

Rethinking the Employer-Employee Relationship



Many organizations have evolved in recent years from business enterprises to socially aware enterprises that listen to, invest in, and actively shape the world around them. Finding shared goals with the employee team is more important now than ever. The pandemic accelerated this movement and put the relationship between organizations and their workers to a profound and stringent test. As public health, economic, and social movements demanded decisive, impactful action by organizations, their commitments to social enterprise principles, including their focus on the well-being of their people, were deeply challenged.

Possible Paths Forward

The pandemic strained worker-employer relationships in many organizations as employers faced significant scrutiny regarding how they support workers' health, livelihoods, and dignity. As a result, developments that might have played out over years were compressed into a matter of months.

In some organizations, pressures related to the pandemic yielded great benefits as workers demonstrated resilience and adaptability to achieve innovative results. At the same time, many organizations faced questions about whether they were doing enough to support and safeguard workers. Some workforce segments, such as perhaps younger workers, minority

groups, and women, were disproportionately affected by the crisis, and some organizations faced backlash for high-pressure working conditions, according to some.

The relationship between employers and workers is shifting, but the form it will take moving forward is not certain. Workers will likely gain greater independence and influence relative to employers. Several factors may influence the relationship between workers and employers, including economic growth; the use of technology in business; unexpected disasters; new regulations; and social divides in education, wealth, and health. Two factors, however, emerge as likely the most influential: talent supply and government impact.

The demand for skilled workers is growing, with seven in 10 employers globally struggling to find workers with the right mix of technical skills and human capabilities. Availability of talent will influence both how workers seek employment and how organizations access and retain them. Talent supply will influence whether organizations invest in reskilling, to what extent workers seek changes in employment or career, and how organizations use the alternative workforce to develop skills and capabilities. Talent supply could also affect how heavily an organization might lean on technology to augment or collaborate with its workforce.

Government action may also affect the roles of workers and employers. The type, consistency, speed, and effectiveness of government action could influence the relationship in multiple ways. Actions to address climate change, social injustice, job creation, wages, enhanced social safety nets and benefits, access to education, and investments in reskilling could play a part. Public policies that might affect organizations as they seek to create work in new geographies, access talent across borders, or leverage alternative workforce segments will influence workforce planning and talent strategies.

In the future, finding shared purpose is the dominant force driving the relationship between workers and employers. The worker-employer relationship is communal, with both looking to leverage shared goals as the foundation for their relationship.



The uncertain future entails risks and opportunities for organizations to consider. Some organizations may elect historical or minimalist responses when faced with the dynamics and conditions associated with a new environment for business. A proactive mindset is more adaptive, enabling organizations to attain the essential elements that must be in place to outperform the competition and succeed in the future.