AUGUST 2021

RESEARCH REPORT

TALENT4LIFE EMPIRICAL RESEARCH STUDY

TALENT MANAGEMENT AS STAFF RETENTION APPROACH IN EUROPE'S SMES

Talent4LIFE

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ABOUT TALENT4LIFE

The project Talent4LIFE aims to improve the development and retention of employees with a focus on employees aged 45+ years. Therefore, the project will develop a model including instruments for Talent Management-based staff retention for European businesses, especially SMEs. Being an agile and adaptable company is key in order to react to political, economic, environmental, and societal changes and thus prepare for current and future challenges. This research report is the first main outcome of the Talent4LIFE project, in which four outcomes are envisaged:

- Empirical Research Study
- Model Handbook
- Personal Development Plan
- Green Paper for Sustainability

This research report provides insights of the Talent4LIFE empirical research study. It presents results of the analysis of the current state of European companies regarding Talent Management (TM) based staff retention, focusing on staff 45+. To analyse this topic, six focus groups and an online survey reaching 190 responses from six partner countries were conducted.

Find out more about the Talent4LIFE project and its results at talent4life.eu.

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ABOUT THE PROJECT CONSORTIUM

The Talent4LIFE project brings together a strong international project consortium of seven different organisations from six European countries, all active in the field of vocational education and training. The lead partner organisation is the Styrian Economic Chamber (Wirtschaftskammer Steiermark).

Wirtschaftskammer Steiermark (AT)

S.E.A.L. Cyprus (CY)

IHK-Projektgesellschaft mbH (DE)

Future in Perspective Ltd. (FIPL) (IE)

brainplus- Projektmanagement Schabereiter (AT)

START Development Foundation (HU)

Federación Vizcaina de Empresas del Metal (FVEM) (ES)

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ABBREVIATIONS & DEFINITIONS

SME	Small and medium-sized enterprises
HR	Human resources
HRM	Human resource management
TM	Talent Management
TMS	Talent Management System

Talents are understood as potentials, skills and competences that can be of actual or future use for success of an organisation.

Employee retention: Sutner (2018) defines employee retention as "the organizational goal of keeping talented employees and reducing turnover by fostering a positive work atmosphere to promote engagement, showing appreciation to employees, and providing competitive pay and benefits and healthy work-life balance."

Within this report, the term *organisations* refers to companies and SMEs.

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INTRODUCTION

The Talent4LIFE Project has been established against two increasing challenges, which are facing the European economy and European small and medium-sized enterprises (SMEs) in particular - demographic transition and digitalisation. The demographic transition leads to an aging workforce and fewer younger, skilled workers for enterprises to recruit (Statistics Austria, 2021). Furthermore, digitalisation and new technology require special skills in every economic sector and therefore applies to almost all positions (World Economic Forum, 2020). For SMEs in Europe, managing the effects of these two trends is crucial for survival. Each economic sector has to employ not only talented workers, but also workers who are able to apply digital skills and deal with changing demands.

However, it has become extremely difficult to find young talented employees within Europe. The "war for talent" has already started and in front of the increasing demographic challenge with an ageing workforce, the identification and hiring of new young talent while neglecting the older, skilled workforce is no longer the option nor solution. A viable solution to tackle this situation is the approach of intergenerational staff retention through active Talent Management and Development within companies. Generation management is focussed on using the knowledge and talent already working at the company effectively. Being an agile and adaptable company is therefore key to reacting positively to these changes and thus mastering current and future challenges.

Moreover, workers 45+ years' have most likely experienced quite consideration changes in their professional lives and workplace environment, which can have a considerable impact on their motivation, values, and skills. Some of these workers have finished their family lifecycle, established their lives in terms of housing, leisure, interests, and work-life-balance. Many employees have developed their skills, taken on more responsibility, held senior positions and increased their salary along the way. . However, around this age, their growth may have somehow slowed down or stopped as they are already supervisors, line managers, senior team members etc. and further development opportunities within companies may seem limited.

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Especially in SMEs, where promotion and progression is capped due to company ownership and sometimes do not have much to offer or grow these employees, who are at the peak of their corporate careers. If businesses and especially SMEs, due to their size and therefore more limited possibilities, are not able to make an appropriate offer to this target group of workers, the consequences can be detrimental. As a result, SMEs need support through a modern Talent Management-based staff retention approach to manage the changes triggered by demographic developments and digitalisation.

The main aim of this research report is to present the findings of our investigation into the needs and requirements of SMEs to create an effective intergenerational Talent Management approach that allows for national and international competitiveness. .All types and levels of human resource management persons (e.g., HR personnel, CEOs, managers, etc.) are addressed in this research and hence supported in this project, so that they can better understand the benefits of effective Talent Management, generation management, staff retention and staff development. These positions are typically in charge of managing the shortage of skilled workforce and identifying, retaining, and further developing talent in companies through targeted and specific programmes.

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BACKGROUND

In this chapter, we introduce the background to the Talent4LIFE study. Firstly, the Talent Management approach is explained to give an overview of the topic. Secondly, the importance of generation management and the inclusion of employees 45+ years is presented, and thirdly, it is explained why SMEs are the core target group of this research and the Talent4LIFE project.

THE IMPORTANCE OF TALENT MANAGEMENT

Integrated Talent Management is a holistic organisational approach involving the organisation's strategy, culture, and HR practices, which aims to make use of the whole potential of the employees to master current and future challenges. In contrast to the conventional approach, which only focuses on developing the high potentials, which make up around 3-10% of employees in an organisation, a Talent Management System regards all hired employees as talents. It acknowledges not only the top 3-10% but all employees as talents and crucial for the business success (Hehn, 2016, pp. 3–4).

"Trust in Talent", a recent study conducted by Kienbaum, revealed that over 80% of HR managers see a strong need for effective Talent Management. However, only every other European company seems to have their own talent strategy (Kienbaum Consultants International GmbH, 2018). These numbers show the need for further training and consultancy offers for SMEs.

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BACKGROUND

A Talent Management System is not only an update of or a new term for a HR strategy, but a comprehensive approach involving the whole organisation. The three pillars below provide the basis for Talent Management:

- the organisation's strategy, giving the direction,
- the corporate culture, paving the way, and
- HR practices, implementing personnel processes (Hehn, 2016, p. 3-4).

STRATEGY

Talent Management is further defined as an organisation's strategic approach in attracting, hiring, managing, and retaining employees that possess talents which are needed to achieve and sustain success. Organisations depend on their employees' used talent to achieve their goals and vision. To head in the right direction, it is imperative that organisations have a clearly defined Talent Management philosophy as part of their organisation's strategy. This Talent Management philosophy should be the guiding principle dictating how organisations strategically hire, manage and retain their talent and how all important 'talent-related' decisions are made (Fessas, 2016).

As such, the concept of Talent Management involves a holistic and continuous process in managing the abilities and competencies of employees within an organisation; one that is not restricted to recruiting the right candidate but extends to exploring their qualities and investing in further developing them. A practice whose importance is continuously rising due to the shifting trends in business and employment that regularly demands from workers new, specialized skills as well as adaptability to new roles and positions (Hehn, 2016, p. 185).

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CORPORATE CULTURE

Different values and norms of society, companies and individuals interact with one another and shape the work and management culture. To give an example, leadership styles have different effects on a company's work culture, depending on the profession and industry and on how motivated or productive employees feel. On the one hand, a competence-oriented, inspiring leadership style has a positive effect on motivation, whereas a delegative leadership style, for example, has a positive effect on productivity. On the other hand, a strongly performance-oriented management style can have a negative effect on the resilience of employees. A good leadership culture is central to motivating employees, which has a significant impact on the success of the company (Wörwag & Cloots, 2020, pp. 188–205). Inclusive leadership is a management model based on respect and diversity. Inclusive leaders enable diverse individuals to reach their full potential and harness their different skills to create solid, efficient, and cohesive teams (Fundación Adecco, 2021).

