

Creating, attracting and retaining talent

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TRANSLATION FROM FRENCH Martin Davies

The need for skills is of such great importance in the European Union that on 9th May - Europe Day - the European Commission launched a European Year of Skills, which the Chamber of Commerce decided to support, on 28th June during a conference devoted to "Learning in the face of the challenges of AI". For its part, the Luxembourg government commissioned an in-depth study on the subject from the OECD, which presented its conclusions during an event organised at the "Maison des arts et des étudiants" in Belval on 23rd February 2023. This national drive, although belated, acts in response to the alarm bells that business leaders have been ringing for several years. Through the Chamber of Commerce's *Barometer of the Economy*, they insisted that the lack of qualified labour caused by the non-existence of the profiles being sought and insufficiently qualified people was their biggest challenge. The phenomenon is amplified by two fundamental trends inherited from successive recent crises and the uncertainty they generate: the "great resignation" (people quitting their jobs) and the "quiet quitting" (people disengaging from their jobs by doing the bare minimum). Initially observed in the United States, these movements are spreading to Europe. Helped by the digitisation of jobs, competition in the race for talent is fierce around the world. Luxembourg has assets that it must make better use of, as well as plenty of room for improvement. Overview...

Almost four years ago, Merkur magazine devoted an edition to talent strategy (November-December 2019 issue). Since then, what has changed? Have the crises that have occurred in the meantime weakened Luxembourg companies' appetite for talent? In fact, no. While there was indeed a slight decline in hiring intentions in the second half of 2020 due to the climate of uncertainty, the problem has reappeared with even more acuteness in recent months. The lack of labour has also been fuelled by the generalisation of teleworking which has altered the habits and expectations of "human resources" who are now declining positions that are insufficiently accessible or flexible or who, on the contrary, are accepting more distant positions if their tasks can be accomplished remotely. Luxembourg's service-based economy is particularly affected by this phenomenon. Employees also tasted a period of better work-life balance during the pandemic and do not want to give it up, which is leading them to resign from positions that are too restrictive. Added to this is the arrival on the labour market of Generation Z (born after 1995) who understand the value of work differently from their elders and who could well force

companies to listen to their expectations. At the same time, new skills requirements are emerging with the dual digital and environmental transition, which requires reviewing most economic models in a short time. This tense situation undeniably gives power to employees who know they are rare and can therefore claim to be expensive. According to a survey conducted in November 2022 by the UEL and the FR2S (Federation of recruitment professionals in Luxembourg), 91% of the candidates questioned have too many job opportunities. This complicates life for companies whose other costs are also tending to soar.

However, the labour market in Luxembourg is among the most dynamic in the world. The number of employees has increased by more than 84% in 20 years (2000-2021), compared to 9% over the same period for the whole of the European Union. At this rate, Luxembourg-based training courses alone cannot provide for the workforce required and it is logical that the geographical area of recruitment will expand, like an oil stain, even beyond the borders of Europe.

Some factors specific to Luxembourg

Luxembourg's economy, which, for several decades, has relied on a strong financial sector to ensure the country's prosperity after the decline of the steel industry in the mid-1970s, now aims to diversify by granting increasing importance and means to sectors such as media and information and communication technologies, logistics as well as health technologies, environmental technologies and space technologies. In addition, a dynamic community of start-ups has developed in Luxembourg over the past few years, exploring areas such as finTechs, insurTechs, ecoTechs, bioTechs, cleanTechs, foodTechs, healthTechs, legalTechs... To support its diversification strategy and accelerate the country's innovation dynamic, Luxembourg also invests massively in research and development. This development has the effect of accentuating the need for skilled labour and the development of these high-tech sectors is also having a knock-on effect on other sectors (hotels/restaurants, construction, leisure, etc.) which require all levels of skills. The problem of tension in the labour market is therefore affecting

"Employees tasted a period of better work-life balance during the pandemic and do not wish to give it up."



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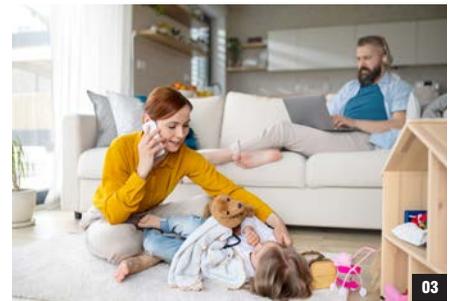
all sectors and all professions. The European Centre for the Development of Vocational Training (CEDEFOP) estimates that the country's future labour needs will be close to 270,000 people by 2030, 30% of which (more than 80,000) will be new jobs, with the rest corresponding to the replacement of retirees, the latter being numerous due to the age profile of working people and the many boomers (born between 1946 and 1964) now reaching retirement age.

Some factors are specific to Luxembourg, however, making the issue of finding talent a little more complicated for companies in the country. This concerns several areas. At school, early orientation in the choice of studies - at an age when young people do not know the world of work at all - as well as the problem of languages - that of education often being different to that spoken at home - close doors to young people who will then be disadvantaged in the sectors under pressure.

