2025.

It's also important to take 'employment rate sensitivity to GDP' into account. Okun's Law is not a one-size-fits-all approach. Different regions' employment level will be more or less impacted by changes in GDP than others. For example, according to our research, North American employment levels are very sensitive to economic growth compared to the Asia Pacific region, where there is low sensitivity.

The key takeaway here? If your organisation operates across multiple territories, you have to be prepared to consider different impacts of similar events and create different scenarios for different regions.

Which economic factors should organisations pay attention to?

Examples of economic factors that impact GDP, and therefore employment levels, include interest rates, inflation related to the war in Ukraine and supply chain disruptions. These factors should be prioritised on a region-by-region basis. As discussed above, there is no one-size-fits-all. Based on our research, we'll look at two regions and the related factors that are most influential: North America and Europe.



North America

The US economy rebounded strongly following the shock of the pandemic, and the labour market strengthened during the recovery period. In March 2022, the economy added 431,000 jobs and unemployment fell to 3.6%. It has remained flat since then. Our research expects employment rates to fully recover to pre-pandemic levels by the end of 2023.

North American labour markets are, however, extremely sensitive to economic growth. Therefore, the main economic factor that should be considered is **Fed interest rate increases**. The Fed, along with other major central banks in the global economy, will need to take decisive action to rein in inflation. The *EIU* expects the Fed to raise its interest rates a number of times in the next 12-24 months, reaching 2.9% in 2023. There is a risk that the Fed raises interest rates too quickly and the US economy enters into a recession. In labour market terms, pressure on wages would be significantly

reduced. This scenario, and the subsequent impact on wages, talent attraction and retention, is one that organisations operating in the US should prepare for.

Europe

The war in Ukraine is the factor that could have the biggest impact on GDP, and therefore employment level, over the next five years. As a result of the conflict, the EIU downgraded its global growth forecast for 2022 from 3.9% to 3.3% in Q1 this year. Before the war in Ukraine, employment in Europe was expected to fully recover to pre-pandemic levels in 2022. Now, European employment might not recover until 2024,

There are numerous sub-factors of the Ukraine war should be considered and prepared for, depending on the organisation's industry and location. These include energy and commodity price shocks, supply chain shocks, which will cause a slowdown in trade growth, and the delay or cancellation of investments.

Using scenario planning to prepare for labour market uncertainty

The myriad of economic factors impacting the global labour market, and each regional labour market differently, leaves organisations operating in times of great uncertainty.

Companies navigating this economic and labour uncertainty should undertake a great deal of planning, with business and labour strategies in

place for a few of the most likely outcomes.

Firms that emerge successful will be those with the agility to respond quickly and creatively to changing business and labour market conditions. For multinationals, factoring in the nuances of the various markets in which they operate will be imperative.

This type of planning is often referred to as 'scenario planning,' which, for HR teams, should

form part of a *Strategic Workforce Planning programme*. In its purest form, workforce planning is a framework for analysing both the current and desired future states of the workforce, which must be scoped in accordance with business context and strategy. Workforce planning can be a very complex, analytical activity involving advanced technologies and many varied data inputs. Although workforce planning is based on numbers and data, it should not be seen as dehumanising. Instead, this data helps leaders to understand and address the challenge of having the right people, with the right skills, at the right time.

The result of strategic workforce planning is a plan (or prediction) of talent requirements and sources over a given period. Scenario planning is the process of producing variations or alternative versions of the workforce plan to predict and prepare for the

impact of any external factors that are likely to occur. In this sense, HR professionals can consider the impact of economic factors, such as rising interest rates and the Ukraine crisis, on their labour needs, potential sources of talent and demand over a certain period. The workforce plan is not static – instead it should be reviewed on a regular basis, considering the development of relevant factors.

It is imperative that workforce planning activities include stakeholders from across the business. It will require a collaborative effort across the strategy, human resources, operations and finance functions to map out the impact not just on team structures and operations but also on finances if higher wages for retention erode profitability. Furthermore, experts from across the organisation should be used to input into scenario analysis and validate the predictions made.





Three key takeaways

1. **Economic factors**, such as *inflation*, the Ukraine crisis, supply chain disruptions, monetary policy decisions (e.g., interest rate changes) and resulting economic growth or decline, have a significant impact on the labour market. This should be considered and planned for by HR professionals. The same events impact different regions differently, as employment level sensitivity to GDP varies across geographies and different factors impact regions specifically.

2. **'Scenario planning'** is a tried and tested strategic method of predicting the impact of various external factors on an organisation's labour demand and supply. Planning effectively balances the labour force location and flexibility with potential scenarios. Organisations should ensure they have an effective Strategic Workforce Plan in place.

3. **Workforce planning and scenario planning** are not HR-only activities. They should be based on strategic business priorities and influence leaders' decision-making across the board. HR needs to collaborate with strategy, operations, business and finance functions from across the organisation.

Final word

The global labour market is yet to recover from the Covid-19 pandemic. Organisations are facing great uncertainty, but this time should be viewed as a transition period rather than a permanent state of disruption. HR professionals who think like economists are in a prime position to help navigate these challenging waters. By responding quickly and creatively to changing economic and therefore labour market conditions, organisations are capable of emerging from this period not just intact, but stronger and better positioned.

#TRENDS

Top

5

trends

from the world of work



Remote work is all the rage right now. And Airbnb's CEO is making big moves in the world of remote work. The CEO's "work from anywhere" policy is one of the most liberal in the industry, and it's drawing millions to their job ads.

Airbnb's permanent work from anywhere policy is drawing top talent

When the pandemic hit, Airbnb's business was hit hard. The platform plunged 80% in two months. But the rise of remote work and the *bleisure* movement has pushed bookings and revenue to about the company's pre-pandemic levels. It led the CEO of Airbnb, Brian Chesky, to announce several big moves, including one of the industry's most liberal "work from anywhere" policies.

"Since we made the announcement, more than 1 million people have visited our jobs page. I've had tons of other CEOs reach out to me saying, "Hey, we're thinking about doing this." I never predicted that our design would have an influence on the world. I think we just struck a chord," the CEO told *Fortune*.

"I don't think hybrid, asking people to come back to work in the office three days a week, actually provides a ton more flexibility than the old world. And I felt like location-based pay would eventually be an outdated practice. We're just getting in front of the curve. And listen, if people can live on Airbnb, if I live in San Francisco and I want to go to Maine for three months, am I going to lower your pay because Maine may have a lower cost of living? It would be kind of weird," he added. Read more at *Fortune*.

Photo: Vlada Karpovich from Pexels





Gender parity will take 132 years, new research shows

Reaching gender parity across work, health and politics across the globe will take 132 years at the current rate of progress, according to new research from the World Economic Forum. Iceland has come the closest to closing the gender gap, with Finland and Norway not far behind. Since

the start of the pandemic, the report highlights, women's participation in the labour market has significantly decreased. That's due to the burden of care falling on women. Gender parity is now at its lowest level since 2006. Read more at the [World Economic Forum](#).