The corporate culture has to provide an open, inclusive working environment, including for example an appreciative attitude of the managers towards the employees as well as the ability to give clear and ongoing feedback and the opportunity for development of the employees (Hehn, 2016, pp. 4–8). The involvement of managers is crucial in Talent Management. Managers mediate between corporate goals and employees: On the one hand, the focus relies on people and their potential, and on the other hand, people's talents are seen as a resource to achieve corporate goals. Ideally, managers take on the task of combining the different needs of the organisation and the employees. Strategic Talent Management has two main benefits: firstly, the plannable filling of positions that are critical to success through systemic recording of potential in the company and through retention effects and secondly, professionalisation of personnel work and change of the management culture towards a support culture (Nagler, 2018).

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Team leaders are the strategic executing figures in the organisation: they face the challenge of breaking comfort zones and creating an open and empathetic atmosphere, in which generational diversity is not only respected, but also positive for all people and departments (ieFoundation, 2017). It is important to train leaders to integrate each person as a solid member of their team, foster individual talent to contribute in a useful and active way to the mission of the team and the organisation. Developing space for debate and training for middle managers is essential to identify unconscious biases and promote senior talent in the company (Fundación Transforma España & Círculo de Empresarios, 2020). To perform proper Talent Management, team leaders and managers need to spend enough time on creating an open atmosphere and therefore, time management is of greatest importance: "Great Talent Management is like raising kids—it's all about how you spend your time" (Bhalla et al., 2018).

The corporate culture is supposed to support openness and the employees' learning ability. In terms of in-house training, daily practice was found to be key to acquire the necessary knowledge (Nemzeti Tehetség Központ, 2020), which highlights the importance of an open corporate culture to foster a good learning environment. Furthermore, the consideration of different direct and indirect factors (e.g. low applicant rates due to demographic changes or implementation of new technologies) within the Talent Management Strategy enables a sustainable and proactive action (Hehn, 2016, pp. 8–10). By fostering a high adaptability, a well-functioning Talent Management System leads to the ability of an organisation to master current as well as future challenges as current demographic developments and the lack of skilled workforce.

To summarise, Talent Management as an organisational approach can help SMEs evolve and boost their endurance and adaptability to cope with and take advantage of shifts and changes in the economy as well as technological advances. Moreover, the skills or competence management included in a TMS helps employees to enhance their competencies, develop practical and specialised skills, which align to the needs of the labour market and changes brought by technological advances and digitalisation.

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BACKGROUND

Conclusively, Talent Management, if implemented well, can contribute to the economic performance of companies in general, position businesses to better address developments and the impact of digital transformation and as a result make them more sustainable and competitive.

HR PRACTICES

HR practices are an essential part of human resource management (HRM). Several studies implicated an influence of HRM and HR practices on organisational performance and success (e.g. Katou, 2017). The correlation between HR-enhancing practices and organisational performance also occurs when examining SMEs (Rauch & Hatak, 2016).

GENERATION MANAGEMENT IN COMPANIES

Research shows that despite the physical and mental ability to work longer, older generations (e.g. employees 45+ years) have a predominately low employment rate. This affects the labour market and can be seen as "wasted human capital" (Bertelsmann Stiftung and European Policy Centre, 2013, p. 4). Since the employment rate of older workers will increase noticeably due to the demographic developments (Statistics Austria, 2021), it is crucial to actively engage them and their knowledge into the company. Remaining inactive, their knowledge and skills as well as their working contribution will be lost to the economy.

This is an issue all over Europe leading the European Commission to emphasise the need to keep people in employment longer and adjust policies accordingly (e.g. reforming the pension system, etc.). On one hand, study results from the European Commission show that within the last 15 years up until 2012, even in times of crisis, employment rates for those over 50 years have risen in contrast to the 15 – 49 age group (European Commission, 2016). This shows that older employees tend to work longer in general and need to be well equipped and supported to make their work worthwhile. Training and retaining them at and before the age of 45+ years is crucial to provide guidance before they reach the age of dropping out or losing touch.

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BACKGROUND

Several scholars agree that middle-aged workers are the key focus group whose future needs have to be anticipated "with reflection starting well before workers' choices become limited and change is no longer feasible" (Eurofound, 2016, p. 1).

The Future of Jobs Report, published by the World Economic Forum (2020), confirms the critical labour market situation especially impacting already disadvantaged populations. Among other characteristics such as gender or race, age and generation pose a risk of social and economic exclusion, whereby the report highlights the negative impact on younger workers. On average, displaced workers are female, younger (those in their 30s) and have lower wages. Younger workers are more likely to have transitioned to new roles during these uncertain times, what links to the need for proper Talent Management in companies to integrate, develop and retain different generations of workers. They managed to transition to new roles, but it may be an even bigger challenge for older workers to switch to other work areas. The report sees a need for action to support reskilling as well as mid-career education programmes and advice to be aware of the impact of these transitions on the workers' well-being (World Economic Forum, 2020). Comparing these results with the topic of Talent Management, a company's Talent Management System could contribute directly to the well-being of workers through providing a proper working atmosphere (corporate culture) and developing its employees according to the needs of the company and employees. This could be achieved by providing reskilling programmes within the company and, hence retraining talented employees. As Hehn (2016) explains in her book about Talent Management, it is not those employees who are better educated who are more successful, but those who can best use their strengths. Therefore, a higher learning ability of employees is more important for the success and adaptability of the company than previous qualifications.

Furthermore, older employees have a lot of experience to contribute to a company's success. With their commitment, they can make a substantial contribution to economic growth and productivity development. If all age and population groups are involved in working life, not only the employees themselves benefit, but society as a whole.

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BACKGROUND

Finding a job is often a major challenge, especially for older people and losing their jobs often results in long-term unemployment (Bundesministerium für Arbeit, 2021), although they have a lot to offer. Recognising the talent, experience, knowledge and skills of every employee, regardless of age, is critical for any business (IE Foundation et al., 2019).

In order to master the future challenges in relation to digitization and demographic change in companies successfully, dealing with diversity and inclusion is inevitable. With the COVID-19 pandemic, teleworking quickly became reality for many professionals and 18 months later, remote work is still an option in many companies. There is an increasing discussion about a digital gap between generations due to the central challenges of digitalisation and demographic changes in the world of work. Companies often assume that older employees are unable to face and react appropriately to the challenges of digital changes. These assumptions can have an adversely effect on job performance and the sense of belonging (Reiner et al., 2020).

The question arises whether the reason for the age-related digital divide in companies lies in differences in skills and experience of younger and older employees, or whether this divide can be seen as a prejudice and thus a social construction. The results of the pilot study of Reiner, Cloots and Misoch (2020, as cited in Reiner et al., 2020, pp. 235–236) show that the majority of respondents have a positive attitude towards digitalisation. The respondents attribute the perception of a digital divide to possible differences in experience and competence. Personal attitudes towards the provision of training measures in relation to digitalisation play a central role. However, sensitization with regard to age discrimination and stereotyping is necessary to reflect and expand thinking habits and patterns of behaviour. “In addition to targeted measures, such as the implementation of intergenerational exchange and learning platforms, such opportunities for mutual learning can also be anchored directly in everyday business life, for example by consciously promoting intergenerational cooperation in the sense of mixed-age teams”. (Reiner et al., 2020, p. 236).

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BACKGROUND

In fact, focusing on a particular age group or generation can have a negative impact on work culture. Companies are dependent on young workers and their skills as well as older workers and their skills to avoid disadvantages such as the digital gap. Teams of mixed generations with adapted framework conditions are more innovative and problems can be solved better (Reiner et al., 2020, pp. 223–225).

To implement an inclusive, intergenerational company structure, it is crucial to take the needs of the different generations into account, including those of the employees 45+ years. Employees aged 45+ years often face different barriers than younger workers, for example regarding their qualification (outdated skills, no further development offers), motivation, job satisfaction and quality of workplace (intergenerational company culture). The employment of older workers is further influenced by the following factors:

- Employers' prejudices and stereotypes
- Wage costs (especially for SMEs)
- Reconciliation of work and care work and
- Labour market and social security regulations (formalised early retirement schemes and pension systems, excessive seniority in wage profiles) (AGE Platform Europe, n.d.; Bertelsmann Stiftung and European Policy Centre, 2013).