In business, the lack of flexibility in the organisation of working time and the increasing number of days off - the average working time per employee fell from more than 1,900 hours per year in 1970 to 1,530 in 2021 -, has transformed the headache of managing schedules to meet customer demands in certain sectors. Luxembourg also faces a difficulty of competitiveness linked to the cost of labour and the automatic indexation of salaries, which means that a recruitment decision amounts to embarking on a significant additional recurring cost. Moreover, competition from a public sector offering higher salaries than the private sector, as well as a degree of job security more favourable to obtaining mortgages, for example, makes business leaders fear that they will train labour which will then leave for the public sector. Another specificity of



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the Luxembourg market is the relatively low employment rate of women and seniors and an aging employment pool. All these elements put together create a pressure situation and weigh on companies' competitiveness of raising fears for the future development of the country.

However, do these problems constitute an inevitable fatality? In this election period, rich in debate, we see that they do not. Many ideas have been put on the table to address the talent shortage. In general, they aim to train more and better local people, to attract skills from elsewhere and to keep them in the country. These three pillars can be activated by the future government, but they also exist at company level: training employees, attracting them and knowing how to keep them.

Getting to the root of the matter

The 2022 IMD World Talent ranking noted that Luxembourg had fallen to a historically low level on the "quality of available skills" aspect and is now in 25th place out of 63 countries studied. This mediocre performance is partly due to the low percentage of graduates in scientific subjects, which is not offset by the good ranking in terms of multilingualism. Like any ranking, that of the IMD

is undoubtedly not free from bias, but it has the merit of highlighting the fact that an in-depth reflection must be conducted on the country's education and school guidance system. This amounts to taking an interest in the "talent factory". How to somehow relocate the production of talent for local use? This question should be asked from the youngest age of learners, by looking at what works well and what works less well in the country's education system.

For several years, the Chamber of Commerce has been reflecting on the subject of talent and making recommendations. In 2022, to go further, it set up a Working Group devoted to this theme bringing together elected members representing various economic sectors, as well as business leaders and experts in order to take stock of the situation and identify concrete solutions. Several possible courses of action emerge, in particular to act as early as possible in the lives of individuals who will become the workforce of tomorrow. The two main levers for action are the change of approach concerning the languages of instruction and orientation.

Regarding the languages of instruction, the current system is very demanding because it assumes proficiency in the country's three languages and a change in the language of



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instruction during the students' school life. This is not suitable for all students, especially those who do not speak any of the country's official languages at home. In fact, this demanding multilingual system has an impact on their academic results even though there are more students in this situation due to high immigration and the rapid demographic change that follows. This situation also leads to a distortion of chances between pupils according to their socio-economic background. The Chamber of Commerce therefore advocates a more realistic approach by reducing the requirements for language proficiency and developing initiatives aimed at offering differentiated language streams to allow young people to choose the language of instruction that suits them best.

Regarding orientation, it seems useful to reflect on the moment when this takes place. In Luxembourg, it occurs relatively early in the school career of young people. However, by observing what is done in other countries, it could be beneficial to postpone the moment of orientation and to extend the period of common core lessons. Such a measure would allow students to get to know themselves better and to be better informed about the existing possibilities and courses and their career prospects, in order to make

01. 02. In the post-Covid period that we are experiencing, the digitisation of jobs and the general spread of remote working, especially in a service-based economy like Luxembourg's, are shaping a new look for the job market.

03. Many employees weigh the balance between their professional and personal lives when choosing a job. Flexible working hours have become necessary.

04. Generation Z, born after 1995 and now entering the job market, has very different expectations from those of other generations. Creativity, autonomy and inclusiveness are their watchwords.



Arnaud Fournier
 General director,
 Rotomade Luxembourg

"We use social networks, particularly LinkedIn."

What is your business and what profiles are you looking for?

At Rotomade, we manufacture plastic parts using the rotational moulding technique. We specialise in large capacity hollow bodies (tanks, etc.). Our workforce of around 100 people represents approximately 65% of the group's total workforce. Rotational moulding is a relatively unautomated technique. For the moulding itself and for the finishing stages, we therefore employ machine operators and production, quality and maintenance technicians. In addition, we have a design and methods office which employs mechanical engineers to develop new products or new production techniques. These profiles are the hardest to find.

What are the most effective ways to recruit talent in your field?

We use social networks, particularly LinkedIn, not only to advertise our open positions but also to communicate about our areas of expertise and our brands. Our methods, which are still close to craftsmanship, are of interest to certain profiles; we have to put them to the forefront. Our products are used to respond in particular to the problem of wastewater treatment. As this is a major issue, many candidates are sensitive to it, especially since we have the ambition to become a leader in this field, with simple and efficient products. Thanks to this communication, we receive more spontaneous applications and people come to us already knowing who we are. To strengthen our visibility, we participated for the first time in the open-door days for companies last September. We took the opportunity to promote our open positions to visitors. Finally, we are taking on more interns and apprentices to prepare for the future.

What are you doing to retain talent within your company?

