



## How to survive the jobs shakeout? Skills, skills, skills, says Randstad's Jacques van den Broek

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**How to survive the jobs shakeout? Skills, skills, skills, says Randstad's Jacques van den Broek**

**Clara Young** [00:00:11] Welcome to OECD podcast, where policy meets people.

**Clara Young** [00:00:18] COVID 19 has pushed most countries into various degrees of lockdown in an effort to save lives. But what effect has the pandemic had on livelihoods? Right now, many countries in the world are focussed on containing the virus and caring for those who fall ill. But in China and most OECD countries, which were hit earlier, they are now emerging from confinement and restarting their economies. Now what about jobs? During confinement, job protection schemes and OECD countries supported one quarter of workers through things like short time work schemes, topped up unemployment benefits and paid sick leave. How long can that last for and what steps should governments take next? I'm Clara Young and I'm virtually joined by Jacques van den Broek. Jacques is the CEO and executive chair of the Executive Board of Randstad, which is a global leader in Human Resources Services. Thank you for joining me.

**Jacques van den Broek** [00:01:15] Yeah, great to be here.

**Clara Young** [00:01:17] The OECD projects unemployment in OECD countries to be 9.4% at the end of 2020 and well over 7% the year after. What kind of jobs are being lost?

**Jacques van den Broek** [00:01:30] Yeah, you should do also look at pre-COVID, if you will. The projections we had was we would be short of people, mainly due to the demographics. Now that has changed. The jobs that were most at danger of disappearing were repetitive white-collar jobs. So most people might think is blue-collar jobs. But actually, that's not what our research shows. So it was very much with insurance companies, government bodies, banks, repetitive white-collar jobs at the moment took over it. The most prevalent is in the U.S. That's where you see where jobs are disappearing, and that is mostly bottom end of the labour markets, retail, fast food, restaurants, those kind of jobs. In Europe, it still remains to be seen, of course, what is going to happen. If you look at sectors, however, then the sectors which are hit most by the crisis are airlines, automotive, events, leisure, hospitality, less hit is gold contact centre type of jobs anything related to online, so mainly logistics, not related to automotive and anything else. And then sort of the usual suspects, by the way, which is health care and education, which are structural demanders of jobs. And that's where we will see a lot of people that are being needed. And lastly, technology, at the high end, but also technology at the low end. That's not a sector in itself but those jobs you could do from home. So we see in our business that those jobs are far less hit than the more physical jobs that you need to perform on site.

**Clara Young** [00:03:12] If I understand correctly, if we're looking at the jobs that are being shed, would it be correct in saying that because of the pandemic, we're seeing lots of job loss in services industry, entertainment, airline industry, that which is rather new because of the pandemic. And we're also seeing a continuation perhaps of the job loss that pre-dated the pandemic, which is in repetitive white-collar work white-collar jobs.

**Jacques van den Broek** [00:03:43] Yeah, well, you should make a distinction between several sectors. There are two sectors which I think need to reinvent itself. The first one being airlines and travel, because I do think that people because of this will, you know, sort of reconsider their means of travel and the frequency of travel, but also automotive. And automotive, I think we should also take into account the

certainly in Europe, when we went into this crisis, we already knew our business was already in negative territory. Our German business and Germany's economy one in eight jobs related to automotive was already quite in decline. And as a long list of things happening to automotive, right? Self-driving cars, electrical cars, car sharing, that sort of things. And certainly the German automotive sector was a bit late to this party, so they need to reinvent itself and time will tell what that means for jobs. Other industries will bounce back. It might take a while for events, leisure, restaurants. I think at the end of the day, you should really ideally as a vaccine, see them fully rebound. But I don't think this this sector needs too long to reinvent itself, just a part of people recreating and that sort of thing. What is quite clear that we are or we have already moved from a health crisis into economic one.

**Clara Young** [00:05:10] Now we've been talking about jobs, but what kinds of people are losing jobs? Women are particularly hard hit. What about other parts of the population that we should be paying attention to?

**Jacques van den Broek** [00:05:21] Yeah, I don't think you should particularly look at the specific target group, so to say. You should look at the jobs that people are having. So the way certainly in Europe, there's a long debate about fixed jobs and job security. But at the end of the day, we don't believe in that. There's only one security and that is your employability. So we think that jobs might disappear, but you need to look at your potential. Your employability is crucial. So let us say airlines. There are a lot of technicians in airlines. They will easily find something else. If you look at the digital shifts, I always say, you know, if you want to have a secure education. I should work either work with your hands, with your head or with your personality, because those typically human traits will take a long time for artificial intelligence to sort of take the job as opposed to the white-collar repetitive ones. Of course, if you are now working in an airline and administrative job, you should seriously think about reskilling and fast.