Burnout? Ha. Enter the era of “slow work”

On TikTok, the #CorporateTok genre is growing fast. Scroll through the post, and you’ll find young employees critical of traditional workplace norms, workers resistant of back-to-the-office mandates... and advocates for the slow work movement.

The antithesis of busyness or multitasking, the slow work movement encourages workers to redefine what they see as productivity and embrace their creativity and goals to the fullest. It’s not just TikTok, either: workers have leaned into new concepts like the *four-day work week* and *bleisure* as they seek to re-examine their relationships with work. Read more at the *Financial Times*.

The push for cleaner shipping.

Container ships transport just about everything these days. And the world relies on them heavily – and wants more of them. “During this pandemic, people went crazy because they were closed inside their homes. So what do you do? You go online and start shopping,” says Captain Erduan Murtaza, captain of the 10 million cu. ft. container ship, the Gerda Maersk. “[All that stuff] has to come through these boxes.” Container ships are growing to meet nonstop consumer demand, but despite claims of their energy efficiency, maritime shipping still accounts for almost 3% of all global CO2 emissions. Read more in [TIME](#).

#2.

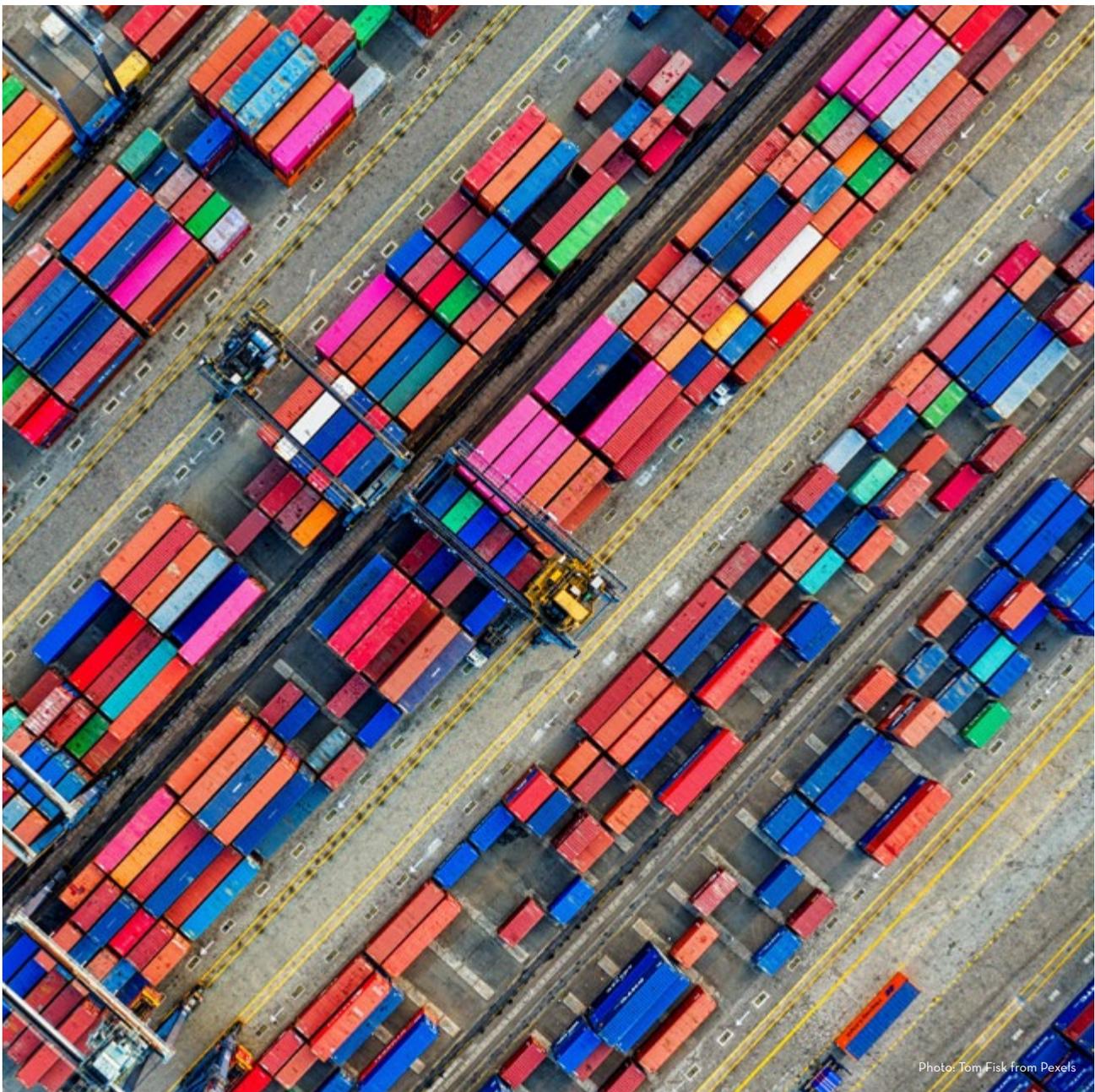
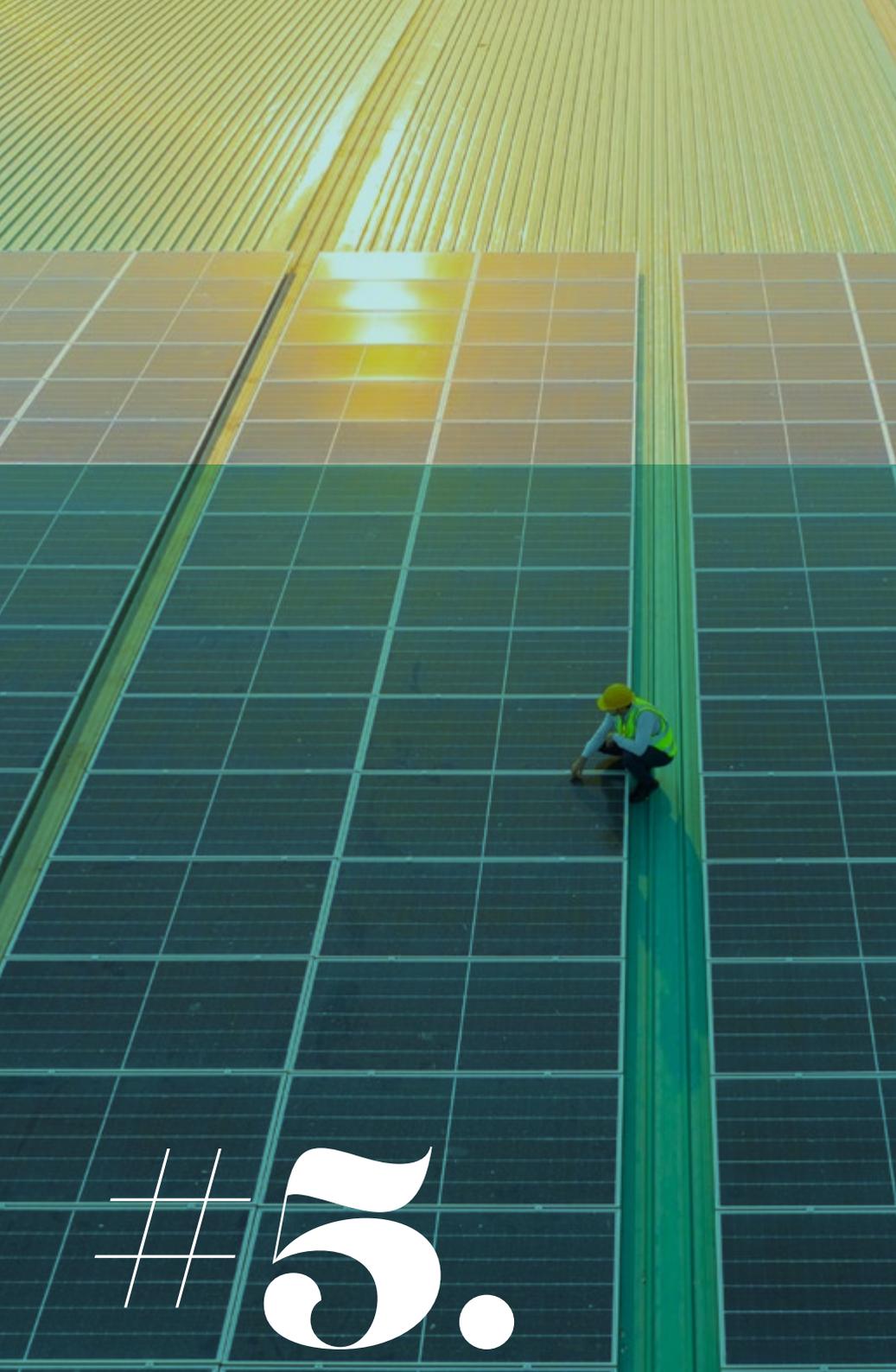