We have three levers. First, we set up a training plan allowing people to develop both personally and professionally. Then, we take care of the workplace to reduce the inconveniences of working in the workshop (noise and heat). Finally, we work a lot around the notion of leadership, which should not be reserved for management and managers. We have raised awareness on this subject for all staff and we insist on the importance of building healthy and trusting relationships between operational teams and their managers.



freedom-form company, motivated employees

A liberated company is one that has completely rethought the organisation of work. No more strict work schedules, imposed holidays or objectives dictated by a manager. Everyone decides on their pace of work, the number of paid holidays and their vacation dates. Salaries are also decided by the employees of the company. Furthermore, the number of hierarchical levels has been reduced. The functions of managers have been redesigned: their role is to encourage the members of the team to take initiatives while leaving them free to choose the way of implementing them. The manager plays a role of protective filter intended to let the operational staff accomplish their missions in the best conditions. Employees of a liberated company are free and responsible for carrying out the tasks and actions they deem good for the company. Everyone has the same level of information and decisions are made with full knowledge of the facts. Not very widespread in Luxembourg, this model has proven itself, including in large groups such as Michelin or Decathlon.



Managing Gen Z in business

Generation Z (born after 1995) grew up in a rapidly changing world, in uncertain times and with social media. One of the key characteristics of these young people is their entrepreneurial spirit. As an employer, the best way to fuel this aspiration is to give them projects of their own. You have to let them show what they are capable of and the possibility of having an impact. Which mode of communication do they like? Open and honest above all, straight to the point. Generation Z likes to live creatively and will gladly support company initiatives that will convey their values.

"The situation of tension undeniably gives power to employees who know they are rare and can therefore claim to be expensive."

more informed decisions about choices that may commit them for the rest of their lives. It would be interesting to also multiply the bridges between the classic and general streams to allow young people who may have made the wrong choices to reorient themselves along the way. Finally, it is necessary to promote the scientific courses which are not always the best known or the most popular with young people today. Graduates in STEM subjects (Science, Technology, Engineering and Mathematics) represent fewer than 20% of graduates.

To enable young people to better understand the world of work and the opportunities available to them, organising connections between the worlds of school and business is also one of the Chamber of Commerce's ambitions. Many companies are ready to open their doors to young people and their teachers for closer contact between the two worlds. This can take the form of company visits, internships, discovery days that allow young people to acquire a certain economic culture and discover the key professional functions of today and tomorrow. Teachers, for their part, would be able to better prepare their students for the world of work, in full knowledge of the facts. For maximum impact, some of these initiatives could be adopted as early as primary school.

Improving training opportunities

The Chamber of Commerce is one of the key players in vocational training and is actively involved in the organisation and promotion of apprenticeships, which largely contributes to bringing out the skills sought by companies, and which gives young people and adults retraining a real advantage in terms of professional integration. A recent study was conducted by the University of Luxembourg (UNL) at the request of the professional chambers who share responsibility for initial vocational training. The results of this study, published in December 2022, summarise opinions collected from more than 1,000 apprentices and more of 700 companies involved in training. It shows

that 40% of companies indicate that they want to train even more apprentices in the future and that more than 80% of young people appreciate in-company training, with more than 75% wishing to pursue a career in the profession in which they were trained. Apprenticeships thus guarantee rapid access to the labour market, while providing companies with a workforce trained exactly to their needs and to the evolution of techniques used in business. This is why the Chamber of Commerce has been pleading for a long time, with the other professional chambers, for an extension of dual school-company education, under an apprenticeship contract, to more sectors, and to all levels of education (Technician Diploma (DT), Higher Technician Certificate (BTS), Bachelor and Master).

At the level of higher education, companies are in favour of strengthening the links between the University of Luxembourg and the economy to ensure that the programs are in line with their needs. In addition, efforts should be strengthened to develop a tertiary offer closer to the needs of businesses, similar to what is offered by the universities of applied sciences that can be found in other countries (German "Hochschule" or Belgian "hautes écoles" in particular).

Saving Private CVT

Beyond initial training, continuing vocational training (CVT) also plays a significant role in the acquisition of skills. While many companies are already investing in the up-skilling and re-skilling of their employees (according to the Training Observatory, in 2019, 56% of employees in the private sector benefited from training in companies, known as collective access), it is essential to continue to promote Lifelong Learning in companies in view of the many challenges that exist in terms of talent. Thus, progress is desirable in adult training and in particular continuing vocational training, to reach more vulnerable people (job seekers, temporary workers, etc.) and even people who are not currently in the labour market.



