

BUSINESSatOECD

BUSINESS NEEDS YOU CAMPAIGN

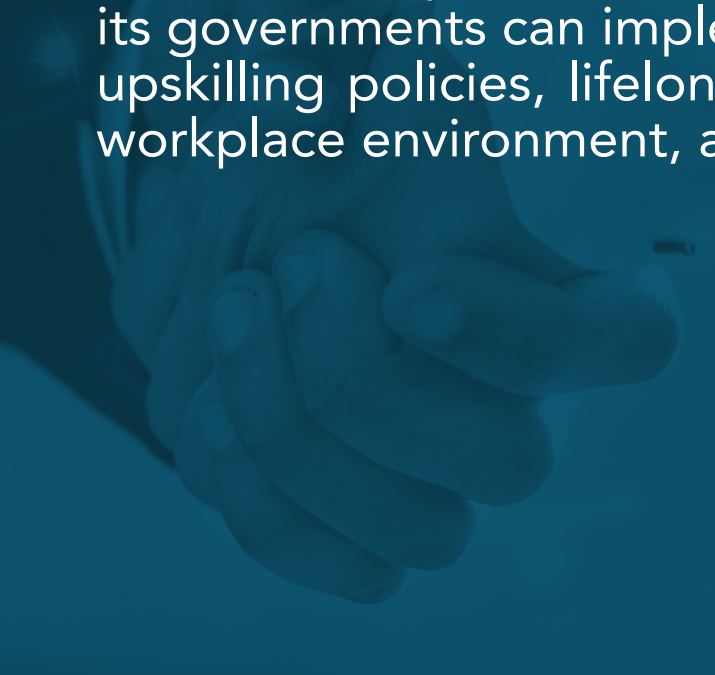
**Equip people, attract talent,
reduce shortages**

Business Actions and Recommendations
September 2022

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attract talent,
reduce shortages**

One of the most pressing problems entrepreneurs and businesses currently face in all corners of the world is skills and labor shortages. The Covid-19 pandemic, together with related border restrictions, rapid digitalization, and other tectonic shifts have greatly exacerbated this issue.

Our business constituents are taking important actions to tackle labor shortages and provide solutions for companies to attract talent and skills, and boost their productivity and well-being. But policy action is needed, and the OECD and its members can play a decisive role. Our 2022 "Business needs You" campaign outlines the business initiatives from our global constituents that show how collective action can address labor shortages and equip people with skills. It also presents recommendations the OECD and its governments can implement to promote reskilling and upskilling policies, lifelong learning, and create a better workplace environment, and attract talent and skills.



A top-down view of a business meeting around a table. The scene is overlaid with a blue tint. Several people are seated around the table, their hands and arms visible as they interact with documents, laptops, and coffee. One person is pointing at a document, another is writing, and others are looking at their devices. The table is cluttered with business-related items: two laptops, several sheets of paper with charts and diagrams, coffee cups on saucers, and glasses of water. The overall atmosphere is professional and collaborative.

Business recommendations

TACKLE THE DOUBLE SKILLS GAP

Serious skills mismatches persist at both global and national levels, where we are witnessing a double skills gap, namely quantitative through a lack of skilled employees, and qualitative through skills mismatch challenges. The shift in the labor market, in terms of new trends moving towards greener and more circular ways of living, as well as adapting to the new normal in the post-pandemic market, calls for more forward looking policies based on labor market needs. Companies need to identify future needs, communicate where current skills-gaps lie, and look ahead to a pipeline of high-potential individuals who have the qualities needed to thrive in the new workplace. Employers recognize that securing needed skills means reducing reliance on formal credentials in recruitment. Instead, a skills-based approach towards hiring and retaining is gaining ground.

How OECD and governments can make a difference:

CREATE

01

the framework conditions for flexible, accessible, practice-oriented and navigable upskilling and reskilling options, based on lifelong learning approaches and give priority to greater availability and financial support of short course training for in-demand skills.

PROMOTE

02

a culture of lifelong learning, which can create talent pipelines through targeted matchmaking programs, paying particular attention to career management firms and services, showing that holistic and personalized advice is important to support especially low-skilled workers in re- and upskilling.

DEFINE

03

what constitutes "in-demand" skills and credentials through dialogue with employer, adapt the education curricula to the labour market needs and improve career guidances. For OECD, provide advice to policymakers to equip workers with skills needed to transition into in-demand sectors.

ENCOURAGE

04

a skills-first approach to hiring by identifying options for a common and trusted framework for skills and credentials recognition, comparing the value of apprenticeships and trainings to the equivalent of an academic degree.

STRENGTHEN EMPLOYMENT PROMOTING MEASURES

The last two years have shown the employer value proposition is changing, as job seekers' expectations for flexible working environments, with opportunities for upskilling and gaining further training and workplace well-being action become more prevalent, complemented by supporting government policy frameworks. Our employers and affiliated companies focus on strengthening employment-promoting and motivation measures including flexible working arrangements including remote work, changing on-call time requirements, and benefits packages that encourage job retention. amongst others. Promoting a "care economy", which promotes work-life balance including for parenting families, is also a common thread across our campaign. Governments have a role in reducing recruitment pressures and providing supporting frameworks for supporting companies and their employees in implementing measures to make jobs more attractive.

How OECD and governments can make a difference:

SHOWCASE

the benefits of employment incentives schemes can have in filling existing jobs that remain vacant and analyze how exemptions from social security contributions paid by employers, or exemptions for employers in hard-hit sectors, can incentivize talent attraction and retention, all the while, closely involving social partners in shaping employment and labor market policy.