Photo: Tom Fisk from Pexels



EU backs 40% renewables goal by 2030.

European Union ministers have moved towards a plan to raise the share of renewables in the bloc's energy mix to 40% by 2030. In the EU, energy production and use are responsible for 75% of the bloc's emissions. According to a [Reuters](#) report, the new objective is up from 22% in 2020 and will be coupled with a plan to cut energy consumption by 9% at the end of the decade. The proposal will be under final review later this year. Read more [here](#).

What else made headlines this month?

Keeping [unconscious bias](#) out of decision making in the workplace.

[Coaching in the metaverse](#): can tech-enabled coaching help organizations combat the Great Re-Evaluation?

Croatia will [adopt the Euro](#) in 2023.

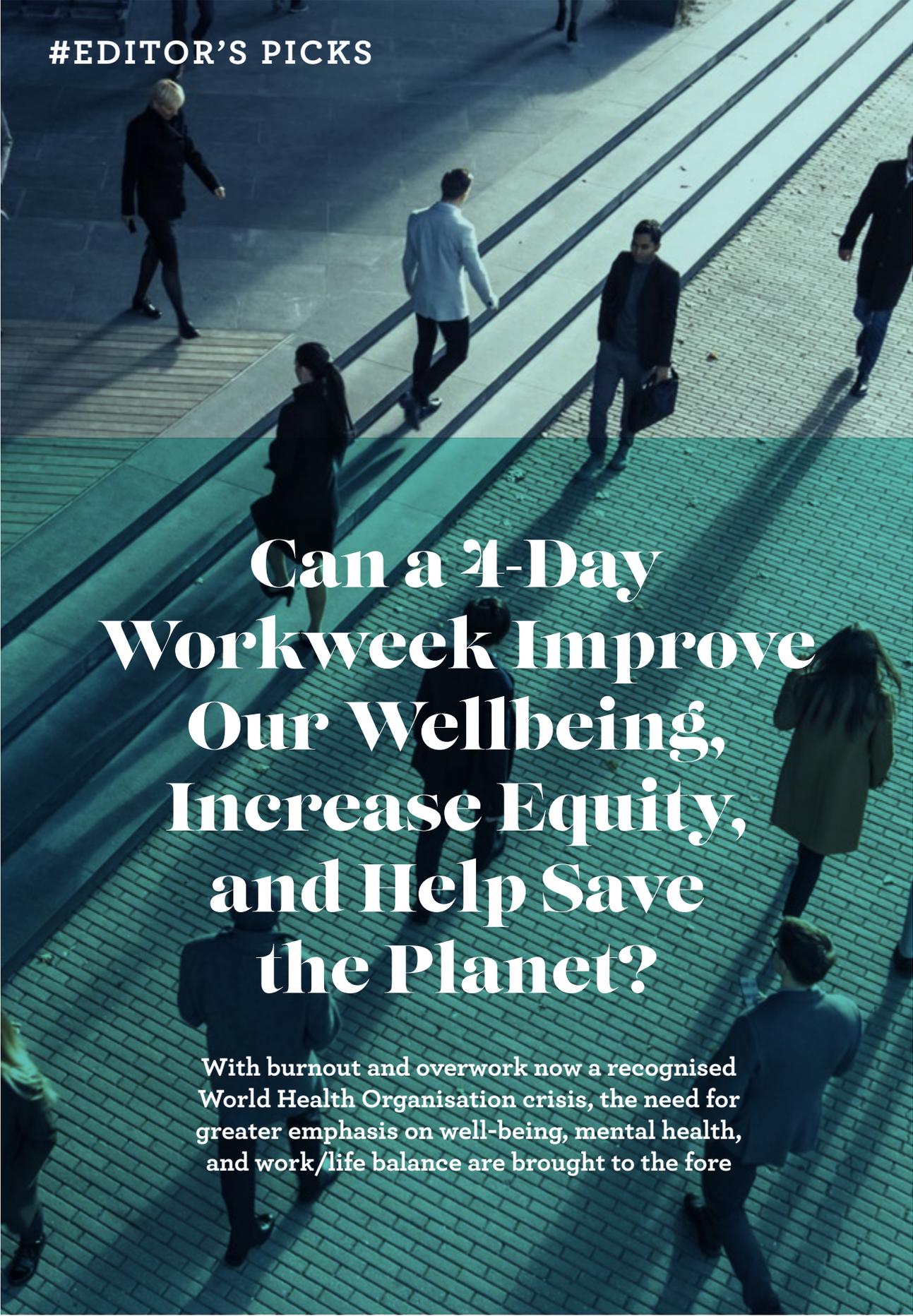
Men are [more likely to get a job interview in tech](#), new report finds.

[Global population growth](#) hits its lowest rate since 1950.

[Sky-high shipping rates](#) are finally sinking.

Coca-Cola and Pepsi are promising to [reach net-zero emissions in the next 20 to 30 years](#)...But it might not be feasible.

We've got a full breakdown of all the top headlines you can't miss this month.



#EDITOR'S PICKS

Can a 4-Day Workweek Improve Our Wellbeing, Increase Equity, and Help Save the Planet?

