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FOREIGN EXPERIENCE IN MAINTAINING ORGANIZATIONAL SUSTAINABILITY UNDER WORKFORCE OPTIMIZATION

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Abstract: The article analyses foreign practice in maintaining the sustainability of organizations during workforce adjustment. Four institutional models are distinguished — internal working-time flexibility, the internal labour market, transition-based employment security and skills-based security — and examined through the experience of Germany, Japan, Sweden and Singapore. Evidence on the scale and effectiveness of job-retention schemes during the 2008–2009 and 2020 crises is summarized: take-up across OECD countries peaked at around 20 per cent of employment in April–May 2020 and fell to 1.3 per cent by late 2021. The models are compared across six criteria, and the conditions under which each becomes transferable are identified. The article concludes with an assessment of which instruments are applicable in Uzbekistan and in what form.

Key words: workforce optimization, job-retention schemes, short-time work, internal labour market, job security councils, lifelong learning accounts, flexicurity, organizational sustainability.

ISH O‘RINLARINI OPTIMALLASHTIRISH SHAROITIDA TASHKILOTLAR BARQARORLIGINI SAQLASHNING XORIJIY TAJRIBASI

Annotatsiya: Maqolada ish o‘rinlarini optimallashtirish sharoitida tashkilotlar barqarorligini saqlashning xorijiy amaliyoti tahlil qilingan. To‘rtta institutsional model — ish vaqtining ichki moslashuvchanligi, ichki mehnat bozori, o‘tish davri kafolatlari va malakaga asoslangan kafolatlar — Germaniya, Yaponiya, Shvetsiya va Singapur tajribasi misolida o‘rganilgan. Modellar oltita mezon bo‘yicha qiyoslanib, ularning O‘zbekiston sharoitiga tatbiq etilishi mumkin bo‘lgan shakllari aniqlangan.

Kalit so‘zlar: ish o‘rinlarini optimallashtirish, bandlikni saqlash dasturlari, qisqartirilgan ish vaqti, ichki mehnat bozori, o‘tish kengashlari, uzluksiz ta’lim hisobvaraqlari.

Introduction

When demand falls, an organization faces a choice between adjusting the number of workers and adjusting something else — working time, wages, the allocation of tasks, or the pace of investment. The choice appears to be a purely managerial one, but in practice it is heavily shaped by the institutional environment in which the organization operates. The same decline in orders

produces mass dismissals in one country and a temporary reduction of working hours in another, and the difference is explained less by management philosophy than by the instruments the national system makes available.

This observation gives comparative analysis its practical value. Countries that developed institutions for internal adjustment before a crisis were able to preserve employment relationships through it, and their organizations retained the competence base needed for recovery. Countries without such institutions absorbed the shock through unemployment and subsequently paid the cost of rehiring and retraining. The 2008–2009 financial crisis and the 2020 pandemic produced a large body of evidence on both outcomes, and this evidence is now sufficiently settled to support generalization.

For Uzbekistan the question is not abstract. Structural reform of state participation in the economy, the digitalization of administrative and production processes and the optimization of management structures all generate workforce adjustment at the level of individual organizations. The instruments available to organizations facing such adjustment are, at present, comparatively limited. Examining how other countries have equipped their organizations for the same task is therefore directly relevant to national policy design.

The aim of this article is to analyse foreign experience in maintaining organizational sustainability under workforce optimization and to determine which elements of that experience are transferable to the conditions of Uzbekistan. The tasks are as follows:

– to distinguish the principal institutional models of employment adjustment and identify their underlying logic;
– to summarize the empirical evidence on the scale and effectiveness of job-retention instruments in recent crises;
– to compare the models across a common set of criteria and identify the preconditions each requires;
– to assess the applicability of specific instruments to Uzbekistan and propose the form in which they could be introduced.

The study uses comparative institutional analysis, the analysis of international organizations' statistical publications, systematization and generalization.

Literature review

The theoretical foundation of comparative work in this field is the distinction between external and internal flexibility. External flexibility adjusts the number of employment relationships; internal flexibility adjusts the content of those relationships — hours, tasks, location and pay — while preserving them. The literature on employment protection legislation established that the two are substitutes: systems with strong dismissal protection develop internal flexibility instruments, while systems with weak protection rely on hiring and firing.