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05. 06. 07. 08. Alongside the financial sector, which continues to hire at a sustained pace, many of the developing sectors in Luxembourg (Fintech, HealthTech, logistics, etc.) are also seeking a large number of qualified workers.
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Restoring the attractiveness of Luxembourg

The solutions previously mentioned should be considered as long term. Any measures intended to improve the education system, and those concerning adult education, will need several years to bear fruit. So how do we help companies find talent that does not exist in the country? According to the IMD World Talent Ranking, Luxembourg is falling in the ranking on the "attractiveness" aspect, i.e., its ability to attract and retain foreign talent. However, the obstacles to this attractiveness are known. Even for the closest foreigners, cross-border workers from the three neighbouring countries, the magnetism of Luxembourg is no longer what it used to be. Today, nearly 225,000 French, German and Belgian nationals are employed in Luxembourg (STATEC figures - last quarter of 2022). We know that the development of the Luxembourg economy will require increasing this figure to just over 500,000 by 2050, according to an estimate by the Idea Foundation in its study "A territorial vision for Luxembourg in the long term". But daily commuting continues to get longer due to congestion on roads and public transport, if the possibility of settling in Luxembourg to avoid these lost hours continues to be extremely difficult - if not impossible - given housing prices and a looming real estate crisis, and if we do not add flexibility to the current system which limits the number of days of telework possible for our neighbours, salaries may no longer be sufficiently attractive to entice people to work in Luxembourg. In a global labour market, thanks to the possibilities offered by new communication technologies, candidates can sell themselves more easily internationally and choose the country with the highest bid.

However, Luxembourg has many assets to highlight, such as its political stability, its multilingualism, its sound public finances, its societal framework, its quality of life, its international public schools... and many candidates are seeking information about

Europe's stated ambition is that 60% of all adults should participate in training every year.

However, a recent STATEC study on continuing vocational training reported a decline in the number of people who have benefited from such training in Luxembourg of 5% between 2015 and 2020. In 2017, the Government decided to reduce its co-financing of training: the decline observed, the first since 1993, could be a direct consequence. This decline can be seen in both the number of people trained and the number of hours of training provided. The share of payroll devoted to training has also fallen in all business sectors except construction. The Covid crisis undoubtedly played a role in this decline, and it is still too early to say how the use of CVT will evolve in the post-Covid period, in a context where companies are facing new challenges and changing priorities.

As CVT is essential for both the ecological and digital transitions and also for maintaining the competitiveness of the Luxembourg economy, it is necessary to reinvigorate this lever for adapting skills to needs, and for this, companies need to be supported.

Thus, in the OECD study already mentioned, many of the conclusions and recommendations concern better management in this area. The international organisation emphasises 4 priorities in particular: adult training; support and guidance in the choice of skills;

the facilitation of the recruitment of foreign talents and their integration and finally, the optimisation of the quality of data collection and the coordination of this data. Each of these aspects is detailed in more concrete recommendations targeting specific players in the Luxembourg training ecosystem. It remains for these actors (ministries, INFPC, Adem, representatives of employers and employees, etc.) to seize upon these avenues to advance.

As a follow up to the Working Group devoted to talent which involved business leaders from different sectors, the Chamber of Commerce and the House of Training are emphasising the need to strengthen exchanges with different economic sectors and to adapt training offers to the needs in the field such as the work already carried out closely with the Bankers' Association (ABBL) in the financial sector. The need to revalue collective access improving the co-financing rate to cancel out the negative effects of its reduction is also recommended, as is an administrative simplification of the procedure for applying for this aid. The complexity of the process seems to put off the smallest companies who lack the administrative staff to fulfil these procedures. The Chamber of Commerce recommends raising the co-financing rate to 20% (as it was before the 2017 reduction) and raising it to 40% for any training forming part of a strategy to adapt skills to the new digital and environmental context.



Andrea Huck
Training & HR Administration
Manager, Sodexo

*"We are constantly recruiting.
We recently hired a Talent Manager."*

What profiles are you looking for and are you having trouble finding them?

In Luxembourg, we have 2,300 employees working for around a hundred different clients in a variety of business sectors. For Catering, we are looking for versatile catering agents, chefs de partie, pastry chefs and chefs. For Cleaning, we are recruiting cleaners and handymen and finally, for our Care and Support branch, we are looking for nurses, nursing assistants and caregivers. We are indeed having difficulty finding these profiles, because these are areas under pressure, especially since Covid. In addition, turnover is high in these professions. We are therefore in perpetual recruitment.

You use adult apprenticeships. Can you tell us how it works?

In most cases, this is done with employees already present in the company who wish to evolve and whom we encourage. We accompany them to find a diploma and a school that correspond to their project. We declare the vacant position to ADEM and the employee registers with the "Maison de l'orientation". After validation of the various parts, employees can start their adult apprenticeship over a period of 2 or 3 years. They are then promoted in the company to a position corresponding to their new diploma.

It is a springboard highly appreciated by employees to develop their skills and it allows us to help them develop in the company.

It is also possible to start an adult apprenticeship without being an employee beforehand. Motivational interviews are then organised with the potential future tutor. The steps are then similar.

What are you doing to retain talent within your company?

Retaining talent is a big challenge. We activate several levers. First, the benefit package, which consists of reviewing the benefits, financial or otherwise, to stay aligned with the market, or even stand out... Then training, by updating and expanding our offer. We also support our employees in their professional development by encouraging internal mobility, coaching them and defining a career plan with them. Finally, we have a corporate culture which reinforces our employees' feeling of belonging. We also have an ambitious social responsibility policy, and we want to give meaning to the work of our employees, by integrating them into our social and environmental commitments.