With burnout and overwork now a recognised World Health Organisation crisis, the need for greater emphasis on well-being, mental health, and work/life balance are brought to the fore



WITH THE HYPER SPEED of progress in both technology and globalization, it is easily possible to work around the clock, every day of the week, from wherever you are. Given this, it is almost ironic to think that bright minds such as John Maynard Keynes once believed technology would free mankind from tedious labor, making way for a lifestyle that permitted “leisure, in the sense of free time to use as we please, as opposed to idleness.” In 1930, *Keynes* predicted we would all be working a 15-hour workweek by 2030. And yet, in 2022, burnout is a WHO-recognized crisis and overwork is the next pandemic.

A need for more emphasis on well-being, mental health, and work/life balance was a long time coming, yet it took a global pandemic to really bring it to the forefront. Now that workers around the world have experienced more autonomy in how they schedule their lives and their work within that framework, it is nearly impossible to imagine going back fully to the old ways, and one idea that is gaining momentum in the U.S. and beyond is adopting a four-day workweek.

How can the four-day workweek help address some of our biggest challenges?

Enter the four-day workweek. The pandemic revealed another long-standing problem in the workforce: lack of equity. Woman, and particularly women of color, were forced to leave their jobs during the pandemic at a much higher percentage than other groups to for example take care of children or older relatives.

Would a four-day workweek make room for more talent in the workforce, and help to ensure more diversity, equity, and inclusion in doing so?

Well, let’s start by breaking down the concept of a four-day work week. Would working four days mean 80% of a regular, 40-hour salary? Or would a four-day job be considered full time? The potential benefits of a four-day work week – no matter the model – may outweigh the disadvantages for many companies.

The benefits are clear: more time for not only leisure, as Keynes envisioned, but family, hobbies, volunteering, education. Some companies have even come across an

unexpected conclusion: *those working just four days are much, much more productive*. But there's another consideration: Would working fewer days have a positive impact on helping to combat the climate crisis?

Here are the many ways a four-day workweek might address some of the largest challenges facing us today, at work and beyond.

The four-day work week can help save the planet

Without a daily commute by car, bus, or train; without endless business travel, there was a noticeable drop in CO₂ emissions, early on in the lockdowns: *Researchers* found that daily global CO₂ emissions decreased by -17% by early April 2020 compared with the mean 2019 levels, just under half from changes in surface transport. Even pre-pandemically, a *2019* study found that a four-day workweek would lead to a 20% reduction in carbon emissions in the UK, by reducing the number of private cars on the road daily.

Even pre-pandemically, a 2019 study found that a four-day workweek would lead to a

reduction in carbon emissions in the UK, by reducing the number of private cars on the road daily.

The four-day workweek can improve well-being — and increase talent retention and attraction

In theory, the four-day workweek has obvious benefits to our well-being: It would enable us to have more fluidity in our lives by allowing more time for all the aspects that deserve our attention, not just our jobs. It also has the



The pandemic brought to light realities that were easier to ignore before 2020, namely that women around the world are

more likely to be responsible for childcare than men.

potential to create additional stress if we are unable to set the boundaries and really buy in to the concept that work can be done in fewer days than we are accustomed.

A lot of this depends on how the workweek would be structured. Does it mean a standard 32-hour week? Does it mean four 10-hour days? How, if at all, would compensation change if an employee is working fewer than forty hours? The potential for stress is actually higher if an employee is working two extra hours a day (studies show our productivity quickly declines after eight hours), or if they fear being perceived as less than full-time employees?

The model would have to be clear and accepted, and the onus would be on managers and individuals to avail of the health benefits a four-day workweek promises, rather than leading to even more over-work or work insecurity.

In addition, a four-day work week could also increase talent retention and talent attraction in a talent-scarce market. It's too early to see concrete data on such an offering

The four-day work week can improve equity

The advantage of a four-day workweek in terms of improving equity are among the greatest arguments in favor of the change. The pandemic brought to light realities that were easier to ignore before 2020, namely that women around the world are *three times* more likely to be responsible for childcare than men.

Even before the pandemic, 1.4 million American women were not working because they were taking care of young children. In 2021, due to the pandemic, this number surged to 10 million



Photo: Agung Pandit Wiguna from Pexels

according to the *Bureau of Labor Statistics*. A *disproportionate* number were women of color.

A 32-hour workweek could help address this issue, partially, to enable all working parents, fathers and mothers, more space to take care of child and other family member care responsibilities without having to leave the workforce. This serves both to save money on childcare, allow parents to spend more time with their children and gives more flexibility to fulfil career ambitions while also being engaged in family life.

Conclusion

One undeniable lesson we've learned from the pandemic is that we've taken a lot of truths about how we work for granted. We have an opportunity now to reset certain patterns of behavior and models of thinking to consider more holistically how work can impact everything around us, from our own health to the equity of our society and the human rights of everyone, and to the security and sustainability of our planet as a whole. With these priorities in mind, a four-day workweek might have real impact on wellbeing and sustainability.



Adecco

#EDITOR'S PICKS

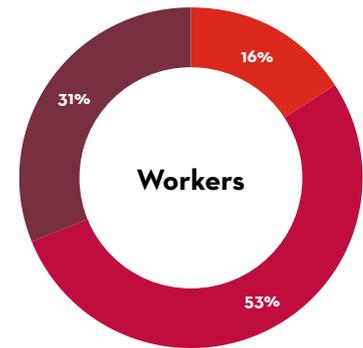
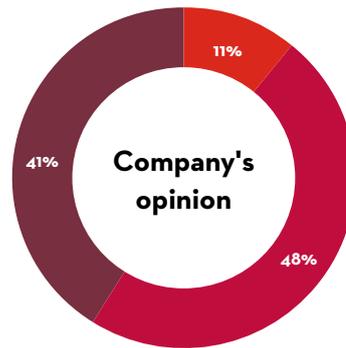
Even before the pandemic, workers were stressed, burned out, and overwhelmed. Research from Adecco's recent survey, "Disconnect to Reconnect," shows that wellbeing remains a key issue for workers, even more so now than during pandemic.

Disconnect to Reconnect: Are Companies Failing to Support Workers' Wellbeing?

How has the pandemic influenced workload and stress levels?