While employees need to be encouraged to work longer effectively, the legislative regulations facilitating longer decent working lives also play an important role. It is therefore necessary to address both the worker and the surroundings. Another important part of the environment is the company itself. It is necessary to develop “age awareness and [...] a demography-sensitive in-company culture” (Bertelsmann Stiftung and European Policy Centre, 2013, p. 9) to foster a diverse staff and counteract age discrimination. Older workers are often attributed a decline in physical and cognitive performance. A change in the motivation of older employees should therefore be taken into account and practices adapted accordingly (Wörwag & Cloots, 2020, p. 206).

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Nevertheless, when employees 45+ years view themselves as valuable assets to the team they are willing to contribute more. When equipped with the necessary skills, they are more likely to continue and work longer even after receiving a pension. Studies indicate that well-trained employees, who feel they are still needed, are more likely to stay – high-skilled employees tend to work even after receiving a pension (European Commission, 2016).

SMES AS TARGET OF INTEREST

As introduced, besides short-term developments in times of economic crisis, there are various ongoing developments as demographic developments, which lead to a constantly aging workforce (Statistics Austria, 2021). There is a lack of skilled workforce, whereof SMEs are strongly affected (IZA – Institute of Labor Economics, 2019; Nemzeti Tehetség Központ, 2020).

Firstly, the Talent Management philosophy, which deals with how to strategically hire, manage, and retain personnel, is particularly important for SMEs as they are more dependent on their employees and staff compared to larger companies and may find it harder to replace productive and experienced staff. For example, studies in this field highlight that in order to increase their chances for success, SMEs need to work towards improving their human resources, skills development, and Talent Management capabilities. In 2020, the National Talent Centre of Hungary conducted national research on the topic of talent utilization in the labour market by interviewing 500 companies. The research found that SMEs are highly affected by the labour shortage (Nemzeti Tehetség Központ, 2020).

Secondly, a study investigating the Hungarian Templeton Programme found, that attitudes and talent practices of small and medium-sized companies are different from the Talent Management of large companies. The most noticeable difference stems from the fact that smaller businesses struggle in areas which would require the involvement of external resources, including the recruitment of (talented) workers and external training (Fodor et al., 2017). This is a crucial argument, and it is why the Talent4LIFE research focused on SMEs and the importance of having and implementing a Talent Management System.

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RESEARCH DESIGN

The explorative research process was an important milestone at the beginning of the Talent4LIFE project, as it served not only as an output in its own right, but also as the evidence base for the future development work of the project, in particular in relation to the:

- Creation of the Talent4LIFE Model for Talent Management
- Talent4LIFE Development Plan
- Green Paper for Sustainability and Policy Integration.

The purpose of this chapter is to present the research design, which includes information about the target groups, the methodology, the research questions, and the sample.

1. Research Study
2. Model Handbook
3. Personal Development Plan
4. Green Paper

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RESEARCH DESIGN

METHODOLOGY

To ensure a high-quality outcome for this study, a mixed method approach was used. The first step in the research process was to implement focus groups in each of the six countries of the project consortium (i.e., Austria, Cyprus, Hungary, Ireland, Germany, and Spain). Each focus group consisted of five participants per country who were managers, executives and CEOs involved in HR or TM agendas as well as HR or TM consultants. This sample ensured a variety of views on TM, staff retention and development.

The main part of the research process was to implement an online survey. Therefore, the results of the focus group of all partners informed the questionnaire design for the survey. In the survey, 190 participants took part, more than 30 per country. The target group consists of people directly involved in HR and TM agendas (see chapter 3.3). The data analysis was conducted with the online statistics software DATAtab (DATAtab Team, 2021).

The explorative research process aimed to get a holistic view of the SME landscape in Europe, their familiarity with the topic and especially their offers for their employees. Building on the SMEs' perspective, the research investigated the following topics:

- Talent Management and Talent Management practices
- Generation management and employees 45+ years
- Employee development
- Employee retention
- Corporate culture and
- Use of digital tools.

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RESEARCH DESIGN

RESEARCH QUESTION

The research question was designed to be a stand-alone output as well as a source of information for the other project outputs (Talent4LIFE Model Handbook, Development Plan and Green Paper). The key focus of the research question was employees aged 45+ years and generation management within SMEs. If there are prevailing differences in Talent Management processes in terms of employee age, these will be outlined and highlighted as a key indicator for the overall research process.

To investigate this topic, the research question was designed to be relatively open in order to provide a broad view of the current situation of European SMEs regarding talent management and generation management. Therefore, the following key question has to be answered:

> How are SMEs currently handling Talent Management-based staff retention and staff development?

To answer this question, the current state of SMEs in terms of Talent Management, staff retention and staff development was established, especially focusing on employees aged 45+ years. This included the general trends within SMEs on these topics and current HR and TM practices, if any, in the companies. Answering this question provided an overview of HR practices, the companies' knowledge on the topic of Talent Management as well as the current situation with regard to generation management.

Investigating the current situation and applied practices allowed for the evaluation of the needs of SMEs to adequately perform Talent Management. Based on these results, the Talent4LIFE project team is in a better position to develop relevant and robust training materials and learning resources for companies to improve the retention of employees aged 45+ years. Furthermore, the study aimed to establish the similarities and differences between SMEs within and between countries of the project consortium.

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RESEARCH DESIGN

It must be noted that this research only reflects the view of the companies that participated in the focus groups and survey activities. In addition, the companies' ability to deal with future challenges such as the shortage of skilled workforce and demographic trends leading to an ageing workforce were considered.

TARGET GROUP

SMEs are the core target group of the Talent4LIFE project and as such they were the main research subjects of this report; this choice was made for several reasons, which are explained later in this chapter.

In accordance with the definition of SMEs by the European Commission (2021), the targeted SMEs are considered to have a size of 10-249 employees. Improving human resource development while fully considering the realities of SMEs will be a crucial role for the survival and positive development of the SME-based economy in Europe. The impact of this research was to ensure a high level of adaptability in order to address and overcome challenges such as the demographic development and digitalisation. Furthermore, the results can support SMEs in general in terms of staff retention and development. All types of HR managers were included and thus supported through the better understanding of an effective Talent Management approach, including staff retention and development.

The target group of the focus groups involved in the first step of the research process was slightly different from the target group of the online survey. The focus group addressed different HR representatives within a company as well as executives, managers, and external HR consultants. External consultants were included in the focus group so that they could actively contribute their knowledge. The target group of the online survey consisted of people who deal with HR issues in the company on a more regular basis.

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RESEARCH DESIGN

This included HR personnel, but also company owners responsible for the HR function within their companies. They are the people in the company who are directly involved in managing the skills shortage and trying to identify, retain and further develop talent in the company through targeted and specific programmes. The questions were designed to elicit specific knowledge related to HR development. The online survey included not only SMEs, but also large companies to allow for comparison between the different company sizes.

SAMPLE

In a first step, five people per country were invited to participate in the focus groups. In each focus group, the sample included personnel responsible for human resources or Talent Management agendas, such as HR managers, managers, CEOs, HR, or TM consultants.

The main investigation was the implementation of an online survey based on the results of the focus group sessions. More than 30 HR managers, Talent Management professionals or other staff involved in HR agendas of their companies took part in each partner country, resulting in the completion of 190 survey questionnaires. The sample was recruited through various channels such as local networks, chambers of commerce, business associations, contact lists and social media channels.

The questionnaire sample does not claim to be a representative sample but provides country-specific insights into SMEs in the countries studied. The sample of these six countries across Europe aimed to provide a good representation of the state of the art in Europe.

RESULTS

FOCUS GROUP RESULTS

The first element of the empirical investigation was the facilitation of six focus groups ; one in each of the six partner countries. The focus groups revealed some core points about the current state of Talent Management within companies.

