

Beyond organizational boundaries

HR policies and practices aiming to secure employment

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Chapter 1

Introduction

Chapter 1 Introduction

1.1. Introducing the research area

In the current dynamic work environment, employers seek to have greater flexibility in their workforce to adapt quickly to changes in product markets, enhanced competition and rapid technological developments (Berntson et al., 2006; Kalleberg, 2003). In an organizational context, flexibility can simply refer to 'the capacity to adapt' (Golden & Powell, 2000). Organizations of all kinds, including corporations, governments, international organizations and educational institutions, search for flexibility in their workforce, and the employment relationship is undergoing fundamental changes (Roehling et al., 2000). An employment relationship is the interconnections that exist between employers and employees in the workplace (Armstrong & Taylor, 2014). Instead of a long-term relationship, the bond between employer and employee has become more of a contract-like economic exchange (Tsui & Wu, 2005). It can be stated that the traditional blueprint for career success within an organization is strongly affected by organizational restructuring and global competition, and employee mobility has become critical to the well-being and learning of both employees and organizations (Arthur & Rousseau, 2001). Cascio (2010) refers to organizational restructuring as changes in organizational structure that affect the deployment of employees.

Organizations desiring flexibility and mobility of the workforce often operate within a restructuring situation in which jobs constantly change (as tasks and responsibilities change) or are eliminated to make way for new jobs (Borghouts-Van De Pas, 2016). For example, the robotization and automation of work processes is likely to cause jobs to change or disappear (Arntz et al., 2016; Frey & Osborne, 2017; Went et al., 2015); however, with upcoming technological developments, the destruction of existing jobs is accompanied by the creation of new jobs (Freese et al., 2018; Mortensen & Pissarides, 1998). Altogether, worldwide developments, including economic and health crises, global competition; technological developments such as rapid digitization, artificial

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intelligence (AI), and robotization; and demographic changes prompt a highly dynamic and hard-to-predict labour market (Chkalova et al., 2015; Schmid & Gazier, 2002). Over time, part of the workforce is thus expected, requested or forced to leave their current jobs and become redundant at a certain moment in time. A redundant employee can refer to an employee who is forced to leave his or her job for a reason not related to the employee (McMullen, 2008). A catch-up in restructuring and bankruptcies, and additional job losses and unemployment, is expected in the Netherlands due to COVID-19 with the end of financial support package for jobs and economy (CPB, 2021).

Job losses are of all times. In the Netherlands, between 1999 and 2010, approximately 1.5 million employees lost their jobs involuntarily, in most cases for economic reasons, including bankruptcies (Sprangers & Lalta, 2011). The United States Bureau of Labor Statistics (BLS) estimates that between the early 1980s and 2004, more than 30 million full-time employees lost their jobs involuntarily in the United States (Kalleberg, 2009; Uchitelle, 2006). According to Kalleberg (2009), this is likely even an underestimation due to the wording of the question that was developed to measure primarily blue-collar displacement (employees performing manual labour) in the early 1980s. A more comprehensive indicator of whether employees lost their jobs involuntarily (including white-collar displacements, referring to employees who usually perform their job duties in an office setting) would likely produce a higher biennial layoff rate averaging 7 to 8% of full-time employees, rather than approximately 4% (Uchitelle, 2006). According to Riso et al. (2018), in European Union member states, there was a total job loss of over 4 million between 2008 and 2017, with a peak in periods of downturn in the business cycle (notably during the global financial crisis in 2008-2013).

Strikingly, Kalleberg (2009) points out that although layoffs and involuntary dismissals have always occurred and have fluctuated with the business cycle, the difference is now that layoffs have become a basic component of restructuring strategies. Along with the current health crisis causing millions of employees to lose working hours or their jobs (International Labour Organization, 2021; OECD, 2021), there is an additional concern to discover how unemployment can be prevented and employment can be secured. Besides, it is argued that the COVID-19 pandemic has exposed deep labour market inequalities and to stop making this bad situation worse,