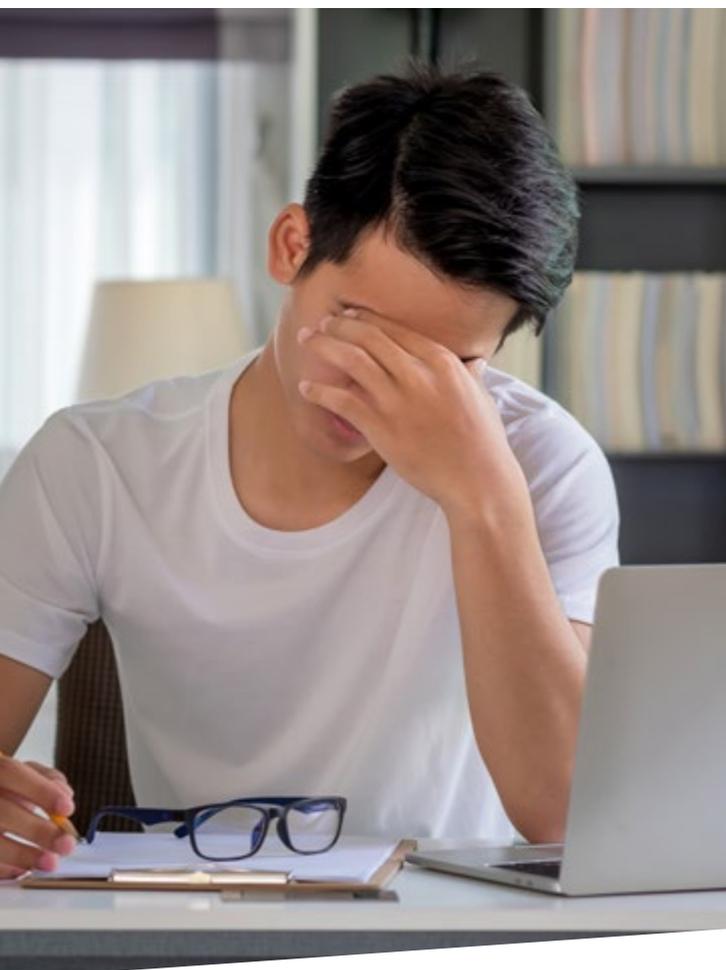
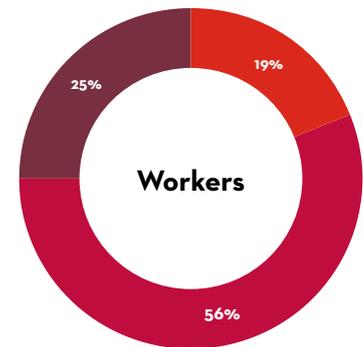
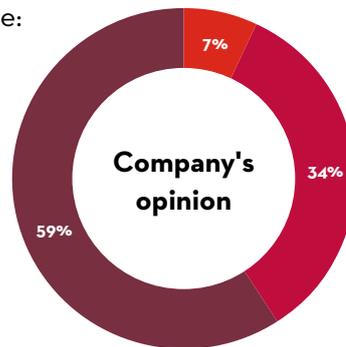
Since the pandemic, do workers have:

- Less work to accomplish
- The same workload
- More work to accomplish



Since the pandemic, workers feel they are:

- Less stressed at work
- About the same
- More stressed at work



IT'S BEEN A HOT TOPIC EVER SINCE the pandemic began: wellbeing and mental health. Before the pandemic even began, workers were more stressed, anxious, and overworked than ever before. Longer hours made it even harder to disconnect from work.

The last few years have given people opportunity to reflect on their mental health as nations were cast into lockdown after lockdown and makeshift home office setups. The question for many organisations as we emerge into the new normal is: "how can we support our workers to help them reconnect?"

Research from Adecco's recent survey, "Disconnect to Reconnect," shows that wellbeing remains a key issue for workers, even more so now than during pandemic. The survey gathered perspectives on burnout and the future of work from more than a dozen countries worldwide. It highlighted that the level of support that workers feel from their company is playing a major role in whether they decide to stay in their jobs or leave for better conditions.



Wellbeing the key for worker retention

According to Adecco's research, a majority of workers did not report an increase in stress and workload since the pandemic began. But 45% of participants still felt their employer was not doing enough to support their wellbeing. 7 out of 10 of those that experienced anxiety and stress during the pandemic reported feeling a lack of support from their employer.

Workers have been *leaving their jobs during the Great Resignation* for a number of different reasons, including a lack of recognition and toxic work cultures. Companies seem to understand that wellbeing is crucial to worker satisfaction, especially in light of the pandemic. Our research showed that 74% of companies have made changes to their policies and work environments in the hope of increasing employee engagement and satisfaction whilst reducing turnover.

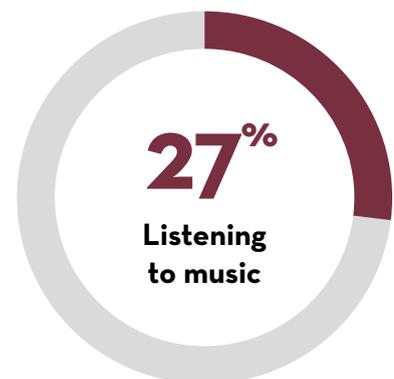
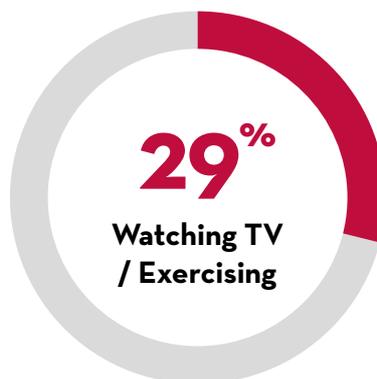
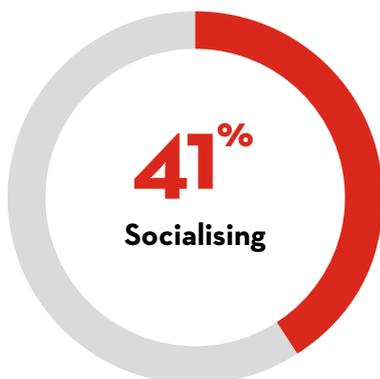
How can workers disconnect?

Everyone has their own ways of disconnecting from work. The workers we surveyed indicated that a flexible work location and schedule are most helpful in allowing them to unplug after a busy workday and reduce their stress levels overall.

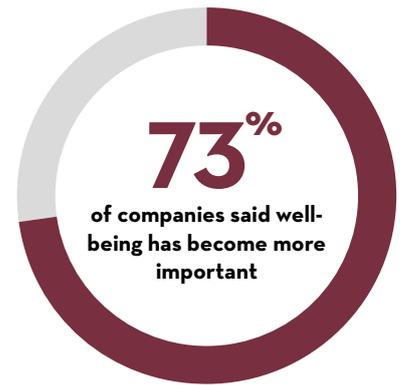
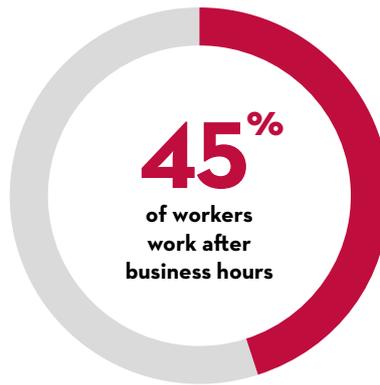
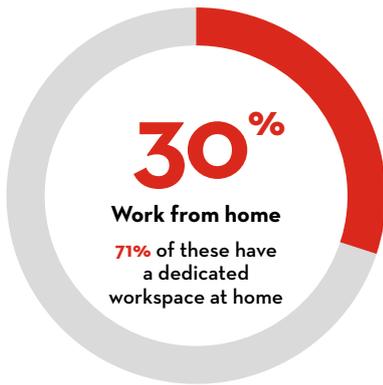
Many companies provided some type of benefits for their workers during the pandemic, even offering additional days off to overworked and overstressed workers. But even in light of burnout, some companies have begun to *call back their workforce to the office*.