Overall, most of the participating companies, do not have a Talent Management System or an in-depth knowledge about it, but rather the topic is starting to emerge in the HR agenda of several companies. It emerged that companies typically develop an HR and Talent Management Strategy mostly when pushed by external factors such as lack of skilled workers or digitalisation. This means, that most companies do not implement such a holistic strategy proactively, but when directly confronted with major challenges on a reactionary basis. Additionally, it was recognised that to properly implement a robust and effective Talent Management Strategy in an organisation, leadership at senior level was required. The focus group participants recognised significant potential for Talent Management and TM tools but a lack of knowledge and awareness of the benefits and opportunities it provides are having a limiting effect.

Currently, training seemed to be the main focus of employee development in many organisations. It needs to be considered that employee development is more than a series of training activities. Furthermore, the most common HR/TM tool mentioned was the annual employee appraisal. It is also very common as a tool for skill documentation within the company, whereas the quality of the companies' currently implemented skill documentation was not always high. There is a much higher potential in performing skill management, especially when it comes to employee development and succession planning. The latter, however, is very uncommon within the participants' organisations.

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RESULTS

Although it is a great tool for companies to ensure agility and save costs (Hehn, 2016), the focus group participants were mainly interested in the approach, however very few organisations implement succession planning within their company's HR strategy. One participant considered succession planning as a weakness as it can close the doors of opportunity to outside talent by filling positions within the existing talent pool within the company was at the core of this Talent Management practice. However, there is no reason to exclude externally acquired talent from the recruitment process when focusing on filling the position internally.

GENERATION MANAGEMENT

In most of the companies, which took part in the focus groups, older workers 45+ years are not a specially designated or recognised sub-section of the workforce. Questions regarding succession, potential and motivation of (especially older) employees cannot be fully answered by existing systems.

The participants' experience showed that employees 45+ years are often the first ones to be 'kicked out' of an organisation because they typically have higher salaries so are therefore seen as disposable and replaceable through younger talent whose monetary needs or monetary expectations are lower. However, there are also examples, which handle different generations in a more inclusive way. One participant's organisation could be recognised as best practice example in that older employees (in this case 50 years+) are hired to receive new perspectives for their organisation and a chance for appreciation for the employees when they have reached the end of their career in their former job. This can be considered as great example on how to make best use of talents, tacit knowledge, and their experience.

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RESULTS

However, it is not only a challenge to develop the generation of employees 45+ years, but generally a challenge to implement successful generation management. For example, younger employees are perceived as harder to retain; they are more flexible and volatile. But, concerning digitalisation, the 2020/2021 COVID era has shown that people of all ages had difficulties moving online and therefore, some of the prejudices against older workers not willing or able to use new technologies are unfounded.

To summarise, the results of the Focus Groups confirm the need of companies when it comes to age diversity in the workplace as well as the importance of not only managing talent correctly and holistically but also the need for the organisation as a whole to be agile and responsive to the external environment. Therefore, there is a need for an integrated Talent Management System, involving all generations within the organisation, which supports and promotes the maximisation of talent and utilises employees 45+ years as productive members of the team, mentors and sources of expertise.

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RESULTS

ONLINE SURVEY

The online survey results comprise the main results of the research. In total 190 participants, more than 30 per country, completed the survey and shared insights about their organisation's practices and Talent Management System. Participants, who dropped out before completing the questionnaire were not included in the analysis.

Most of the questionnaire participants were HR Managers (27.9%) or CEOs/Managing Directors (21.6%). Further representatives were managers (17.9%), consultants (6.32%) or Tutor/Trainer (4.21%). 22.1% were other kind of employees, who are not further defined.

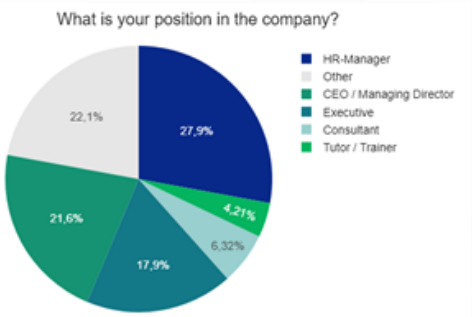

Figure 1: Position of survey respondents.

The size of the participating organisations ranged between a headcount of 10 to more than 250 employees. Micro-sized Enterprises were not considered. The categories were defined in regard to the headcount:

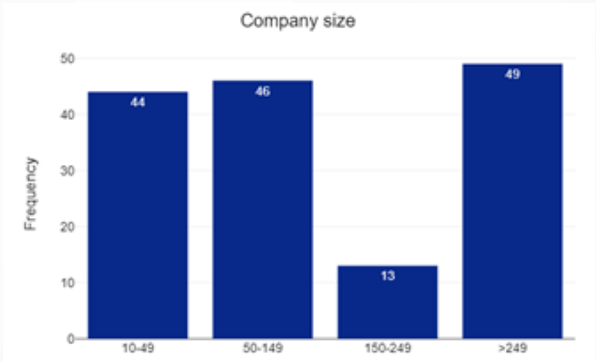

Figure 2: Company size of survey respondents.

- 10-49 employees (44 participants)
- 50-149 employees (46 participants)
- 150-249 employees (13 participants) and
- more than 249 employees (49 participants).

Therefore, Small and Medium-sized Enterprises are represented with 103 participants and big companies with 49 participants, although not all companies indicated their size (n=152).

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RESULTS

Almost three quarters of the investigated companies do not have a Talent Management System (TMS) in place (73.7%). A possible reason is the fact that the Talent Management approach is rather new, as 16.32% had never heard of it.

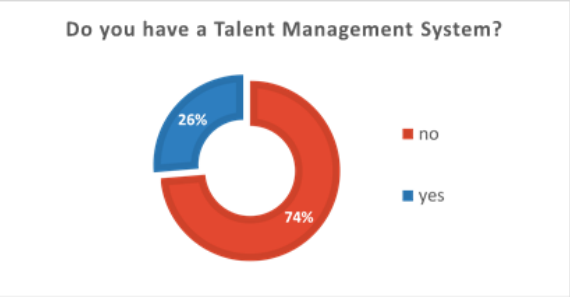

Figure 3: Do you have a Talent Management System?

However, Chi-Square test prove that there is a statistically significant correlation between having a Talent Management System and the company size (Cramér's V=0.42, p=0.00): large companies are more likely to have a Talent Management System when compared with SMEs. This is not a surprise since literature suggests that big companies have more resources to put into human resources and Talent Management (see chapter 3 target group).

HR AND TM PRACTICES

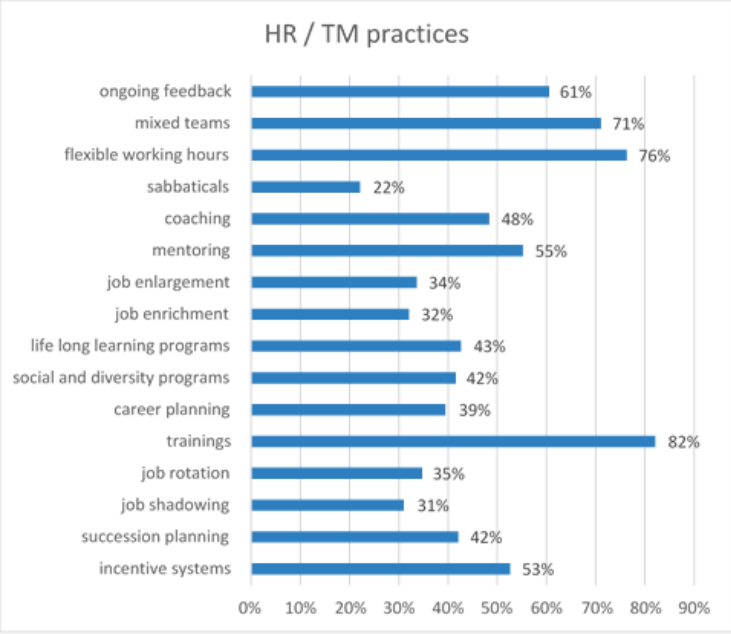

Figure 4: HR practices of survey respondents in %.