**Clara Young** [00:06:26] When you talk about, for example, work involving your personality. So we're hearing a lot about empathy, but then we're seeing such a sudden shift towards remote working. The two seem to clash. Are you seeing do you know about technologies that are being developed that can help with the conveying of empathy and personality and emotion over distance when you're not face to face?

**Jacques van den Broek** [00:06:56] fortunately it is not technology. It is us people that need to adjust to the new normal. So in the old world, you started with a phone or an email. You did a follow up. You would then go to the client physically on his premises. So this would take you like two hours, depending on where you are. In this world, like we're doing now, you can easily replace that by four times the amount of calls, but it is a new technique also for myself. I've had many people that I met for the first time, including you, but I think you can connect, you can connect like this, which I think makes the world smaller, and I think there's a lot of opportunities there.

**Clara Young** [00:07:36] In my introduction, I mentioned about the job protection schemes that governments quickly put together during confinement. Just to follow up on that, do you think that there's a bit of a false sense of security right now because of these schemes? What's happening below the surface in the labour market? Because soon we will be coming out of that and countries are doing it at different speeds.

**Jacques van den Broek** [00:08:08] True. That's a good question. I think, first of all, I think most governments have reacted really well. So I've been for a long time in his business and I also lived through the 2009 financial crisis. And there was no government support. So as a company, we really had to refer to firing people fairly quickly. That's not the case now. But in a way, the only thing that a government support scheme does for you as an individual employee is give you time to reflect on your future. So just as an example, we in this country, we've had around 10000 people temps being supported by the government. And we reached out to them individually to see how they were doing, if they found something else, if they were confident that they would remain or they would get back to the same job, or that they were not so confident and that a reskilling or a job change was required. Out of those, a little under 10000, 5000 people said: "Well, I'll wait and see." That is the worst you can do, because at the end of the day, you are responsible as an employee to, you know, to take care of yourself and not to wait for your employer to make a decision. So, yeah, I urge everybody who's currently at home in a government support scheme to really take a hard look at yourself, at your employer at your capabilities and start acting and not to wait for anybody, government or your employer to come to you because that might be too late.

**Clara Young** [00:09:44] and retraining and upskilling is a very big part of being active on that front. What what would you say are the priority skills that people need to be working on?

**Jacques van den Broek** [00:09:57] Well, again, I talked a bit about capabilities that are going to be in need. So those are technical skills, interpersonal skills. Yeah, but sectors like health care, education. So we as an industry can show people where the demand is going to be. And and then, you know, it's up to you, what? But we help. Maybe it's good to talk a bit about reskilling because there's a lot of talk about lifelong learning, and that's all good. But in real life, people are reluctant to reskill. That is just human nature. So the first question is always. And we learnt this from outplacement business because in our outplacement business, there's no choice. So your job is lost. What we first do is we put people in front of a screen to say to them, you know, here, look at some job sites and go, look for a job that appeals to you. And then we sort of virtually watched over the shore. Many people start looking for the job they had, which is partly good news because apparently that's a job you like and you felt comfortable with. But that job is not there, right? So you need to do something else. So the first question is: "Do I need to reskill?" Then you have a conversation and that sort of thing. And then once the sort of mind-set is there that you need to reskill, then of course, the second question is: "Ok. So looking at me, at myself and what I'm good at and not so good at what I like, what I don't like, what do we need to do?" What is your advice? And the third one is: "Ok. Once that's all done, can you take care of me?" Because that is what it is in a way, a pretty traumatic experience. And you want someone, you know, shoulder to shoulder with you to handle that. Having said all that, there is a big appeal to the labour market going forward because if you look at the way, call it labour market policies and unemployment institutions are being managed. It is mostly public. It lacks data. And it lacks, let's say, the manpower to help people on an individual basis. And that's why we are advocating public private partnerships. The use of data, because that's an industry. The HR industry, is the biggest employer in the world. We know where demand and we do have our own consultants with the empathy to help people with this, you know, quite massive change.

**Clara Young** [00:12:24] So indeed, we do need the data to guide people in their change. Is there enough resources in terms of career guidance and counselling advice? Do you think both public and private, you know?