Our survey suggested that workers want more support, including sports activities, recreational activities, mental health support, and more. But only a third of the companies surveyed offer these additional types of benefits.

Workers' TOP 3 ways to disconnect:



Are companies offering the right support to improve their workers' well-being?



How companies can support wellbeing

The Great Resignation may have made headlines at the start of 2022, but workers continue to re-evaluate their professional and personal lives. Companies seem to have anticipated and expected high turnovers and increased sick leave in the coming 6 months. This is why it's so important that organisations and leaders better understand what workers both want and need. Empathy and understanding for their workers' unique situations can help reduce turnover.

Still, 23% of surveyed workers plan on leaving their jobs in the upcoming 2 years. In fact, our data shows that workers reporting higher levels of stress also report higher likelihoods of leaving their roles within two years or less. One of ten of those workers plan to leave in the next 12 months.

What can companies do to make sure that they are providing optimal benefits for employee wellbeing? They can start by considering existing gaps in their benefits offerings and make sure that there is clear communication to workers with all available opportunities.

For some companies, it may simply be a matter of miscommunication. Asking for employee feedback about what matters most to them and rethinking company initiatives addressing sick leave, productivity, and more, could also stem the tide of high turnover.

One thing is for sure: workers across the globe are exhausted, burned out, and reconsidering their roles in light of their wellbeing and stress levels. Companies have the power to support their workers' wellbeing and ensure they cultivate a positive and engaged working environment.



Smart Engineering:

the future of energy transformation

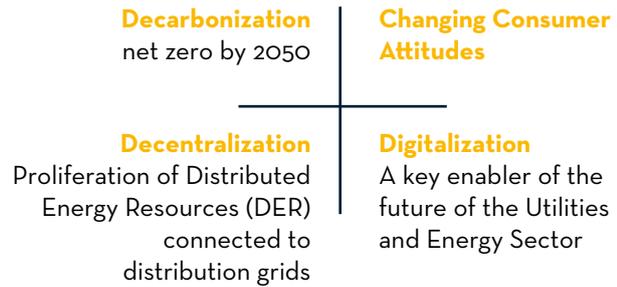


TO KEEP THE GLOBAL RISE OF temperature no more than 1.5°C – emissions need to be reduced by 45% by 2030 and reach net zero by 2050. Therefore, the Energy & Electricity industry must make radical changes in emission to reduce its carbon footprint and is targeted to reduce emissions by more than 90% by 2050.

Climate change is a clear and present danger. Statistical modelling (precisely, the artificial neural network model) predicts target reduction of carbon emission for several countries including Australia between 2005 to 2050. The top three industries that will require massive reduction in emissions are Energy and Electricity, Transportation & Industry, Mining and Manufacturing. The Energy industry needs to reduce emissions by up to 97% followed by Transportation at 71% then Industry, Mining and Manufacturing by 54%.

At Modis, we have identified the global energy and utility market trends and key themes and have built solutions for the industry starting from decarbonisation to decentralisation. Whether it is bringing the global net zero emission by 2050 or leveraging AI and ML to streamline energy generation and storage – Modis is playing a key role.

Energy & utility market trends



Industry needs and challenges

- Renewable Energy(RE) from 10% to 90% share on total power generation
- Deep electrification transportation
- Transformation of automotive and O&G industries
- Distributed Energy Resources (DER) integration
- Asset aggregation: development of effective Virtual Power Plant and DERM
- Open data frameworks to accelerate and scale DER
- Customer awareness and activism are pushing environment, social and governance (ESG) and Sustainable Development Goals (ODS) agenda
- Greater consumer engagement and prosumerism in the power sector (rooftop solar, batteries etc.)
- IoT integration to increase efficiency and safety across traditional industries (digital tools for asset management , maintainance, optimisation and control systems)
- Leveraging AI and ML to streamline energy generation, storage & distribution: greater levels of automation, control capabilities, and predictive asset management.





ENERGY MARKET CHALLENGES AND OPPORTUNITY

Distributed Energy Resources (DER) are transforming our electricity system, presenting both challenges and opportunities. DER are smaller-scale devices that can either use, generate or store electricity, and form part of the local distribution system, serving homes and businesses. DER can include renewable generation such as rooftop solar photovoltaic (PV) systems, energy storage, electric vehicles (EVs), and technology to manage demand at a premise.

In Australia the adoption of DER, especially rooftop solar, has been extraordinary. Since the beginning of the program in 2020 there has been more than 2.5 million devices registered. Looking at the AEMO data, in South Australia 78.7% of total electricity generation was from rooftop solar on November 4, 2021. In

Western Australia 64.5% of total generation was from rooftop solar on October 30, 2021, and other states are showing similar figures.

DISTRIBUTED ENERGY RESOURCE CHALLENGES

The speed and scale of the uptake of DER is presenting serious risks to the power system. If not properly managed, high levels of DER, most notably rooftop solar PV, will impact customers by eroding the security and reliability of the electricity system and creating higher costs. The key objective of a sustainable and secure energy future is where DER is integral to a safe, reliable and efficient electricity system, and where the full capabilities of DER can provide benefits and value to all customers.

Distributed Energy Solutions & Opportunities
The power system operates within defined technical limits, and it can supply adequate power to satisfy

DERs in an electricity network





customer demand. Increased variable supply from the renewable generation results in a duck curve load on the network leading to negative pricing of wholesale electricity. Modis built a Distributed Energy Resource Management System with one of our retail electricity customers in Australia to overcome the effects of negative pricing using AI, ML & IoT. The solution allows us to predict future events of negative pricing and control the rooftop solar generation of contracted customers. The benefits are managing network capacity by controlling variable supply and maintain low electricity pricing. As a trusted partner of our customers, Modis has successfully delivered many similar solutions.

TAKE CONTROL OF YOUR ENERGY SUPPLY AND ACHIEVE GUARANTEED RESULTS

Governments, Energy companies, Industries, commercial areas, large buildings, municipalities, and communities are facing three main challenges: costs, security of supply and CO₂ reduction. With the help of distributed energy solutions, it's possible to turn these challenges into long-term opportunities across all businesses and sectors. These solutions utilise an optimised mix of DER such as renewable energy, combined heating and power stations, or storage systems, supported by sophisticated energy management.

TAILORED SOLUTIONS TO COVER SPECIFIC REQUIREMENTS

Different markets require different solutions. Our distributed energy solutions are tailored to suit specific market requirements. The optimal solution is different for every customer. To provide the best offering, we combine modular and proven DER technology, which allows for faster project delivery and easier expandability. Additional performance guarantees like share of renewable energies or system reliability help to minimise risks and to add value.

CONSULTING AND IMPLEMENTATION EXPERTISE ACROSS THE ENTIRE SCOPE AND LIFECYCLE OF THE PROJECT

Each project is unique, and its scope is based on specific requirements. With Modis' decade-long expertise in digital technology and deep domain know-how of the energy market and industries, we cover each step from initial assessment to design, development and maintenance of the implemented solution. The technical implementation of our solutions and service is supported by customised engagement and delivery models, which allow our customers to get the project under way faster and with optimal scope.