The concept of flexicurity, developed in the Danish and Dutch policy debate and later adopted in European Union documents, reframed the trade-off. Its central claim is that security for the worker need not come from protection of the specific job but can come from protection of employability — supported by active labour market policy and income support during transitions. This shifts the object of protection from the post to the person and has direct implications for

organizational sustainability: an employer able to release a worker into a functioning transition system faces lower social and reputational costs than one releasing a worker into unemployment.

A second strand of research concerns short-time work. Studies of the 2008–2009 crisis established that such schemes preserved a substantial number of jobs but also carried deadweight and displacement costs, supporting jobs that would have survived anyway and delaying necessary reallocation. The assessments of the 2020 experience broadly confirm both findings: the schemes were effective in preventing a surge in unemployment, while the estimates of the number of jobs saved remain subject to considerable uncertainty.

A third strand examines the Japanese model of the internal labour market, in which adjustment occurs through the redeployment of workers within a corporate group rather than through dismissal. The practice of shukko — the temporary transfer of an employee to an affiliated company while the original employment contract is retained — has been studied both as a mechanism of knowledge transfer and as a means of reducing personnel expenses. The research literature notes that layoffs in Japanese manufacturing were traditionally a last resort, preceded by reductions in overtime, job rotation and shukko, the curtailment of mid-career hiring, the non-renewal of part-time contracts and voluntary early retirement programmes.

A fourth strand concerns the Swedish job security councils, bipartite bodies established through collective agreements between employers' organizations and trade unions and financed by employer contributions, which provide transition services to workers dismissed for economic reasons. The distinctive feature of this institution is the absence of direct government involvement and the early timing of intervention, which begins at the notice stage rather than after dismissal.

What is missing from this literature is a systematic treatment of transferability. Most comparative studies describe national systems without specifying the institutional preconditions that make each instrument workable, which leaves policy makers in transition economies with a catalogue of practices and no criterion for selection. This article addresses that gap by making the preconditions explicit.

Main body

Four institutional models of employment adjustment

The national systems examined here can be reduced to four models, each resting on a different answer to the question of what should be protected: the hours, the employment relationship, the transition, or the skill.

The first model, internal working-time flexibility, is exemplified by the German system of short-time work. When demand falls, working hours are reduced rather than staff numbers, and the state compensates part of the resulting wage loss. The employment relationship, and with it the accumulated firm-specific knowledge, remains intact. The model presupposes an administrative apparatus capable of verifying the decline in activity and processing large volumes of applications quickly.

The second model, the internal labour market, is characteristic of large Japanese corporations. Surplus personnel are redeployed within the corporate group through rotation and secondment, with dismissal treated as a measure of last resort. The model presupposes group structures with multiple employers among which labour can be redistributed, and a long-term employment norm that makes such redistribution socially acceptable.

The third model, transition-based security, is represented by the Swedish job security councils. It accepts that the employment relationship will end but organizes the transition to a new one through counselling, retraining and income support, beginning at the notice stage. The model presupposes strong social partners capable of concluding and financing collective agreements without state administration.

The fourth model, skills-based security, is associated with Singapore's lifelong learning policy, under which individuals hold personal training entitlements usable with approved providers, and conversion programmes support movement between occupations. The model presupposes a developed market of certified training providers and reliable forecasting of skill demand.

Table 1. Institutional models of maintaining sustainability under workforce adjustment

Model	Country example	Principal instrument	Source of financing	What is protected
Internal working-time flexibility	Germany	Short-time work allowance for reduced hours	Social insurance, state budget	The employment relationship and firm-specific knowledge
Internal labour market	Japan	Rotation and secondment within the corporate group (shukko)	The employer group itself	Continuity of employment and group-level competence
Transition-based security	Sweden	Job security councils providing counselling, retraining, income support	Employer contributions under collective agreements	The speed and quality of the transition to a new job
Skills-based security	Singapore	Individual training entitlements and conversion programmes	State budget with employer co-financing	The employability of the individual

Source: compiled by the author on the basis of the sources reviewed.