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RESULTS

The most common practices identified were training (82%), flexible working hours (76%) and mixed teams (71%). On the other hand, sabbaticals (22%), job shadowing (31%), job enrichment (32%), job enlargement (33%) and job rotation (35%) were rather uncommon. However, it must be noted that some of the practices may not be clear to the survey respondents. For example, some companies could have misunderstood "flexible working hours" as shift work what would raise the number of "flexible working hours" practices indicated. Therefore, the real number of companies having flexible working hours may be lower. Secondly, the definition of mixed teams might not be clear to the companies since mixed could not only relate to internal and external employees but to gender or age as well.

To conduct further analysis, the TM practices were merged into a sum index (Cronbach's Alpha=0.8). Due to context considerations to comprise common Talent Management practices, the index included items such as succession planning, job shadowing, job rotation, career planning, social and diversity programmes, lifelong learning programmes, job enrichment, job enlargement, mentoring, ongoing feedback, and coaching. Furthermore, a mean index was developed including 12 items, which query attitudes, degree of consent and aims to measure the "future-proofness" of the companies. The included questions ask, how well the company is prepared for future challenges such as digitalisation, demographic changes, lack of skilled workforce, as well as employees' access to further development, feedback, and the involvement in important decision-making processes. With regard to content, interrelatedness, and Cronbach's Alpha (=0.85), 12 items have been combined to the mean index named "futureproof" (1=futureproof; 6=not futureproof at all).

Comparing the Talent Management practices with the company size, there is a statistically significant correlation proving that larger companies have Talent Management practices when compared with smaller ones. This is in line with the result that large companies have a Talent Management System. Using Spearman's correlation, the figures show a medium, significant correlation between company size and the use of Talent Management practices.

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RESULTS

This means, big companies use more Talent Management practices than SMEs (rs=0.46, p<0.001). A further look at the practices reveal, that large companies offer job shadowing (rs=0.44, p<0,001), social and diversity programmes rs=0.51, p<0.001), career planning (rs=0.34, p<0.001), mentoring (rs=0.33, p<0.001) and coaching (rs=0.27, p=0.001) when compared with SMEs. These lack of practices within SMEs points to the need for action within SMEs in terms of Talent Management and Talent Management practices.

The items size, TMS, "futureproof" index and the sum of the TM practices all show a correlation with each other. In conducting various third variable controls including these items, it reveals that there is a high direct correlation between having a TMS and the number of implemented TM practices (p<0.001) as well as between the futureproof index and the number of TM practices (p<0.001).

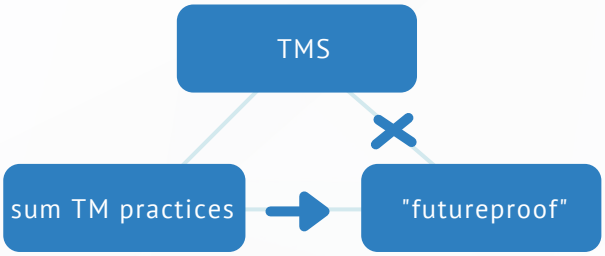

Figure 5: Third variable control - TMS, TM practices, futureproof index.

However, there is no direct effect of having a TMS on futureproof or of company size on the futureproof index, as the third variable control reveals. This means, the future-proofness of a company measured through the index does not depend on having a Talent Management System or the company size, but on the implemented practices. The more Talent Management practices implemented, the better the company's future-proofness is likely to be. This result is important with regard to the differences between SMEs and big companies since SMEs could improve their future-proofness by implementing Talent Management practices. It is not important, if companies name their system "Talent Management" or not, but it is crucial to implement and make use of Talent Management practices.

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RESULTS

SYSTEM RATINGS

The survey respondents were asked to rate their systems for Talent motivation, Talent development, Talent retention, Motivation strategy 45years+, Development strategy 45years+ and the Retention strategy 45years+. The strategy ratings correlate with the futureproof index, what means that a higher rating is related to better futureproofing as measured by the index (rs=0.41 to 0.58; p<0.001 each). This is in line with the overall importance of Talent Management. Furthermore, the analysis suggests a weak correlation between the rating of the Personal Development strategy for employees 45years+ and company size so that larger companies rate their development strategies for their staff 45years+ better than smaller ones (rs=-0.26; p=0.001) which proves that larger companies are better equipped when it comes to development and retention of employees aged 45years+.

EMPLOYEE DEVELOPMENT - SKILLS MANAGEMENT

More than one out of three (35%) respondents say that their organisation does not capture the skills or competences of their employees. Only one out of five make personal development plans for all employees, while one out of three (35%) do not make personal development plans at all. Looking at SMEs only, this effect is even more pronounced with 37% of SMEs not making personal development plans and 40% not capturing skills and competences of their employees.

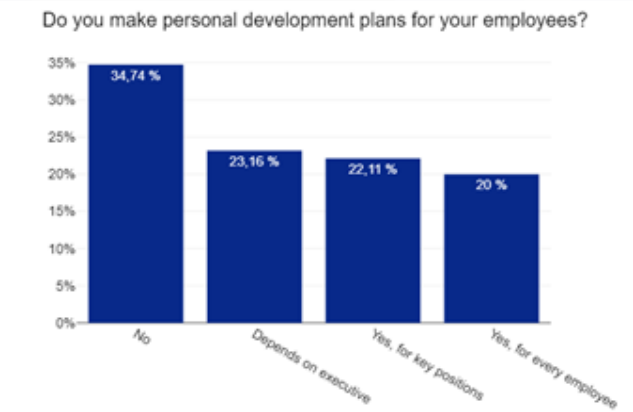


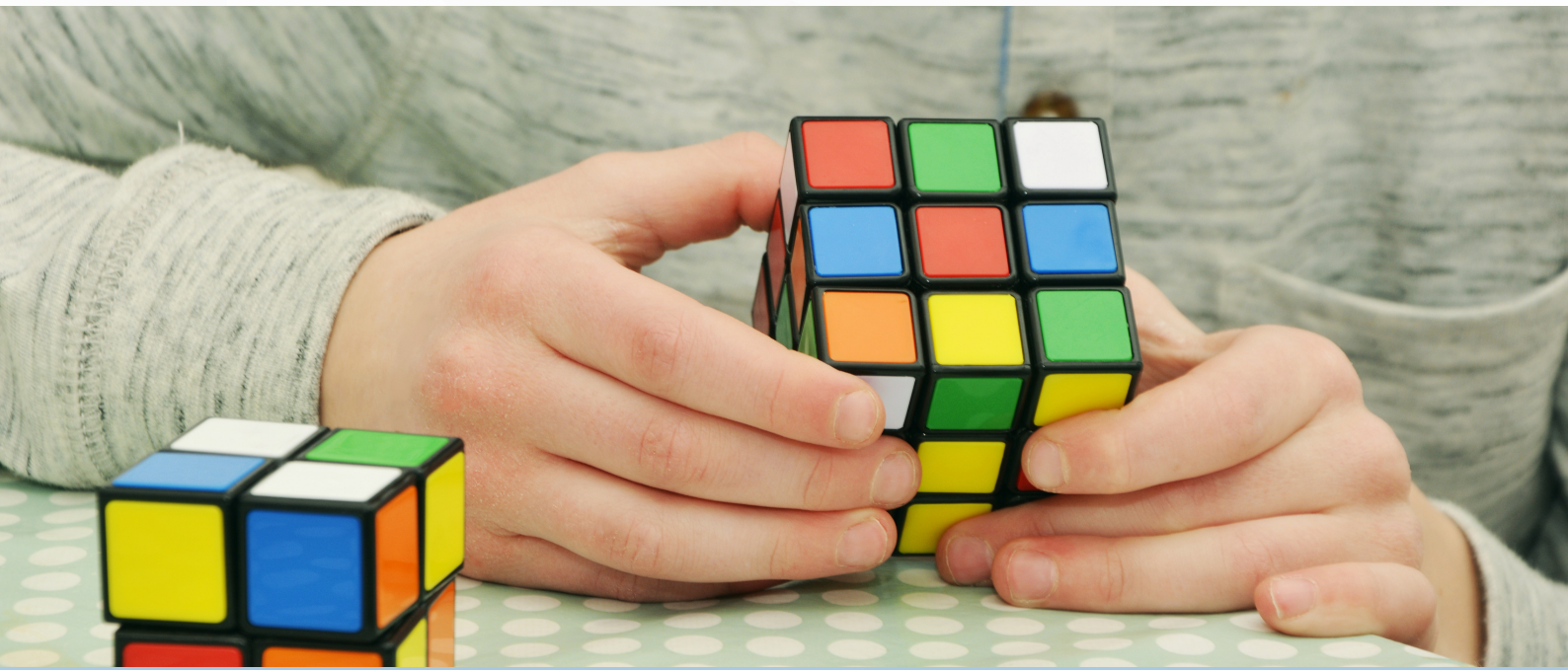
Figure 6: Personal Development Plans.