To learn more about Energy Week, visit: energyweek.com.au

Social Responsibility Is a Talent Engagement Strategy

By Kelsey Williams, Senior Programme Director at Pontoon

THE NEED AND POPULARITY of hybrid work models have catalysed organisations to become more human-centric and people-focused. Socially responsible organisations focus on meeting employees' social and emotional needs.

But what does it mean to be a socially responsible employer of choice?

These days, not all Environmental, Social and Governance (ESG) strategies are created equal. Successful programmes integrate ESG into overall business objectives – rewarded with the financial benefits of ethical behaviour in the marketplace. However, many organisations have no social strategy. They make vague promises to keep up with their competition, alienating future talent.

Simply checking the ESG boxes is not sustainable or impactful. It takes time and resources to understand what works and what does not. Leaders are



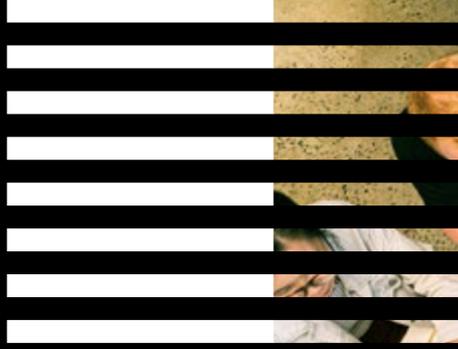


Photo: Canva Studio from Pixels

becoming more intentional and evolving their corporate ESG programmes to drive economic impact and social progress. Also, by marketing ESG priorities externally, organisations attract new diverse talent and customers who care about the organisation's positive impact within their community.

Leveraging ESG to attract talent

Elevating your social impact will help attract and retain your future workforce. There is a direct relationship between ESG performance and attracting candidates in a competitive environment. This will differentiate your company in the marketplace as you integrate these strategies into the way you do business and your overall talent management process.

Aligning values to the future workforce

By 2029, Millennials and Gen Zers will make up close to 75% of the world's workforce, compared to 52% in 2019.

Younger generations highly value social responsibility in their personal and professional lives. In their job search, prospective candidates look for companies that support the causes they love. These candidates must believe in your community impact mission. Your brand must speak to candidates as individuals and be front and centre during their recruiting experience.

Competing in the market will always be essential, but top talent looks for much more than a paycheck. Ensuring your employer brand is synonymous with making an environmental and social impact is a powerful tool. Hiring managers are also responsible for leveraging this brand power to highlight unique candidate opportunities when joining your

organisation. This takes awareness of the available workforce and knowing that you are as much of a prospect for them as they are for you.

Building a comprehensive strategy to boost social credibility

INVEST IN EMPLOYEE RESOURCE GROUPS (ERGS)

Employee Resource Groups are a great way to unite workers with shared values and lifestyle interests. These groups are encouraged to live their values out at work and promote trust in the worker/ employer relationship. You are telling them that their values matter and are embedded in your ESG programme and company culture.

Highlighting and celebrating these groups will also have the added benefit of growing your candidate pipeline. Participants will naturally learn more about the environmental and social causes they care about, developing subject matter expertise in their given subjects.

At Pontoon, we have various Employee Resource Groups established to help build connections among our colleagues. By celebrating our differences and highlighting our people, we are more unified and collaborative at work and when engaging our clients. Additionally, we create space to add a little fun into our daily routines by sharing stories, favourite recipes and the occasional game of bingo.



SUPPORT CAUSES THAT CONNECT

Show workers that they matter by partnering with popular social impact organisations.

For employees to drive impact in their local communities, there must be an outlet for them to volunteer or raise funds for their favourite non-profit. This will enable them to lead, participate in and contribute to projects that maximise the impact of their engagement.

Whether feeding the homeless in their community or advancing equitable access to employment for underserved populations, your workers will positively impact their community. This will help reduce attrition and create a lasting bond between the worker and your organisation.

Organisations investing in a foundation of newly skilled, upskilled and reskilled workers are building a talent strategy for long-term success. Pontoon supports several internship programmes, partnering with non-profit organisations that provide skills training, mentorship & experience for young adults and underserved populations. Our team selects causes they are passionate about to educate others, donate material resources, and invest their time in making a difference.

THINK LOCAL

Supporting and engaging with local suppliers and vendors drives a positive economic impact on the communities where your talent lives and plays.

Supporting small and diverse-owned companies is a critical component of a robust ESG programme. By driving diversity-owned supplier initiatives, you are investing in and strengthening the communities where you live, work, and do business.

As organisations continue to evolve corporate ESG strategies, including DE&I spend initiatives, it is important to recognise and advocate for the use of diversity-owned suppliers. These firms require mentorship and sponsorship from you and their workforce solution providers to navigate large and complex enterprises.

People want to work with a company that cares for its people – where they have shared values and impact the world in a bigger way. Creating pathways to socially responsible behaviour will attract talent and open the door for internal career development, social change, and empowered workers loyal to your brand.



Photo: Charlotte May from Pexels

#EDITOR'S PICKS

From Green to gHReen:

Putting a Human Face on Sustainability



Photo: Gustavo Fring from Pixels

EVERYONE IS LOOKING FOR THE fastest and most effective way to green our economies. Companies, governments and public institutions are all devoting increasing amounts of financial and human resources to meeting the climate targets set both by the Paris Agreement, and by individual nations.

And as is almost always the case, the smaller players in this global race are watching the bigger players to help mark the best route.

At the end of 2019, the European Commission unveiled its *Green Deal* – an ambitious plan to achieve climate neutrality by 2050 through innovation, incentives and mitigation of its social impact.

Great expectations are also building around United States President Joe Biden’s \$2-trillion plan to transform the economy by creating millions of new jobs connected to clean energy, energy efficiency and, in particular, the growing electric vehicle (EV) industry.

However, not everyone sees the logic or the potential in these initiatives.

“They keep saying, ‘We’re going to transition you into solar jobs.’ That’s not how it works. We build power plants, petrochemical plants and maintain steel mills.”

— **Shawn Steffee**, one of the leaders of the Boilermakers Local 154 in Pittsburgh, PA speaking to *The New York Times*

All over the world, we’re seeing skepticism, alarm and even hostility about the whole idea of taking people from traditional industries into new jobs with new skills and a lower carbon footprint.

A recent story in *The New York Times* graphically demonstrates the magnitude of the skepticism.

The New York Times interviewed Shawn Steffee, one of the leaders of the Boilermakers Local 154 in Pittsburgh, PA, who quite passionately argues it is not possible to reskill and redeploy well-paid union workers who have been involved in traditional manufacturing and resource industries into greener, cleaner industries like solar or wind power generation.

“They keep saying, ‘We’re going to transition you into solar jobs,’” Steffee said. “That’s not how it works. We build power plants, petrochemical plants and maintain steel mills.”

Steffee’s comments speak volumes about the poor job that employers and governments have done in explaining the pressing global need to transition workers into more sustainable jobs.

