

## **Expected increase in restructuring and layoffs calls for more work transition services.**

**8 February 2021 - Latest market research from the World Employment Confederation (WEC) and the Association of Career Firms international (ACF) shows that the career management industry anticipates further waves of restructuring for 2021 and therefore expects the provision of career transition services to grow by up to 10% globally. The sector warns about the need to watch out for the quality of services in order to guarantee successful and sustainable transitions for workers.**

Labour markets have been shaken up by the Covid-19 crisis, with many businesses facing downturns, restructuring or closures, and millions of workers left with uncertain work prospects. The need for support in navigating transitions is more critical than ever and 2021 market forecasts for the career management sector confirm an increasing demand for professional advice and personalized services to support sustainable transitions and agile labour markets.

According to a survey amongst the members of the sector's main professional associations, the World Employment Confederation (WEC) and the Association of Career Firms International (ACF International), the market for transition support services is expected to further grow globally by up to 10% in 2021, to support over 2.5 million individuals.

### **Public worker protection schemes have only delayed the wave of transitions**

[Regional differences in demand evolution](#) are observed whereas countries with more robust emergency worker protection (in the form of short-time working or subsidised furlough schemes) are generally expected to generate stronger need for work transitions in 2021. With some countries currently applying lay-off bans and expected to grow at up to 30%, the biggest risk is to find a saturated market when the public support schemes end and many workers come to the labour market at the same time.

### **High volumes put pressure on quality of services**

Companies have started to understand the importance of assuming their social responsibility towards their employees and supporting them more generously by using work transition services; hence the expected high volume of demand for services in the wake of the Covid-19 crisis. Career management firms however fear that as available budgets are under pressure and mutual competition has increased sharply, the price pressure could result in low quality services, which eventually jeopardize an employee's chance to land a new work opportunity quickly and ultimately impact the overall trust in the services.

### **Recipe for successful work transition: connections to jobs combined with personal coaching**

Asked about the most in-demand services that employees in transition will be looking for in 2021, career management firms see connections to potential job opportunities as critical. But that alone does not suffice to ensure successful and sustainable work transition. One on one coaching and support in development of job search skills also come up as most result-providing services in the current environment.

### **Virtual delivery accelerates but physical presence remains**

The Covid-19 crisis has accelerated the uptake of digital solutions. Private career management firms, whether global players or boutique companies, remarkably pivoted to offering all their services entirely virtually during the lockdowns. Often, they combine use of virtual platforms with remote personal services. This trend is expected to continue beyond the Covid crisis but many career management firms also believe in keeping an in-person presence in their service offering.

Career transition services become more important in a labour market that is momentarily quite difficult with the Covid-19 crisis and the subsequent economic downturn. This situation is reflected in the forecast by the sector's main professional associations who underline that the challenges of the situation can be offset by quality services.

### **Regional outlook**

In **Europe**, many countries have already experienced layoffs in 2020 despite the rather generous government support programs, with many downsizings done in the form of voluntary leaves or within the caution of social dialogue. As many of the support programs are coming to an end or scaled down, restructurings are expected to further accelerate in the first half of 2021. The career management industry anticipates solid increase in demand by up to 20%. While countries with rapidly reacting markets like the United Kingdom will be in that range, others like France or Germany are expected to see lower levels of demand due to well-functioning social dialogue as well as voluntary leave programs.

In **North America**, markets will rather experience single digit growth in 2021 as demand for professional work transition services had already increased significantly in 2020 due to there being few (Canada) to no (US) worker protection schemes put into place. Looking across **Latin America**, demand for the services will be sustained, but overall sector growth will be impacted by high inflation and low GDP growth. Countries such as Brazil expect little growth and Argentina, Panama and Jamaica are forecasted to contract up to a third.

While the **Asia-Pacific** market is expected to continue to grow, outbreaks in major APAC markets along with trade headwinds from North America and Europe will impact the region's recovery through 2021. Multinational companies are foreseeing moderate consumer spending, private investment and exports for most markets. These prospects will affect employees, whether it is sending employees home, adjusting products or services, requiring operational changes or shutting down operations completely and even relocating operations. This last measure in particular, the relocation of multinationals to markets with more favorable prospects, will increase the demand for career transition services. The career management sector foresees that demand for these services in APAC should be the slowest globally for year over year growth with expected single digit growth.

**About**

The **World Employment Confederation** is the voice of the private employment services industry at the global level. It represents a wide range of HR services, including [career management](#). Career Management includes primarily services such as Outplacement and Career transition, Redeployment and other development services designed to help organisations and individuals to manage changes.

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The **Association for Career Firms International** exists to promote best practice amongst its membership. Members are the boutique career management companies, specializing in particular in the implementation of customization in the field of outplacement, new placement, coaching and related career management activities.

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