Evidence on the scale and effectiveness of job-retention instruments

The 2020 crisis produced the largest natural experiment in employment adjustment policy on record. By May 2020, job-retention schemes across OECD countries supported approximately fifty million jobs, roughly ten times the number supported during the global financial crisis. Demand for support varied widely across countries, reflecting both the severity of restrictions and the design of national schemes (Figure 1).

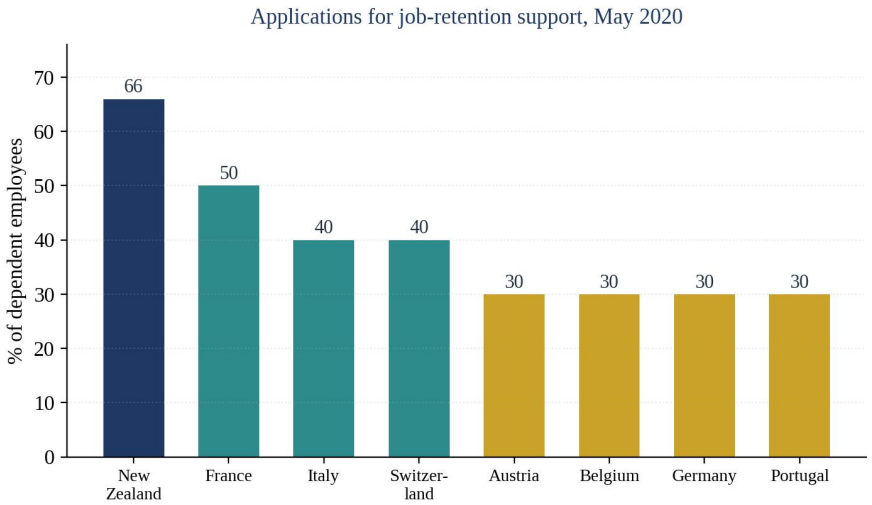


Figure 1. Applications for job-retention support, May 2020, per cent of dependent employees

Source: compiled by the author on the basis of OECD (2020); values are approximate.

Actual take-up was generally lower than the volume of applications, since not every approved firm used the scheme to the full extent. In Germany, actual take-up reached about nineteen per cent of employment in May 2020, compared with roughly four per cent at the peak of the global financial crisis — an increase of nearly fivefold in the same institutional framework (Figure 2). Across OECD countries as a whole, take-up peaked at around twenty per cent of employment in April–May 2020 and fell to 1.3 per cent by November–December 2021, indicating that the instrument functioned as intended, expanding sharply in the acute phase and contracting as activity resumed.

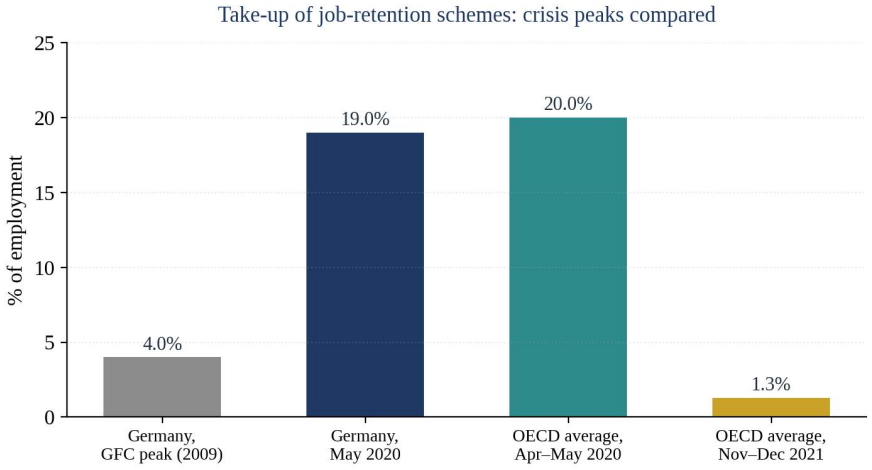


Figure 2. Take-up of job-retention schemes: crisis peaks compared

Source: compiled by the author on the basis of OECD (2020; 2022).