RESULTS

Additionally, 23% of all companies say that it depends on the managers/executives if development plans are made; 22% do make development plans for key positions. These figures show that many companies and its managers are already aware of the importance of having personal development plans for employee development and retention; however, there is a gap in terms of employee development in order to develop and retain talented employees in the organisations.

The analysis further shows that there is a correlation between the degree of structure and the futureproof index. The more managers have guidelines provided by their company giving them structures and processes for employee appraisals and feedback between employees and managers, the better their futureproof score ($r_s=0.48$ and 0.54; $p<0.001$ each).

Most of the companies, which do capture their employees' skills, use some form of feedback talks, regular appraisals, development talks or competence checks in a qualitative and continuous way to understand and develop their employees' talents. In some cases, structured processes such as a matrix to create and maintain job descriptions are used. Further examples include competence surveys or potential analyses, a continuous monitoring or self-assessments or assessments by managers.



RESULTS

DIGITAL TOOLS

Figure 7: Digital tools.

With the global trend of digitalisation, the use of digital tools for companies is almost unavoidable. As supportive comments of survey respondents show, the pandemic further supported the implementation of digital tools, especially tools for collaboration or communication. The most commonly used tools, independent of company size, are for collaboration or communication (63.2%) as well as working time control (54.7%). The least common are digital tools for skill management, employee development planning/career management and online onboarding.

RESULTS

There are significant differences between company size and the use of digital tools. Bigger companies have more digital tools ($r_s=0.3$; $p<0.001$) and specifically are more likely to have a recruiting software/applicant tracking system ($p<0.001$), to perform online onboarding ($p=0.001$), and use digital tools for employee development planning/career management ($p=0.004$) and performance management ($p=0.012$). Furthermore, the use of digital tools correlates significantly with having a Talent Management System. This means, companies with a Talent Management System are more likely to have a recruiting software/applicant tracking system, to do online onboarding and have digital tools for employee development planning/career management, skills management, and performance management.

CHALLENGES

The investigated companies face different challenges, whereby it must be noted, that these challenges are from the companies' point of view and therefore do not necessarily have to correspond to the employees' requirements. The most common challenges as seen by the participating companies are the following:

- salary dissatisfaction (48%),
- Shift in employees' needs (46%),
- Standing out from the crowd (44%),
- Lack of skilled workers (44%),
- Provide high job opportunities (career) (44%),
- Motivation of employees (42%),
- Hiring the wrong candidate (41%),
- Enable work-life balance (41%),
- Dealing with change (38%) and
- Employee development strategy (37%).

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RESULTS

Many of the challenges relate to employee motivation, which is key to retention. Salary dissatisfaction is mentioned frequently by the participants, although the influence of salary on the motivation of employees is low: Money can work as motivation to some point, but for further engagement, various factors need to be considered. Motivation can depend on overall happiness at work, company culture and relations between team members as well. Keeping all these factors in balance is of paramount importance for employee motivation (HR Gazette, 2018). Furthermore, companies need to consider the life realities of their employees. Not only the shift in employees' needs, but also enabling work-life balance (41%) is crucial for employee retention.

These challenges further show that companies struggle with a changing environment. The shift in employees' needs is considered as challenge frequently, which refers especially to generation management. Companies need to consider the realities and background of younger generations (Generation Z) to involve them properly in the working environment on the one hand and need to be flexible when priorities shift in different life circumstances on the other hand. Dealing with change is therefore a major problem for many companies. This means, companies need to become more agile and adaptable to address these challenges. Therefore, they need to adjust their TM and HR practices and work on their management and company culture.

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RESULTS

Another big challenge is employee development. 70 of the 190 participants (37%) stated that setting up an employee development strategy is a challenge. Many companies are already affected by a lack of skilled workers (44%) and struggle with hiring the right candidate (41%). As introduced in chapter 3.3, the lack of skilled workforce will be a widespread future challenge. To mitigate its effects on the companies, several factors must be taken into consideration: internal and external Employer Branding to improve the attractiveness of the company for applicants and employees by mastering the challenge of standing out from the crowd (44%) as well as the implementation of an improved system for employee development. In addition, the retention of employees 45years+ (6%) and attraction and recruiting of employees 45years+ (12%) is not seen as challenge. Therefore, it will be important to hire not only young employees, but also employees of older generations and develop them appropriately so they fit the company's needs.

In contrast to the results presented earlier, it is not seen as a challenge that the corporate culture does not meet employees' needs (12%). This is in contrast to the challenge of enabling a work-life balance and the shift in employees' needs. This contradiction could be explained through a lack of knowledge about the benefits and the pull-factor of a positive corporate culture.

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RESULTS

GENERATION-SPECIFIC CHARACTERISTICS

The analysis reveals that most of the investigated companies have a rather young staff structure. In 40% of the companies, the percentage of employees aged 45years+ is lower than 25%. This means, only 1 out of 4 of these companies' employees are older than 45 years.
The questionnaire further asked about observed differences between the generations and generation-specific characteristics.

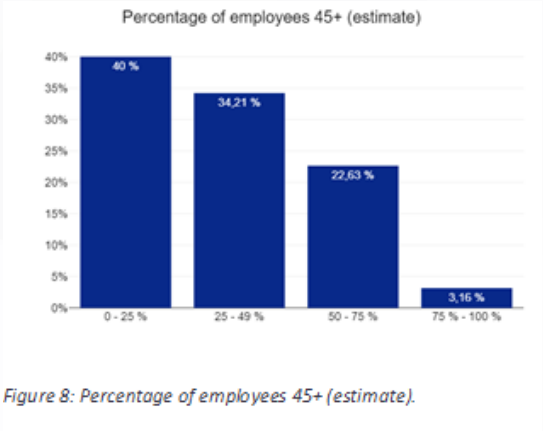

Figure 8: Percentage of employees 45+ (estimate).

The questionnaire further asked about observed differences between the generations and generation-specific characteristics. As a limitation, it must be said that the design of these questions does not prevent from mirroring stereotypes. Participants were asked to assign different characteristics they observe in their company either to the generation up to 29 years, 30-44 years, 45+ years or whether they see no difference.

More than 60% of the respondents do see differences between the generations within their company (62%). No difference in generations is seen most often in show a lower work performance (57%), strong work ethic (53%), goal-centric tendencies (44%), value face-to-face interaction (38%), demand for autonomy (36%), willing to constantly learn and grow (35%) and high motivation (34%).

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RESULTS

Up to 29

The most pronounced characteristics in this research nominated to employees up to 29 years old may correspond to common prejudices. They have a high fluctuation (58%) but are very adaptive to changes (38%) and open to try out new things (37%).