**Jacques van den Broek** [00:12:39] Well, if you would add it all up and you would take the public actors and the private actors and the availability of data, then yes, there is enough. So let me let me paint a bit of how I see this. And it's mostly on a country level. Country level is most relevant. So we know in this country, but in many more countries where the demand is and is going to be, so we can paint an overall picture of, let's say, this country 10 million workforce, demand is going to be there and there and there. Then we can also paint the workforce as a whole. What kind of jobs are they doing? And then on a sort of a macro level, you can sort of defined the gap. Once you've done that, you got an educational demand. And then again, systems change. Educational institutions don't educate for the demand. They educate for yeah, people just want to have an education. That's also a change. So there needs to be way more on demand training, way more education towards the labour market. And then the third level is, OK, how do you get people there? And that is: training people, in a way like we do in our branches every day to take care of people. It might take weeks, might take weeks of training, going back a training all the usual, partly in classrooms or digital. In the U.S., for example, most of the jobs are being created in urban areas. Whereas unemployment is higher in rural former industrial areas. So you need to find a way to either move people or create digital infrastructure so that people can perform jobs where they live. So it's quite a massive undertaking.

**Clara Young** [00:14:21] The OECD, in our employment outlook, which has just come out, finds that two out of five workers work from home during confinement and be upskilled really very quickly. And I think a lot of people are feeling quite proud of themselves, but is being able to use video conferencing platforms like we're doing now. Is it such a game changer? Are we moving forward fast enough to things like incorporating machine learning or analytics?

**Jacques van den Broek** [00:14:53] Yeah. Well, again, pre-COVID we did. We talked about people losing their job, but also for the people that get the job. We said that for 60, 70 percent of people, their job content would change. And, you know, COVID is an accelerator, which is good. Just take one example. I said to my people: "I will not do any physical signing of papers." So even governments are going to, you know, all sorts of digital stuff, which is good. Yeah, it's good, but it's also not good because people also lose a job. Then we go back to the repetitive white-collar jobs, but is good from a, you know, government cost. So if you work with less costs than is good for a country, right? So there is there is a speeding up because of all of this, because we've seen that it works. You've also seen resurgence of many managers have been reluctant to do this, reluctant to work from home. If you got more of a sort of a command and control management. This is something else. At the same time, I do expect a sort of a flattening of organisations which again will speed up job losses of these repetitive middle management, repetitive white-collar jobs. So again, a reset. So please, please, please, even if you're in a job, even if you've been working for 20 years, even if you like the job, take a very holistic approach at what you can do. Compare with the labour market to see if you're safe.

**Clara Young** [00:16:21] amongst the skills that you talked about that we need to look at. Focus on for retraining. We talked about a little about empathy, but we also you also mentioned manual. And I'm wondering from a training point of view, are we using things like augmented reality simulators to work on more manual skills?

**Jacques van den Broek** [00:16:45] Yeah, We are. Last week in Paris in our engineering business, I was in a virtual reality setting where they showed me how I could do maintenance on machines because in this specific setting, they cannot turn off the machines because you know that would be too much productivity loss and sort of a chemical way of working. So it's always at work. So how do you train people? And I

studied law. I'm very technical, but I work with my head, and my hands a bit and with my personality, so I'm OK. But I was in there and I could perform all these tasks. So that is happening. Again, it will speed up has been a lot of online training already. We even got a an online outplacement service that was really, you know, in a way: sitting down, you lost your job. It's almost therapeutic to start with. And we do it online. This company came out of our innovation fund and gaining a lot of traction. You train people, you bolster them in their skills and the self-confidence that you can do a lot online.

**Clara Young** [00:17:49] Now, even though the OECD is clear that any downturn in global trade will hamper recovery. We do hear talk about the manufacturing of especially vital goods like medical supplies coming closer to home. Onshore countries have been spooked by how vulnerable their supply chains are. So given this, what do you see in your crystal ball for the jobs market in terms of manufacturing?

**Jacques van den Broek** [00:18:19] Just looking around for my crystal ball, but I cannot find it. Actually pre-COVID, it was already clear because of the trade wars that you would be very vulnerable if your whole manufacturing base was in China. So already in those days, we saw a lot of companies trying to reconfigure that. So that's important. Also because of wages, you said. So certainly in the southeast of China, wages going up. So you know, we we already saw a bit of a move towards Southeast Asia. So that's happening.