Estimates of employment preserved are necessarily model-dependent. European assessments of the 2020–2021 period place the number of jobs saved in the European Union at roughly twenty-

seven million, with five large labour markets accounting for the greater part of that total. The OECD's own assessment suggests that in the absence of such schemes the decline in employment would have been substantially larger than the decline actually observed. These estimates should be treated as orders of magnitude rather than precise measurements, but their direction is consistent across independent sources.

Evidence on transition-based instruments points in the same direction through a different mechanism. Swedish job security councils, which cover a large majority of the workforce and are financed by employer contributions set as a small percentage of payroll, report high rates of transition into new employment: the largest council placed the great majority of its clients in new jobs within a year of notice. Comparative work indicates that re-employment rates for displaced workers in Sweden exceed those of other countries with available data, and attributes this outcome principally to the early timing of the intervention — support begins when notice is given, not when unemployment begins.

Comparative assessment and preconditions for transfer

Table 2 compares the four models across six criteria that determine whether a given instrument can function in a particular institutional setting.

Table 2. Comparison of the models across institutional criteria

Criterion	Internal working-time flexibility	Internal labour market	Transition-based security	Skills-based security
Role of the state	Decisive — finances and administers	Minimal	Indirect — legal framework only	Decisive — finances entitlements
Role of the employer	Initiates and retains the worker	Redistributes within the group	Contributes and gives early notice	Co-finances and releases time
Timing of intervention	During the decline in activity	Before dismissal becomes necessary	At the notice stage	Continuous, independent of crisis
Main precondition	Administrative capacity to verify and pay quickly	Existence of corporate groups	Strong and representative social partners	Market of certified training providers
Principal risk	Supporting non-viable jobs, delaying reallocation	Concealed underemployment within the group	Uneven coverage of sectors and firm sizes	Mismatch between training taken and skills demanded
Effect on sustainability	Preserves firm-specific competence	Preserves competence at group level	Reduces social cost and reputational	Raises adaptive capacity over the long run

Criterion	Internal working-time flexibility	Internal labour market	Transition-based security	Skills-based security
			damage	

Source: compiled by the author.

The comparison yields a conclusion of some importance for policy transfer. None of the four models is universally superior; each is efficient under the conditions that produced it. Short-time work requires administrative throughput; the internal labour market requires group structures; transition councils require social partners with genuine bargaining capacity; training entitlements require a provider market. Attempting to import an instrument without its precondition produces the form without the function — the most common failure in policy transfer.

A second conclusion concerns timing. The instruments differ substantially in when they engage: during the decline, before dismissal, at notice, or continuously. The earlier the engagement, the lower the cost of preserving competence. This ordering is more robust than any ranking of the models themselves, and it suggests that the first question for a national system is not which instrument to adopt but at what point in the adjustment process the system currently has no instrument at all.

Applicability to the conditions of Uzbekistan

Assessment of transferability must begin from existing conditions rather than from the attractiveness of the instruments. The national legal framework already provides a foundation: the Law on Employment of the Population defines the retraining and requalification of persons in need of employment as a direction of state policy, and the Labour Code regulates the obligations arising when staff numbers are reduced. Institutionally, however, the instruments available to an organization between the decision to reduce staff and the actual dismissal remain limited.

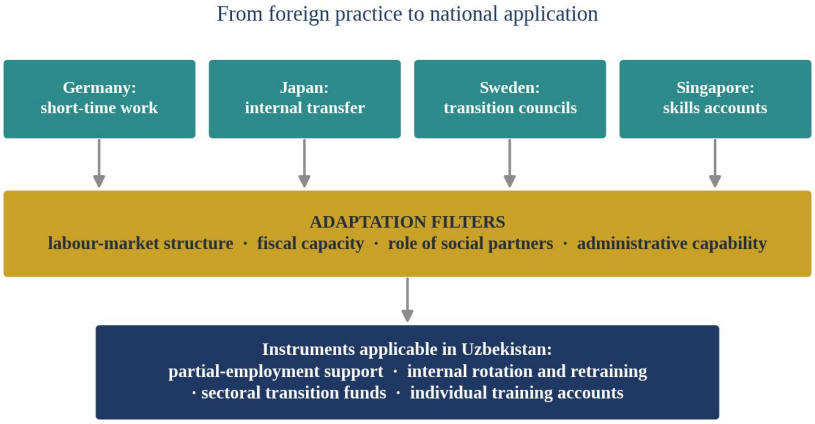


Figure 3. From foreign practice to national application

Source: developed by the author.