30-44

The age group between 30 and 44 years is ascribed the best characteristics when it comes to work performance. They are highly motivated (35%), willing to constantly learn and grow (32%) and have goal-centric tendencies (28%). They further demand flexible working hours (39%).

45+

Comparing the three generations given, the most pronounced characteristics attributed to employees 45+ years are that they value face-to-face interaction (35%), have a strong work ethic (36%), but are uncomfortable using digital tools (53%). In contrast, employees 45+ have not been attributed with the characteristics of a high fluctuation (5%).

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RESULTS

80 participants (42%) stated that there is no age difference in being uncomfortable using digital tools, but 53% do see this discomfort in employees 45years+ using digital tools. Regarding the correlation between the generation of workers 45years+ and the use of digital tools and digitalisation, it must be said that this effect could be increased through the prejudice that older workers are not willing to use digital tools and is therefore a social construction, as described by Reiner et al. (2020). According to the focus group participants, the 2020/2021 COVID-19 era showed that people of all ages had difficulties moving online and therefore, some of the prejudices of older workers not willing or able to use new technologies are unfounded.

To summarise, the age group 30-44 years is ascribed the best characteristics, whereas employees 45+ rather have a strong work ethic but are not at all represented as willing to constantly learn and grow (5%) and open to try out new things (3%). As an interpretation of the results, the companies are challenged to provide a work environment to foster exchange and positive characteristics between employees. A mutual exchange and positive work environment could motivate younger generations and therefore reduce staff turnover. Further, it enables to spread the positive characteristics of the 30–44-year-olds to older and younger age groups to improve employee motivation and willingness to learn and grow. There is a significant opportunity for companies for recruiting future employees from the older generation of 45years+. Bringing in employees 45years+ enables active knowledge transfer between employees within the company on the one hand since employees 45years+ have a wealth of experience and by retaining them in the company on the other hand by giving them responsibility and showing appreciation. A constant effort to develop and retain employees of all ages would lead to a powerful workforce providing the base for an adaptable, agile company.

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RESULTS

STRENGTHS & WEAKNESSES

The company culture, including a good working atmosphere, friendship with colleagues and the respect of employees is considered as crucial with regard to the reasons why employees want to remain in the company. In addition, a good work-life balance and job satisfaction achieved high scores. Only one third considered salary as a reason why employees stay. This result is in line with the challenges companies face as mentioned previously since 50% see salary dissatisfaction as a challenge. Furthermore, less than 20% see attractive benefits and offers, involvement in important decision making and good personal development options (career) as reasons why the employees remain. This is an alarming result since good personal development options are key to employee retention. This highlights the need for better staff development in order to retain an organisation's talents.

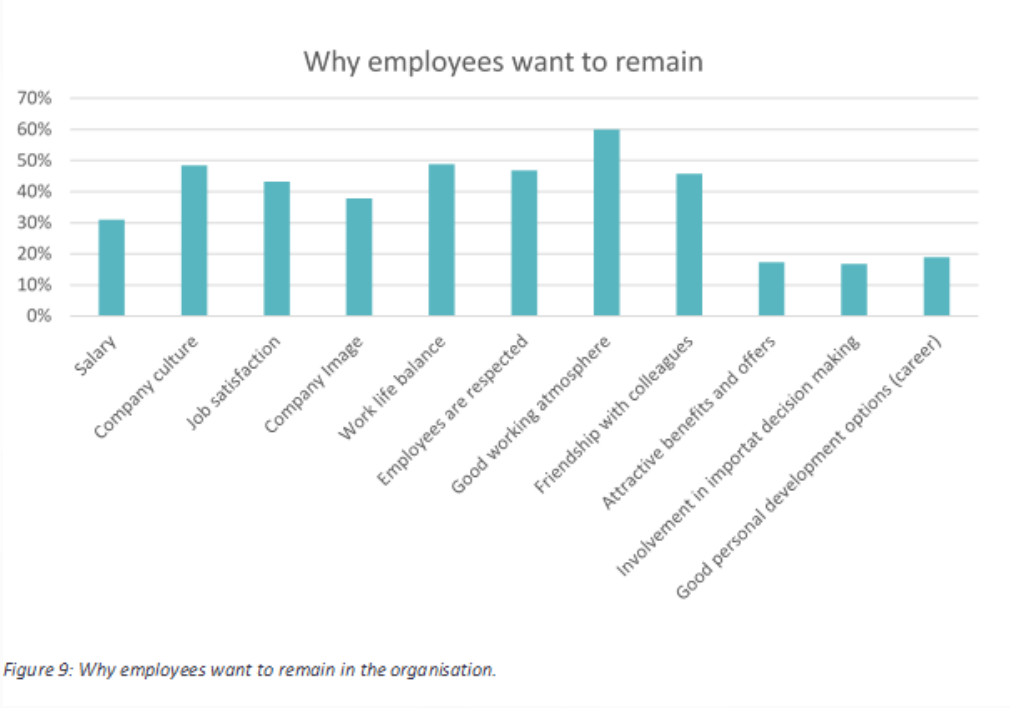

Figure 9: Why employees want to remain in the organisation.

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RESULTS

Evaluating the qualitative results, survey respondents confirm that a positive corporate culture would be a company's strength with big impact on employees. This includes developing and communicating goals that align with the company's mission, providing motivational support to enhance employees' commitment, developing teamwork and leadership skills. Treat people as human beings and not as numbers could be considered as the main idea regarding strengths of company´s TM/HR systems.

Companies with skills and competence management consider the structured part together with the development aspect as a strength of their HR or TM system. The skills are marked down in the employee file and matched with the goals of the company. Additionally, the personal aspect and the further education and training are valued. Looking at the weaknesses, answers were more diverse but ranked mostly around the design dimension of their HR or TM system e.g., lacking detail, focussing on only one group and too little resources for self-evaluation and development. Furthermore, general issues in the companies such as low retention rates and the leadership style were seen as weaknesses.

The level of Talent Management performance between companies was quite different across all countries, from companies with internal Talent Management Systems to companies that had nothing in this regard. For those who play an active role in Talent Management, they are focused in finding a coherence between competences that define the working profile and the functions and responsibilities assigned. In the following section, some national characteristics of Hungary and Cyprus regarding strengths and weaknesses as observed by the respondents are highlighted exemplarily. Other countries did not show noteworthy differences.

In Hungary, the majority of respondents consider that their recruitment system is developed and working well. The selection and recruiting of the right staff are fine, but the companies are sceptical about future training programmes. Many people consider their internal training to be insufficient and coaching and mentoring practices are very uncommon; while others stated that creating attractive training offers is a must. Managers typically provide feedback several times a year.

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RESULTS

Feedback on competencies and development of employees is common, but it rarely results in professional development. Few companies have experienced staff retention, internships, or succession programmes. Some companies consider professional training in the technical field to be sufficient, no more is needed. As weaknesses, respondents mostly found is a lack of training, organizational and communication errors as well as weaknesses in the HR organization.

In Cyprus, one of the main strengths' respondents agree on is collaboration. A horizontal approach seems to be preferred by the majority wherein the employees are actively involved in assessments and goal setting. Some of the respondents reported customized and user-friendly solutions as one of their systems' strengths. On the contrary, a very small minority reported to have no HR or TM system at all or to follow no official system. Having no HR or TM system is not a country-specific difference, but all countries have companies with no or a very weak HR or TM system. Linking performance to reward and involving the managers in assessments is also a rather recurring theme in Cyprus. It is also important to note here that flexibility in the sense of adapting the system to the individuals appears to be one of the important strengths of the respondents' implemented systems as well.

Weaknesses

As weaknesses of companies, who do have some kind of HR/TM system, are mentioned that some have no structure and no continuity. They do not have continuous or comprehensive HR processes. The respondents wish to make the importance of talent management and its structures understandable and transparent to all those responsible. Managers sometimes think in "departmental boundaries", pursue their own departmental goals, and do not see the "big picture". All in all, it needs educational work on how good human resource management can achieve a clear HR strategy. This would reduce fluctuation in the companies and provide the basis for talent to grow. Participants state that there is still a hire and fire mentality in the SME sector. There are further weaknesses observed in the design of the companies' HR strategy. Some report a lack of time to conduct employee talks, documentation and controlling processes.