INCENTIVIZE

flexible working time arrangements, focusing on both flexible workplace and office hours and showcasing the benefits an improved work-life balance bring to workforce well-being and companies' productivity.

ENSURE

the effectiveness and relevance of current Active Labor Market Policies (ALMPs), and evaluate the impact of the measures introduced or redesigned during the pandemic, while developing long-term strategies fit for the labor market of the 21st century.

STRENGTHEN

care economy policies, paying particular attention to supporting workers with children and providing flexible childcare options, such as removing tax barriers for childcare expenses, supported by highlighting the importance of quality working environment, capturing non-economic aspects of jobs.

LEVERAGE DEMOGRAPHIC CHANGE

Our business constituents encourage the effective mobilization of the talents and resources of all people in society so that they can participate in our economies and benefit from it. We need to approach diversity and inclusion as an added value for companies, including integrating young people into labor markets as we outlined in our “Business for Youth” campaign, and build on awareness campaigns and related positive actions that bring people along and allow companies of all sizes to grow.

How OECD and governments can make a difference:

IDENTIFY 01

in collaboration with business and employers best practice examples of how companies and business associations can address demographic changes, and how policy can support their implementation.

BRING 03

together education and employment policymakers to identify how all parts of society can increase their access to tertiary education and other learning pathways.

FOSTER 02

policies to ensure balanced and inclusive labor market participation and opportunity for all social groups, such as enabling easier access to flexible and remote work, and a range of activation policies such as ALMPs and investment in skills to increase employability of people who are currently not in the labor market.

ENABLE 04

through government incentives the incorporation of women, the silver economy, young people, and all other social groups into company initiatives to increase their participation in the labor market.

USE DIGITAL AND INNOVATION TOOLS TO REDUCE SHORTAGES

Digitization, automation, and robotization of operations streamline business processes and bring new ways of organizing work. The digital and green transitions call for employees with specific skills to implement these trends so that far from “replacing” jobs, employees can guide these new processes to increase productivity while contributing to greening efforts. We need further innovation to guide governments to make the right decisions to support the digitalization and automation of companies to decrease labor intensity and increase productivity.

How OECD and governments can make a difference:

OUTLINE

01

how the uptake of digital technologies can meet the demand for new skills by providing customizable learning materials for workers and improving companies' technology infrastructure.

EMPOWER

02

jobseekers to conduct job search and training online, allowing greater immediate participation and benefits for future utilization of this mode of delivery.

SPUR

03

innovation in business operations and hiring policies, combined with digitalization practices to tackle labor shortages.

WORK

04

with private sector to collect comprehensive forward-looking data on labor market needs, to inform education (including upskilling and reskilling) policy and improve the navigation of existing education programs and economic migration policies.

MAXIMIZE THE POWER APPRENTICESHIPS BRING INTO THE JOB MARKET

Apprenticeships bring tangible win-wins: they allow young people to gain real world insights into entrepreneurial processes and economic activity, while giving employers the ability to recruit and develop a skilled workforce that matches their needs. The involvement of the business community in developing Vocational Education and Training curricula is critical to success, together with the attractiveness and reputation of the VET system being an important indicator of its ability to attract enough students. Continuing vocational education and training is a key to the employability of each and every individual along their whole professional life and to the competitiveness of companies.

How OECD and governments can make a difference:

RECOGNIZE 01

in collaboration with business and employers best practice examples of how companies and business associations can address demographic changes, and how policy can support their implementation.

PROVIDE 03

guidance on how to establish flexible education systems, which enable students to combine education and professional work experiences, and that can more rapidly adapt to shifts in demand for skills.

COLLECT 02

best-case examples and showcase the benefits of various financial incentives for employers to support apprenticeship and work-based learning programs.

DEVELOP 04

the use of certain grant programs to go toward skills education initiatives such as apprenticeships, internships, or other short-term college and university courses.

REDUCE OBSTACLES TO WORKER MOBILITY AND WORK-RELATED MIGRATION

In today's current context, targeted economic migration of qualified foreign skilled workers would enable business to enhance productivity, fill gaps for specialist skills, and promote greener economies. Governments need to recognize the unmet needs of employers and develop more flexible and responsive economic migration policies. Transparent, consistent, predictable, efficient, flexible migration systems that are focused on satisfying the needs of the labor markets can address skills gaps and shortages. Legal pathways and should serve business needs and deter irregular migration.

How OECD and governments can make a difference:

BUILD

01

policy platforms for new systems of migration aimed at fostering work-based migration, raising productivity, while making a clear distinction between asylum as a humanitarian issue and labor migration which should be geared towards businesses' needs.

EQUIP

02

newcomers with necessary tools to foster efficient and less administratively burdensome integration into the labor market, while facilitating changes to the criteria for and approval rate of border exemptions for critical workers and provided direct support to businesses to get through the process, such as simplifications of recognition procedures of foreign qualifications.

INCREASE

03

the resilience of immigration systems by making them more responsive to economic need through an urgently updated and annually agreed shortage occupation list, based on labor market needs.

ENGAGE

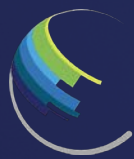
04

in multi-stakeholder dialogue to remove unnecessary barriers and to gain community acceptance to enable the labor mobility that is required to address labor shortages and introduce targeted preferential regimes and talent pools on clear and fair criteria.



Explore our members' initiatives

Share with us how your organization is addressing the challenges businesses are facing due to labor shortages, and how they aim to attract talent and skills, boost workers productivity and well-being.



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