In light of these challenges and the current "war" for talent, we have recently recruited a Talent Manager to work specifically on talent attraction, retention and development strategies at Sodexo.



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09. The Chamber of Commerce has identified two priority projects for modernising the Luxembourg education system and adapting it to the new needs of students: rethinking language teaching and reviewing the guidance system which occurs very early in the school career.

10. Science should be promoted from primary school to encourage more young people to take an interest in STEM subjects and professions that use these skills.

11. The Chamber of Commerce is pleading for increasing contacts between young people and businesses. For this, apprenticeships are an increasingly popular way, but company visits, discovery days and internships are also opportunities for dialogue between the educational world and the business world.

open positions in the country. In a study conducted by the global job search engine Indeed, over the period January 2019 - April 2022, Luxembourg was in the top three European countries for job searches by candidates, along with the United Kingdom and Switzerland. Thus, 78% of searches for vacancies posted in Luxembourg came from foreign countries. However, the country must not neglect anything to strengthen its appeal to ever more distant foreigners. All aspects of daily life can turn into penalties or bonuses depending on their effectiveness: housing and mobility infrastructure of course, but also the health system, childcare, an inclusive school system, integration of spouses, digital infrastructure, administrative facilities, etc.

A natural breeding ground: students and researchers

If the general living environment needs to be nurtured to attract people to Luxembourg, some targeted actions may also be necessary to complete the country's arsenal of seduction. For example, it is possible to make better use of foreign students and researchers coming to Luxembourg as part of their studies and/or research, in particular at the University of Luxembourg (UNI), which is noted for being cosmopolitan. These people



“Graduates in STEM subjects (Science, Technology, Engineering and Mathematics) represent fewer than 20% of all graduates.”

represent a pool of highly qualified profiles. They often come to Luxembourg for a limited time, for a semester or two of study or a research project. The aim is to make them want to stay longer, or even to settle in Luxembourg, and to make it easier for them to do so. With this in mind, Luxembourg transposed a European Directive from 2016 into a law which took effect on 1 August 2018 and allows students, interns and researchers to have easier access to the Luxembourg labour market. The measures included in this law concern the duration of residence permits, the possibility for foreign students to take a salaried job or to obtain a residence permit in favour of an internship and even the possible mobility between several EU Member States for students and researchers. If the holder of a residence permit has successfully completed studies or research activities in Luxembourg (and obtains a final higher education diploma leading to the grade of Master or Doctor), a new residence permit "for job search or business creation" can subsequently be issued. Since the implementation of this scheme, the number of beneficiaries increased threefold between 2019 and 2022 but this is far too modest in relation to needs, remaining below the 100 people per year mark. Family members of the researcher/student may also, under certain conditions, benefit from the same advantages.

These populations are inevitably confronted with the issue of high housing costs, so to ease this aspect of their moving to Luxembourg and avoid deterring them, it is necessary to take several actions to improve the availability of suitable housing. The Chamber of Commerce suggests three actions: cooperating with certain municipalities in the Greater Region – the Belval university campus is indeed just a stone's throw from France; cooperation among the municipalities of central and southern Luxembourg to entrust certain accommodation to the UNI

accommodation service; and finally, incentives for private developers to build student housing projects.

Existing solutions and others to be invented

The work-in-Luxembourg.lu recruitment platform, developed by Adem in collaboration with Eures Luxembourg (created in 1994 Eures is a European network of employment services intended to facilitate the free movement of workers) and which is aimed primarily at European nationals, but which could have an influence beyond, is to be welcomed. The pilot project was launched two years ago showed its effectiveness and has consequently become part of Adem's permanent services since February 2023. Each employer with a vacancy can promote it on this platform, after having declared this position to Adem, or conduct a search among the candidates registered on the platform. Eures can also provide advice on professional mobility within the European Union as well as financial aid for relocation. The platform organises its own online recruitment fairs with a candidate selection system in advance of a virtual meeting on D-Day. All these services are free.

To attract the attention of foreign candidates, efforts should be intensified to give more visibility to the country. The Chamber of Commerce suggests orchestrating coordinated Nation Branding operations, specifically dedicated to promoting the country to foreign talent. These actions could take the form of participation in international recruitment fairs or the integration of a "talent attraction" component within the framework of economic missions. An agency, on the model of Luxembourg for Finance, with a substantial marketing department, attached to a ministry, could be responsible for coordinating these initiatives and making the

link between the various stakeholders.

In addition, the employers' chamber surveyed companies as part of its Economic Barometer for the first half of 2023, the thematic part of which was devoted to the attractiveness of the country. It asked companies to prioritise a few tax measures that could make the country more attractive. It appears that the measure deemed most effective would be a tax exemption on bonuses, followed by a reduction of taxation for single people. Immediately behind comes making teleworking more flexible (a measure particularly favoured by the financial sector), followed by an increase of the tax-free ceilings for money placed in supplementary pensions and finally the development of employee share ownership schemes.