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RESULTS

Companies put too much focus on the operation side of the business and the handling of ongoing inquiries and tasks without a willingness to change and thus spend too little resources to improve internal processes and practices.

Some survey participants stated that their companies only focus on leadership level (management and project management) instead of involving the whole company. There are various challenges such as optimizing work-life balance, opening up development perspectives through implementation of different TM practices and specialisations. Many participants reported weak skills management so employees' competencies and talents remain unused. Skills and competences are either not captured at all or the captured data is not used properly. Internal recruiting processes are rare but could improve staff development and retention significantly. Companies need to consider that a comprehensive, well-elaborated HR or TM strategy is an ongoing task and needs time and investment but brings benefits in various areas such as employee development and retention.

To summarise, it can be said that there is a connection between the strengths and weaknesses observed by the companies themselves. Especially the company culture and a well-developed Talent Management system are crucial. Companies with implemented skills management and improved HR or TM system consider their systems or at least parts of it as strengths, whereas those companies without a well-developed HR or TM system consider the poorly developed parts of their systems as weaknesses. In other words, a strong majority stated that they do not use a Talent Management System although they strongly believe that such a system would be valuable to them. The ones that do have a Talent Management System confirm the importance: there is broad approval that a well-developed Talent Management System makes a valuable contribution in terms of staff development and retention.

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RESULTS

SUMMARY

The first part of the empirical investigation saw the hosting of Focus Groups in each partner country of the Talent4LIFE project providing a basis for the quantitative online survey.

Overall, most of the participating organisations did not have a Talent Management System, but the topic is starting to emerge on the agendas of several companies. Almost 3 out of 4 participants did not have a Talent Management System (73.7%) and more than 15% had never heard of Talent Management before (16.32%). The companies develop an HR and Talent Management Strategy mostly when required by external factors such as addressing the lack of skilled workers or digitalisation. The focus group participants see great potential for Talent Management and TM tools but a lack of knowledge and awareness of the benefits and opportunities provided are a limiting factor.

In most of the companies, older workers 45years+ are not a special target group or subset of the workforce. The focus group participants' experience shows that employees 45years+ are often the first ones to be fired in times of economic crisis or contraction. They have higher salaries and are therefore seen as disposable and replaceable by younger talent whose monetary needs or monetary expectations are lower.

However, it is not only a challenge to develop the generation of employees 45years+ properly, but generally a challenge to implement successful generation management. For example, younger employees are perceived as harder to retain; they are more flexible and volatile. Concerning digitalisation, the 2020/2021 COVID-19 era showed that people of all ages had difficulties moving online and therefore, some of the prejudices against older workers not willing or able to use new technologies are unfounded.

The focus groups confirmed the need of companies when it comes to age diversity in the workplace as well as the importance of managing talent correctly and holistically for an organisation to be agile and address future challenges.

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RESULTS

Therefore, there is a need for an integrated Talent Management System, addressing diversity within the organisation, which supports and promotes the maximisation of talent and utilises employees 45years+ as productive team members, mentors, and sources of expertise.

However, the analysis showed that having a TMS implemented per se is not decisive for being an agile, adaptable company - the development of the mean index in this research to investigate the future-proofness of the companies made clear, that the number of Talent Management practices have an impact on the future-proofness of companies. In other words, no matter if the companies' system is called Talent Management System or not, the more practices the companies have implemented, the better their futureproof score ($p<0.001$). This result does not refute previous assumptions and investigations on the benefits of a Talent Management System: The benefit of a high number of implemented Talent Management practices proves that a Talent Management System, which is supposed to include these practices, is in fact more futureproof. It is hence shown that a TMS without TM practices is not as valuable concerning its benefits as a HR or TM system with those TM practices.

As literature suggests, there is a difference between SMEs and large companies. Large companies rather have a Talent Management System, use more digital tools (especially recruiting software/applicant tracking system, online onboarding, employee development planning/career management, performance management) and have more Talent Management practices implemented. More implemented TM practices lead to a higher future-proof score, as mentioned above.

The estimated number of employees 45years+ in the companies is rather low, which shows that most companies have a rather young staffing structure. Generation-specific characteristics are ascribed as follows: Younger generations (>30 years old) are more mobile, have a high staff turnover but are very adaptive to changes and open to try out new things. Employees 45 years+ have a strong work ethic, value face-to-face interaction, but are perceived as uncomfortable using digital tools.

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RESULTS

The middle age group between 30 and 44 years is ascribed the best characteristics when it comes to work performance. They are highly motivated, willing to constantly learn and grow and have goal-centric tendencies.

To summarise, a high turnover of staff is perceived especially among those up to 29-year-olds. The age group 30-44 years is ascribed the best characteristics: they are highly motivated, willing to constantly learn and grow and have goal-centric tendencies, whereas employees 45 years+ rather have a strong work ethic but are often not considered as willing to constantly learn and grow and being open to try out new things.

As an interpretation of the results, the companies are challenged to provide a work environment to foster exchange and positive characteristics between employees. A mutual exchange and positive work environment could motivate younger generations and therefore reduce staff turnover. Furthermore, it enables the spreading of positive characteristics of the 30–44-year-olds to older and younger age groups to improve employee motivation and willingness to learn and grow. There is an opportunity for companies when actively bringing in the generation 45 years+. Bringing in employees from this age cohort through different practices enables active knowledge transfer between employees within the company on the one hand since employees 45 years+ have a wealth of experience and by retaining them in the company on the other hand by giving them responsibility and showing appreciation. A constant effort to develop and retain employees of all ages would lead to a powerful workforce providing the base for an adaptable, agile company.

CONCLUSION

This research made a significant contribution to the state of the art of research on European companies' Talent Management systems and practices in terms of staff retention and development processes. In line with the introduced literature, Talent Management is a rather new and thus uncommon approach for many SMEs. The difference between SMEs and large companies can be confirmed in that large companies have been found to be more futureproofed than SMEs. They often have a Talent Management System in place, use more digital tools and have implement Talent Management practices.

As described in section 4.2, companies that implement TM practices are shown to have a higher score of the mean index "futureproof" measuring the future proofness of the companies. It showed, that future proofness does neither depend on company size nor on calling the implemented system a Talent Management System, the implementation of Talent Management practices is key to becoming an agile company and therefore, to address and overcome current as well as future challenges. This relies on the fact that the Talent Management approach is rather new, but the practices such as succession planning, job rotation, job shadowing, job enlargement, job enrichment, ongoing feedback etc. are more common.

Furthermore, the research pointed out the need for structured employee development. Training is very common (82%) but more than one out of three respondents (34.2%) say that their organisation does not capture the skills or competences of their employees and only one out of five (20%) make personal development plans for all employees, while one out of three (34.74%) does not make personal development plans at all. Those companies making development plans rather focus on key positions. Employee development is more than a series of training; it is essential to capture the skills and competences of the employees in order to match the needs of employees and employer and consequently develop employees properly. There is in fact a significant need for companies to improve their practices concerning staff development and staff retention.

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CONCLUSION

Employees 45 years+ are not a special target group of the surveyed companies. One best practice example specifically hires employees 50 years+ to receive new perspectives and offer them a chance for appreciation when they have reached the end of their career in their former jobs. Apart from this, hardly any company sees a challenge in attracting and recruiting staff 45 years+, but they do face the challenge of finding qualified and at the same time motivated staff. This result emphasises the importance of involving employees 45 years+ actively in companies and bringing in their skills and knowledge to overcome the lack of skilled workers. Especially in regard to the demographic development, leading to an aging workforce, it is crucial to involve staff of all ages to not only foster exchange of knowledge and experience but also mitigate the impact of the lack of skilled workforce on companies. Actively including staff 45 years+ in a company's Talent Management System is therefore a viable path towards becoming a futureproof company.

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