



Labor and employment attorney and consultant Julián de Diego stressed the disconnect between the world of work today and the Employment Contract Act, as well as the impact of new technologies and young generations.

"The Employment Contract Act is a failure," says business legal consultant Julián de Diego. "The problem is that this law addresses issues that are no longer under discussion. Today issues have to do with the transformation process," says the lawyer.

A key aspect of the so-called *Ley Bases* was the amendment of Argentine labor laws, which date back to 1974. "The latest significant labor reform was carried out by Norberto Centeno, at Juan Domingo Perón's request. After his death, it was approved without debate by a unanimous vote. And it sought two main goals: list all the rights that were scattered and disorganized, and gather them in a single body of laws," said de Diego at the ninth edition of the Human Resources Summit, organized by LA NACION. In a one-on-one interview with José Del Rio, Secretary General of LA NACION Editorial Department, he said that "those goals have changed. So the current legislation is outmoded."

According to this expert, new regulations should focus on two new objectives. It is now more important than ever to adapt Argentine legislation to new exponential technologies, which include not only computing and robotics, but also Artificial Intelligence. In contrast, under these new market conditions, special attention should be paid to job creation.

The bill is now being debated in the Senate. And the main issues it contains include: an extended probationary period; the possibility of a redundancy fund in lieu of severance pay; and no penalties for unreported employment.

Julian De Diego: "The lawsuit industry is under threat from labor reform"

"New technologies pervade everything, so we need to be ready. Human Resources leaders realize that their tools are deteriorating rapidly and may disappear within a few months or even days, not years," he said.

From exporting to internationalization

When analyzing the factors that have led to the end of traditional management models, de Diego pointed to two main issues. "Models based on talent retention, incentives and motivation, which were widely used a decade ago, are no longer appealing to employees. People do not want benefits in two years' time, because most likely they will land another job. They'd rather have detailed information about their year-end bonus, to see if by meeting certain targets, they can earn more money, he said.

And there is also another phenomenon that is leading to a collapse in employment: individual initiative and entrepreneurship. "Transformation applies not only to companies but also to people, who want to shape their future lives well above what the best organizations can offer. In addition, staying in the same job for a long time is no longer an important value, which clashes with the goal of talent retention. According to him, transformation is happening faster than organizations can handle.

Julián de Diego's conclusion

In other words, de Diego also highlighted service exporting. "Years ago this was the goal. Nowadays, however, services are delocalized: you can work from Chile, Mexico or any African country as long as you have Internet access and technology to stay connected. The meaning of exporting is lost, because services are internationalized, he said.