



Will we Face a New War for Talent? Some Insights into the OECD Report, *Retaining Talent at All Ages*

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In the late 1990s, the consulting firm McKinsey&Company provocatively coined the expression ‘war for talent’ due to the increasing difficulty of companies in attracting and retaining talent in a radically changed economic and social environment. Among the causes for this state of affairs were new demographic trends, technology and the global approach to the economy. More than two decades later, the situation does not seem to have improved. According to the OECD’s report "[Retaining Talent at All Ages](#)", even before the pandemic (2019), 55% of employers struggled to find workers, a percentage that rose to 75% in 2022. This increase prompted discussions on how Covid-19 has exacerbated the changes underway, pointing out the difficulty to recruit skilled workers and the need to invest in talent.

In addition to labour shortages, job tenure, i.e. the time a person stays in the same company, also decreased by 9 months between 2012 and 2019. Especially for younger people, this trend has meant looking for a new job that better meets their needs and ensure higher quality. Specifically, for young workers aged 15 to 29, the average duration in employment in 2019 was 2 years and 5 months. This contrasts with the significantly higher figure for workers aged 30 to 54, whose average duration was 10 years and one month, and older workers, aged 55 to 64, with an average of 18 years and 10 months. This gap is illustrative of a new approach to work for young people. Rather than on job stability, the focus is on personal fulfillment and professional development.

After changing employment, evidence shows that the tendency of the older workers is to remain inactive or unemployed, due to the approaching retirement age and the obsolescence of skills, as well as to the greater difficulty in adapting to new work settings. The issue of an aging workforce is also linked to the intergenerational dimension of today’s work and organizations, which requires one to implement lifelong learning and skill exchange mechanisms to ensure an exchange between the new skills developed by younger generations and the know-how possessed by senior workers. Looking at young people, seeking new employment results in finding another job (i.e. job hopping) in line with one’s needs. Reduced job tenure and the increase in turnover, especially among young people, can be explained with a new perception of the world of work, as the “work-in-exchange-for-remuneration” approach is no longer the only factor at play.

According to the OECD report mentioned before, when moving between jobs, young people (25-29 years old) consider as crucial elements the fact that they feel undervalued (30 percent), the fact that they want to undertake a new career in line with their passions (25 percent), the lack of career advancement (25 percent) and the lack of growth from a professional point of


view (20 percent). Consequently, quality of work represents a parameter that is no longer secondary and must be equated to the more traditional one, i.e. remuneration.

In this regard, sound HRM practices, including career support, coaching and feedback, and trusting relationships, can produce a major effect on employee satisfaction and talent retention. Autonomy and participation in decision-making is equally important, as formal and informal recognition has emotional and motivational impacts on people.

Work-life balance is a further factor to consider when attracting and retaining young talent or when dealing with the needs of senior workers. **According to the foregoing OECD report, flexible working hours can improve employees' perceptions of their work-life balance.** Although flexibility cannot be applied equally to all career paths, greater attention to it can improve employee retention. The report goes on to point out that higher flexibility produces greater productivity (80 percent), greater job satisfaction (60 percent) and a greater ability to recruit and retain employees (35 percent). It is therefore important to ensure trust in the relationship between company and worker.

In operational terms, **in order to reduce the effects of another "war for talent", a cultural and a managerial revolution must be enacted.** It is important to become aware of the need for a change in personnel care and understand people's needs, in order to ensure individual and organizational well-being as well as productivity. In this regard, high turnover rates and the erosion of job tenure – if not adequately and strategically addressed – can affect companies and become an obstacle to their development. While it is impossible to stop change, with young people grappling with unstable careers, a new approach can be implemented to attract, train and retain talent, in collaboration with local bodies and organizations, regardless of their size.

As the report shows, **large companies and organizations have understood the current transformations, implementing measures to govern them and bring about changes in personnel management processes.** Smaller companies are still struggling from both a conceptual and implementation point of view, due to organizational difficulties. In this context, the risk is that personnel management is only conceived as administration practices, therefore failing to organize business strategically. Institutions and the social partners are therefore the key to establishing local networks and best practices that support small- and medium-sized organizations, to keeping up with the times and changes and to better responding to the needs of people in a changing world of work.

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