

# UNEMPLOYMENT: A CHALLENGE IN UNPRECEDENTED TIMES

AN OFFICIAL CLIENT UPDATE OF PT HEADHUNTER INDONESIA



November 17th, 2019, the Covid-19 outbreak was identified in Wuhan, China. March 2nd, 2020, it had spread to Indonesia. Since then, cases have plummeted to 17,500 across the nation with a reported fatality rate of 4.8%, which is the highest among Southeast Asian countries. This Covid-19 pandemic has undoubtedly posed a threat for all human being in general and to global economy specifically. If not properly addressed, this pandemic can develop further into an economic crisis, even a financial and a social crisis. We have witnessed some of those.

Many businesses have been pushed beyond their limits to be innovative and ensuring effective cash-flow management to survive. Due to social distancing policy, most companies have had to customize their work strategies, such as having employees work from home, doing virtual meetings, and implementing more drastic measures like postponing payments and purchases to save on cash. As a last resort, many companies have had to put their employees on leave, furlough, or even lay-offs.

Luckily, healthcare industries have experienced an increased demand for workers. In some countries, retired doctors are being asked to go back to work. While manufacturing and construction industries are also more likely to hold off on making big decisions about layoffs. Unfortunately, some industries were hardest hit by this pandemic and might experience lay-off such as travel industry, leisure and hospitality, airline and services. Many restaurants are also hit by a drop of

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transactions as customers have instead stocked up on groceries or opted for food delivery.

The Indonesian government has tried to keep the unemployment rate low for the past five years, but due to the pandemic, the unemployment rate has reached almost seven million people according to the Indonesia Ministry of Labor (Tempo, May 8, 2020), both in formal and informal sectors. Some hospitality and retail companies, such as OYO, AirBnB, and Ramayana Department Store were among those who had to have lay-offs. Companies in the property industry are likely to follow.

## Responses and strategies to cope with unemployment

Undeniably, this pandemic has been difficult for both employers and employees. To help alleviate some of the difficulties, employers should find the best ways to communicate this issue with their employees. For instance, quoting the message from Co-Founder and CEO of AirBnB Bryan Chesky when he had to let go 1.900 employees, he elaborated in a very structured way on how the company came into the decision.

Explanation on how the reduction will be done was also included. Not only he mentioned in details the supports AirBnB will provide such as severance package, equity, healthcare support, but most importantly the support for their ex-employees to connect with other employers to carry on their future career. On final words, he also showed gratitude and apology.

The government has also been wading through these uncertain times. They have provided strategies to assist the unemployed, namely through economic stimulus.

For some industries, they have provided employee tax incentives where certain taxes are waived. And not only do they provide unemployment cards, known as **Kartu Prakerja**, they also provide relevant entrepreneurship training to those who've been affected by the economic fallout. Additionally, they have provided social aid, sometimes even cash, to help the lower-middle class.

The employees who were laid-off are probably the group hardest hit by this pandemic - some have received no severance packages. However, hope is there. In fact, our candidates, those who've been laid off, are able to find new jobs quickly. And surprisingly,

some companies are actively hiring in May 2020 since they could not wait for the pandemic to end. Businesses must still run, after all.

For those seeking another jobs, being visible to new opportunities is not a shame, especially in lieu of this global crisis. Being active and adding networks through LinkedIn, connecting with headhunters, and talking with Human Resources Managers or Recruitment Managers might be one way for people to weather this storm.

Flexibility to cross industries is probably necessary - conduct more research on which industries are thriving, surviving and bleeding, then focus on applying on the thriving ones. Entrepreneurship might be another way, as well.

## Conclusion

These are definitely unprecedented times. The discussion between fear and hope escalates. According to Hope Theory by eminent positive psychologist Charles R. Snyder, "Hope involves the will to get there and different ways to get there." So, we can either choose a growth mindset and hope, or we can choose otherwise.

Hopefully, this pandemic will be over very soon and everything will be back to normal, although the definition of normal will be different after this pandemic. The way we interact with each other more at a distance, the use of technologies, and working from home will be the new normal. Quoting Brian Tracy, a motivational public speaker and self-development author, "**Look for the good in every situation, seek the valuable in every setback, look for the solution to every problem, think and talk continually about your goal.**" If we are able to get through this, we need to ensure that we have transitioned into a new kind of human being - stronger, open and focus-minded, and the ability to grow.

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