Roll out the red carpet a little more

Despite the existence of a system which allows foreign nationals, under certain conditions, to deduct the costs and expenses related to their expatriation (travel costs, moving costs, fitting out of new accommodation...conditions and exhaustive list are to be consulted on Guichet.lu) from their taxes and despite the European blue card system which facilitates hiring of highly qualified non-Europeans, the need for labour concerns all types of profiles and hiring third-country nationals remains a path full of obstacles for many companies.

Several employers' organisations, primarily the FEDIL – which on 23d March published the hiring forecasts for the industrial sector amounting to 765 hoped for recruitments – have recently expressed concern about the existing barriers to hiring people from third countries. The housing situation has already been mentioned but it is worse for third-country nationals as they may be confronted by mistrust from landlords who



The job market in figures

Since the beginning of 2023, Adem has been publishing various interactive dashboards on its website. Each is devoted to a theme: job seekers; compensated job seekers; job offers and key labour market indicators (calculated by Statec). This innovation is part of ADEM's 2025 Strategy, one of whose objectives is digitalisation. The new dashboards offer more analytical possibilities, such as crossing filters and monitoring the evolution of the figures. To facilitate the use of interactive tables, practical tips are available from the "?" button, and explanatory videos in three languages are available at the bottom of the page.

■ More information: <https://adem.public.lu/fr/marche-emploi-luxembourg/statistiques/chiffres-cles-adem.html>



Two emblematic anniversaries

On 16th March 2023, the National Institute for the Development of Continuing Vocational Training (INFPC) celebrated its 30th anniversary and the 20th anniversary of the lifelong-learning.lu portal. Since its creation in 1992, the INFPC has been aimed at companies and individuals to support skills development in Luxembourg. It will soon have a new department dedicated to "Strategic development of continuing vocational training", whose mission will be to develop, in collaboration with players in training and employment, a strategy geared towards the future.

The lifelong-learning.lu portal was created in 2003 to provide a unique information platform for continuing vocational training in Luxembourg. In 20 years, it has evolved considerably to respond to current trends and ever-accelerating digital developments. Today, lifelong-learning.lu references more than 12,000 training courses offered by more than 300 organisations. These cover all business sectors. In 2022, the portal recorded more than 670,000 visits with 2,900,000 pages consulted.



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"Europe's stated ambition is to have 60% of adults participating in training each year."

therefore ask them to provide higher rental guarantees, and they also face numerous complex administrative formalities which seem disproportionate in the context of labour shortages.

Work permits must be obtained before an employee arrives but obtaining them may take up to 4 months - a delay which discourages both employer and employee and may encourage the latter to accept a job offer in another country with faster procedures. In addition, during this period, companies have no idea of the progress of the procedure, and this generates insecurity because, at no time, do employers get assurance that the process will be completed. Therefore, Luxembourg companies plead for both a digitisation of the process allowing it to be monitored in real time and a general acceleration of the processing of requests. This is especially so because obtaining an initial 3-month work permit must be followed by a new application to obtain a permanent residence permit with the risk of having to suspend the employment contract during the course of this second procedure. In addition to the modernisation of application monitoring tools, it would be useful if the procedures could be fully explained and completed in English, which is not currently

the case and which makes the process extremely complicated for candidates who do not speak one of the country's three official languages. Given the significant increase in the number of files being processed by the relevant unit at the Ministry of Labour (+72.87% between 2020 and 2021), everyone would benefit from drastic administrative simplification in this area. The Chamber of Commerce suggests setting up a single multilingual platform to facilitate entry and residence procedures for all foreign nationals, whether they be employees, students or researchers. Assigning a single point of contact to follow-up the file would also be a big plus.

The possibility of being able to recruit a third-country national also depends on Adem issuing a certificate confirming that the profile is not available in the country. FEDIL has asked for the abolition of this certificate in occupations experiencing shortages. In addition, the process of Luxembourg recognising professional qualifications obtained in third countries can be very long: FEDIL suggests being able to move forward with the hiring process without waiting for this document. Finally, it seems necessary to simplify the arrival of family members of third-country nationals hired in Luxembourg. At the moment, each member of an expatriate's family must submit a separate application, the processing of which can take up to 9 months. This makes many candidates with families hesitate to accept a position in Luxembourg. It should be noted that things are moving positively regarding the issue of work permits to family members (spouse, descendants and direct ascendants) making it concomitant with the issue of a residence permit. A law is indeed



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in preparation on this specific point.

One last obstacle has been highlighted by FEDIL: the competent authorities are often unavailable during the summer months. However, foreigners are often keen to schedule their arrival for September at the latest, so as not to compromise the start of their children's school year.

Recruiting and retaining: the same issue?