Table 3 assesses each instrument against the preconditions that exist or can realistically be created.

Table 3. Applicability of foreign instruments to the conditions of Uzbekistan

Instrument	Precondition required	Current state of the precondition	Recommended form of application
Support for temporarily reduced working time	Administrative capacity to verify activity decline and make rapid payments	Partially present; digital reporting infrastructure is developing	Pilot scheme in selected sectors with a fixed duration limit and simple eligibility test
Internal rotation and retraining before dismissal	Documented processes and a mapped competence base within organizations	Weak; competence mapping is not a standard practice	Require a redeployment review prior to any reduction in state-participated enterprises
Sectoral transition funds	Employers' associations able to administer pooled contributions	Emerging; associations exist but administrative capacity varies	Begin in one or two concentrated sectors with tripartite governance
Individual training entitlements	Market of certified providers and skill-demand forecasting	Provider market is growing; forecasting is fragmented	Link entitlements to a published list of shortage occupations

Source: compiled by the author.

Two instruments emerge as realistic in the short term. The requirement to conduct a redeployment review before reducing staff imposes almost no fiscal cost and addresses the earliest point in the adjustment process, where the cost of preserving competence is lowest. A time-limited scheme supporting temporarily reduced working hours in selected sectors is more demanding administratively but builds on infrastructure that is already developing, and its design can be tested before any general extension. The remaining two instruments require institutional development that cannot be compressed into a short horizon, but both can be prepared in parallel.

Conclusions and recommendations

The analysis supports the following conclusions.

First, national systems differ not in whether they adjust employment but in what they protect when they do. Four models can be distinguished — internal working-time flexibility, the internal labour market, transition-based security and skills-based security — each protecting a different object and each efficient under its own institutional preconditions.

Second, the experience of the 2020 crisis confirms the effectiveness of internal adjustment instruments at scale. Take-up of job-retention support across OECD countries reached approximately twenty per cent of employment at its peak and contracted to slightly above one per

cent within eighteen months, demonstrating that a well-designed instrument expands and withdraws in response to need rather than becoming a permanent subsidy.

Third, the effectiveness of transition instruments depends primarily on the timing of intervention. Systems that engage at the notice stage achieve markedly higher re-employment rates than those engaging after unemployment has begun, which indicates that the decisive variable is not the volume of support but its position in the adjustment sequence.

Fourth, policy transfer fails when an instrument is imported without its precondition. The relevant question for Uzbekistan is therefore not which national model to follow but at which point of the adjustment process the existing system offers organizations no instrument.

The following recommendations are proposed:

– introduce a mandatory redeployment review prior to any reduction in staff numbers in enterprises with state participation, requiring the employer to document which functions are being eliminated and which internal vacancies were considered;

– pilot a time-limited scheme of support for temporarily reduced working hours in selected sectors, with a simple eligibility test, a fixed maximum duration and mandatory evaluation before any extension;

– develop sectoral transition arrangements on a tripartite basis in one or two sectors with concentrated employment, using employer contributions set as a small percentage of payroll, following the logic of the Swedish councils rather than their exact form;

– link individual training entitlements to a regularly published list of shortage occupations, so that the training market responds to measured demand rather than to provider supply;

– establish reporting on transition outcomes — the share of released workers re-employed within six and twelve months — since without this indicator the effectiveness of any of the above instruments cannot be assessed;

– direct further research towards the empirical evaluation of pilot schemes, since the transferability of each instrument is ultimately an empirical question that comparative analysis can frame but not settle.

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