What's also happening is that because of everything we now discussed, wage arbitration becomes less of an issue because in services you can do things quicker. It's not so much the cost of an employer, an employee, sorry. So let me take the example of contact centres. So if you looked at the contact centre of which there are many in the Philippines and in India, and that sort of countries because of wage arbitration, honestly speaking. And you saw hundreds of people doing a relatively small or one dimensional task. If you look at a contact centre today, is not a call centre anymore, a lot has been done through virtual and AI and that sort of thing by the consumer themselves before they enter into physical contact, let's say, with a worker. So therefore, the school's context centres way less people, more complicated tasks and therefore productivity in sort of produced value goes up and wage arbitration is less of an issue. So, yeah, I would see a lot of those movements, which, for example, of a country like Europe would mean that we need to be proactive in immigration. Immigration is a hot potato, but you got like social immigration because of wars and that sort of thing. You also have economic immigration where as Canada or Australia or Singapore, you define an agenda for people that you want and you, you know, you put out the red carpet because it's needed. So I think the biggest mistake we can make is forget the underlying tendencies in the labour market where shortages will again come up. But at the same time, if we don't reskill very proactively, public private, people will be on the one hand unemployed. Eight, nine, ten percent. And, on the other hand, we have scarcity for certain profiles. So that's something we need to avoid. And again, through massive reskilling, taking into account that people are not out of themselves will flock to these possibilities.

**Clara Young** [00:20:54] Randstad is a part of the safely back to work coalition, and we are starting to talk about going back to the workplace for some people anyway in the OECD most recent employment outlook, it's reported that half of all jobs involve people regularly interacting with each other. And we also know that besides these face to face interactions, there have been places like meatpacking plants that have been hot spots for COVID-19 outbreaks. What are the most important back to work safety guidelines that you would emphasise?

**Jacques van den Broek** [00:21:33] Yeah. What is quite specific about the meat industry in this case is that you need to in a way enlarge the health and safety protocol all the way to where people live. There is a shortage of places to live. So people, these people live in relatively small apartments. Then they go with

a van with a lot of people and then they go to work. So those are three different areas and all three need to be taken into account. If you talk about, let's say, the workplace, then it is totally possible, even in these situations to work with partitions, including testing, quick isolation. It is a lot of work. It's a lot of cost. Protective material. And if you don't do that, you run risks. But that is unfortunately what I see happening here.

**Clara Young** [00:22:23] What are the three most important steps that governments should take in their policy regarding jobs? What should they be?

**Jacques van den Broek** [00:22:29] Yeah, in a way, if you look at the current systems that governments have for unemployment benefits, unemployment handling and public labour administration, those systems cannot cope with what's going to happen. That was already the case, by the way, because you already saw in quite a few markets in Europe that on the one hand, you would have relatively low unofficial unemployment, but at the same time, quite big groups that didn't find their way. Pretty much what I said earlier. You know, don't get me wrong here, but public employment is very much related to administrative way of working, and I'm not blaming anybody. It is not to use the use of data. So our company has like 200 million people in our database and we think through technology over time, we can stay in contact with them. You can map all those qualities that people have. So we need to combine. There is public labour market data, private labour market data. Yes, people that that are currently at work with these capabilities. So you need to create this massive data infrastructure. And then the good news is you ask you ask me this. There's enough people also in public employment agency compared with us and the data that we can make this happen, but it's a total revamp. So that's one. good news.

**Clara Young** [00:23:51] Can I just stop you right there? Could I ask you just to clarify when you say we can look at the public unemployment figures, but you're saying, but it doesn't take into account a large number of people who have lost their way. What do you mean by that?

**Jacques van den Broek** [00:24:05] There's a lot of people that wanted to get in the labour market or wanted to work more, but you know, they can't find their way. So you need to proactively, you know, take them by the hand. So that's the first one. And the second one is to take a sort of a longer term approach together with educational institutions, which again is public-private, to define the horizon for a country. First of all, the people you got, the jobs you need, the capabilities you need. Can we do this through massive reskilling programmes and, funny enough, do we also need immigration on top of that? Because that was the case. And unfortunately, I think that will still be the case going forward.

The third one is probably that many. I hope, on the one hand, that many governments will create investment agendas on infrastructure, on digital infrastructure, on green. That's good news. But the bad news is these people are not available while they are quantitatively but are not qualitatively. So if you define such a programme, then by all means make it together with us. I think we're happy to work as an HR industry to support a big chapter to capabilities and necessity in capabilities, so that will help if you don't do that, again, massive unemployment, massive demand and they don't meet.

**Clara Young** [00:25:33] Right? So first point: merging public and private data about the workforce. Second point: knowing how to target education and retraining. And a third point: investment. Well, thank you for speaking to me, Jacques.



**Jacques van den Broek** [00:25:55] A pleasure.

**Clara Young** [00:25:56] And thanks for listening to OECD Podcast. I am Clara Young and to find out more about what we've been talking about. Have a look at the OECD's latest Employment Outlook.

**Outro** [00:26:15] To listen to other OECD Podcasts, find us on iTunes, Spotify, Google Podcasts and SoundCloud.com/OECD.