The UK government recently caused an uproar with an advertisement for a jobs reskilling campaign that featured a ballet dancer and suggested her next job could be in cyber security. Not surprisingly, many people in the cultural industries cried foul over the ad and the suggestion that theirs was not sustainable work.

The human face of the transition

These examples highlight the deep need for all green transitions to treat human beings as people and not commodities that can be moved arbitrarily from one job to another. The only thing that everyone should agree upon is that many of today’s jobs will soon be obsolete, either because of climate concerns or their incompatibility with the leading edge of technology.

According to *McKinsey*, the United States oil industry alone lost more than 100,000 jobs in 2020 due to the OPEC price war and the COVID-19 pandemic. The automotive industry’s aggressive move to electrify its fleets will no doubt continue to force the oil and gas industry to shed even more jobs.

The Adecco Group, in their recent “*Skills for the Green Economy*” publication, further points out that “without skills development, it is estimated that the global economy could shed as many as 71 million jobs in its move towards becoming circular. On the other hand, smart policies and investment in reskilling could reverse this prospect, so much so that the energy sector alone could produce a net growth of 18 million jobs.”

Undeniably, there is an urgent need to unleash a new generation of re-/upskilling initiatives to enable as many people as possible, as quickly as possible, to prepare for the jobs of the future.

Towards a people-centered transition

To ensure that the green transition can be a success, we need to pay more attention to the role human capital and skills play in delivering a sustainable change.

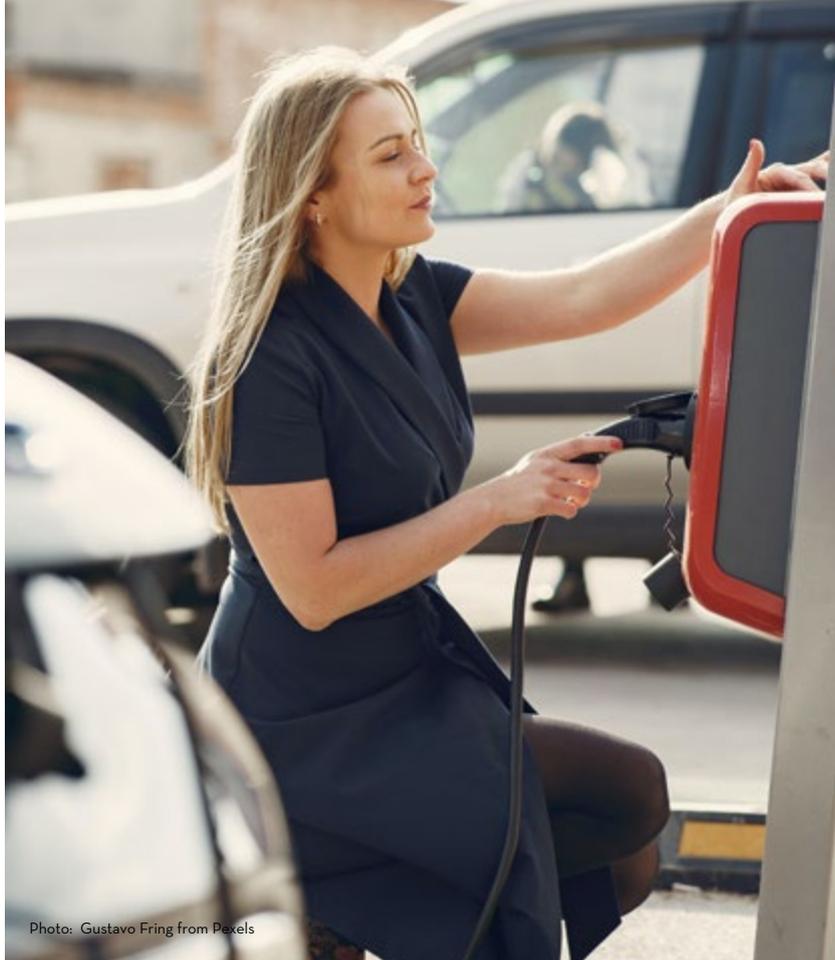


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71 million jobs in its move towards becoming circular.

Notwithstanding the big-ticket initiatives in Europe and the United States, most of the world’s leading green technology initiatives don’t do a good job connecting environmental targets with human capital targets.

The Just Transition Fund, a major component of the European Union’s Green Deal, will provide up to €150 billion over the next 10 years in funds for reskilling and loans or loan guarantees for employers that want to shift to green technology.



China has also *made progress* in this area, retraining workers to take on new jobs in the clean energy sector. Continuing efforts to ween the country off coal-fired electricity generation, China already accounts for nearly 40 percent of all the jobs worldwide devoted to renewable energy.

However, even with all this attention, there is still an enormous amount of disconnect between climate goals and the needs of workers.

Biden’s “American Jobs Plan” *proposes* US \$100 billion for workforce training programs and to double the number of registered apprenticeships. However, the details of exactly what kind of training and support programs have not been made public. And although it does often reference things like “skills development opportunities for workers of all kinds,” a White House fact sheet on the jobs plan does not include a single reference to reskilling or upskilling.

Biden’s plan is not alone when it comes to this disconnect. The International Labour Organization *noted* that among the 183 countries that have committed to the Paris Agreement’s targets, less

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than 40 percent include “any plans for skills training (or retraining to support their implementation) and (...) more than one in five have no plans for any training or capacity development measures at all.”

Opportunities for businesses

This lack of connection between climate policies and workforce goals represents an opportunity for employers to be proactive for their own competitive brand advantage. From our work supporting organizations and their workers globally as they

transition, there are two clear strategies that can help us bring environmental and workforce goals into alignment.

1 Facilitate work transitions in small increments

Even though the issues are global, the solutions need to be local and individual. While there is no silver bullet, the solutions can be found when all parties involved sit down and find the most logical path from unsustainable industries to fit-for-future industries and jobs.

That is essentially what happened with Spanish energy company Enel-Endesa when it closed the Litoral thermal electricity generating plant. To mitigate the social impact on the region, it collaborated with LHH, public authorities and other partners to look for new opportunities for the infrastructure and the workers. Ultimately,

the company launched 20 new renewable energy projects throughout the province to replace the electricity being generated by the decommissioned thermal plant, which in turn created more than 300 jobs for former plant workers.

2 Put a “people” spin on your Environmental, Social and Corporate Goals strategy

Environmental sustainability goals are no longer in conflict with job creation goals. Look for partners who enable you to elevate the dialogue around environmental, social and corporate goals to your workforce strategy and consider your workforce as renewable power and not as a replaceable asset.

This is what the German automotive supplier ZF Friedrichshafen has recognized. Instead of proceeding with their original plan to lay off several thousands of employees, they have implemented a transformation plan to reskill and redeploy the affected people into entirely new jobs. In recognizing the potential in their own employees to transition, this company was able to offer sustainable employment while speeding up the transformation towards e-mobility.

The green transition will never accomplish its climate goals unless it can fully align with the human needs of workers. While this is no easy challenge, smart green policies can and will lead to a faster and more inclusive transition.

Together, we can make the green transition into a gHReen transition.



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on the Future@Work

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