Whether recruiting or retaining talent, the legal and administrative framework is certainly important, but it is not the only factor that can guarantee success. The world of work is changing rapidly and with it the expectations of individual candidates. Listening to these expectations and their evolution and adapting to them is necessary for any company wishing to recruit. Some best practices in recruitment were highlighted by a survey conducted in October 2022 among 950 of its users by the jobs.lu platform. It shows that the covering letter is no longer on the rise, that candidates prefer to upload their CV rather than fill in the fields of an electronic form and that 83% prefer that the salary be indicated directly in the job

12. 13. 14. If Luxembourg's quality of life remains one of its main assets, the difficulties concerning housing and mobility are becoming very important brakes on the country's attractiveness.

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 (13) Chambre de Commerce,
 (14) Jean-Baptiste Moisy



Muriel Morbé
 Training Director,
 Chamber of Commerce

"We are in direct contact with the business community on a daily basis."

What do you think are the priority reforms to be carried out to adapt education to the country's skills needs?

We plead for the introduction of dual education at all levels, including higher ones. This seems to us important and necessary for the revaluation of apprenticeship. We must stop approaching this mode of teaching as a secondary path synonymous with failure, but on the contrary recognise its virtues and make it a path of excellence, as is the case in Germany for example.

Then, it seems essential to us to adapt the school programme even more so that linguistic diversity becomes a strength and no longer a blocking point for some students. In addition, it will be necessary to conduct a process of reflection to modernise and adapt the programmes and teaching methods, particularly to emphasize transferable skills and promote STEM subjects.

How is the House of Training developing its offer in a rapidly changing context?

Our mission is to offer a complete and multi-sectoral training offer that meets the current and future needs of companies, both in terms of content and teaching methods to support companies in the development of their skills. Thus, we work in close collaboration with many partners, federations and professional associations representing the different business sectors but also public institutions and administrations such as Adem and even academic partners.

Our trainers are mostly experts in the field, and our clients are Luxembourg companies, their managers and employees as well as the creators and buyers of companies. We are therefore in direct contact with the business world on a daily basis.

Based on the OECD study published in February, what do you think are the aspects that a national skills strategy should address as a priority?

We welcome the analysis of the OECD in favour of the development of opportunities for the upgrading and retraining of adults throughout their lives, as well as their better orientation towards market opportunities. The study highlights other relevant elements such as the revaluation of collective access and possible actions to attract and retain foreign talent.

On the other hand, it is regrettable that the recommendations are limited to the adult population and do not address the issue of the guidance offered to young people or that of apprenticeship: - elements that are nevertheless essential in the context of a holistic approach to skills.



**Gwladys Costant and
Nicolas Hurlin**
co-presidents, FR2S

*“The gap is widening
between what people want
to do and the jobs offered.”*

What difficulties do your members meet in finding talent for their clients?

Candidates are now looking for a stimulating environment that combines attractive remuneration, well-being, quality of life and remote working. They also want to acquire skills, have access to a network and career opportunities. Candidates have understood that training is essential to maintain their employability and employers who do not offer this dimension are no longer attractive. The gap is widening between what people want to do and the jobs offered. In addition, the skills sought are changing faster than the training courses. In addition, the labour market is sclerotic due to a lack of mobility in certain sectors and a lack of bridges between the private and public sectors. Candidates from neighbouring countries are less attracted to Luxembourg, which has lost competitiveness compared to its neighbours, and attracting candidates from outside the community is difficult with a long and complex administrative process. On average, FR2S member firms have each managed to relocate fewer than 10 candidates in 2022.

What are the most difficult profiles to find?

All recruitments are difficult. Finding managers is particularly complicated because the candidates balance the difficulties of the role with the advantages that do not always weigh up, at least in their eyes.

We see that companies are partly responsible for the shortage of talent because they do not diversify recruitment enough in terms of age and seniority. Everyone wants candidates with fewer than 15 years' experience, and there are just not enough of these people. Seniors tend to be automatically excluded even though they can be a useful source of talent.

What would be the priority measures to adopt to ease tensions on the job market?

We have several ideas. First, rework the university offer in line with the needs of companies and therefore train more accountants, lawyers, compliance officers, IT experts, engineers... The master's degree in information security is a good example of this welcome diversification. Second, improve training incentives to adapt existing profiles rather than always looking for new ones. It is also possible to create, as in Italy, incentives to return to Luxembourg after studying or starting a career here. People who already know the country are easier to convince. We should also improve our fiscal attractiveness, which has lost a lot. Another very important point would be the modernisation of the bankruptcy law. If we manage to promote entrepreneurship and attract inspiring profiles, the whole place will be a winner. On the other hand, it is important not to reduce legal working hours. This would only degrade companies' competitiveness and the country's attractiveness in the eyes of investors.



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15. 16. Students and researchers who come to Luxembourg for their studies or research projects constitute a pool of potential labour which could be used better.

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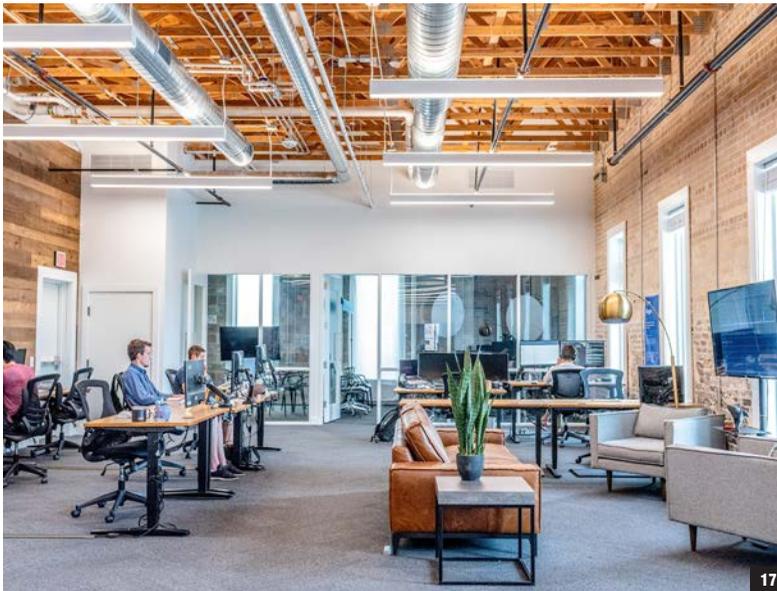
17. 18. For talent retention, the atmosphere in a company is very important. It is therefore necessary to take care of the workspace and organise moments of conviviality.

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advertisement, something which remains relatively rare. Once pre-selected, eight out of ten candidates prefer face-to-face interviews to remote exchanges for authentic contact and to better appreciate the company's culture.

The digital recruitment start-up TalentMindz has shared its observations regarding the expectations of Generation Z, those born after 1995, under 30 and who are now entering the job market. This population has very different expectations from their elders regarding recruitment. To attract their attention, ads must be posted on internet platforms or on social networks, media naturally consulted by this age cohort, rather than in the printed media. But there are differences between social networks and here too things are changing quickly. Facebook is now more for Generation Y (born between 1980 and 1995). The “Gen Z” prefer YouTube and Instagram, but it is TikTok that best allows them to be reached. Also, according to TalentMindz, ads must be designed to be consulted on smartphones and

*“Hiring third-country
nationals remains a path
full of obstacles for many
companies.”*



17



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“Even for the closest foreigners, those living across the borders of the three neighbouring countries, the magnetism of Luxembourg is no longer what it used to be.”

tablets because applications sent via these tools are increasingly frequent. The graphics must be particularly neat so as to challenge the young Internet user who rarely spends more than 10 seconds on any one screen, unless attracted by a striking detail. On the content *“special emphasis should be placed on the benefits for employees as well as on training and development opportunities”*, explains Pascal Schaefer, founder and CEO of the start-up based in Wasserbillig. Personal fulfilment and having time available for leisure are indeed a major expectation of this new generation of workers who are also very sensitive to multiculturalism and diversity in all its forms. Pascal Schaefer ends his advice by insisting on the importance of the job title: *“it must be as clear and concise as possible and characterise the field of activity in a relevant way. In this area, we must not seek originality but efficiency”*.

Building an environment conducive to growth

Chef Cyril Molard, head of the *Ma Langue Sourit* restaurant, interviewed for the May-June 2023 edition of Merkur understood this well, *“in this period of more difficult recruitment, it is time for generosity towards employees. We must allow them to have time for themselves and organise themselves accordingly”*. Not wanting to row against the tide of the times. The current balance of power is rather in favour of the employee. Wisdom dictates adapting to this

new situation for as long as it is not replaced by a new context.

Although a large majority of employees in Luxembourg (87%) say they are “fairly” or “completely” satisfied with their situation at work (STATEC- Labor Force Survey 2022), satisfaction is never acquired definitively and must be maintained with utmost care as a tight labour market offers many opportunities for professional mobility. Based on the principle that convincing existing employees to stay is as important as attracting new employees, managers and Human Resources departments have a key role to play in building an environment conducive to personal development.

This can take several forms. It is a question of giving meaning to everyone's work, involving employees in the strategic vision of the company. Both good and bad news must be shared in complete transparency. Interesting and diversified tasks must be guaranteed. Work must focus on the corporate culture by highlighting the values of inclusion and attention to the natural and social environment. Team cohesion being more difficult when part of the workforce telecommutes regularly, it will be necessary to organise moments of conviviality and be attentive to the signs of possible distress and, if necessary, train managers to decipher these signs. Companies must not hesitate to discuss with people who show signs of discouragement or demotivation to

avoid contagion and must be attentive to the evolution of employee expectations; meeting the expectations of younger generations while helping seniors find their rightful place in the organisation to prevent them from being tempted by early retirement.

A recent study shows that while salary remains a determining factor in job satisfaction, especially in times of inflation - hence the need to monitor the market price of the various profiles making up the workforce - this is closely followed by the need for flexibility and security, the increased demand for work-life balance (right to disconnect, etc.) and alignment between the values of the employee and those of the company (work monitor Randstad 2023).

As long as there are people in companies, these human well-being factors will be of significant importance to guaranteeing the involvement of all in the success of successful businesses. —