



Retaining Talents in the European Steel Industry

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0. Introduction

The European Steel Technology Platform (ESTEP) brings together all major stakeholders of the European steel industry. ESTEP's ambition is to maintain and reinforce the global leadership of the EU steel industry. This means using research and innovation to develop new products and processes that will foster the sector's competitiveness.

ESTEP experts come together in working groups – each dealing with a different thematic aspect of the steel industry – to advance R&D, innovation and breakthrough technological solutions.

ESTEP's vision for the European steel industry up to 2030 foresees major changes, many of which will be driven by new scientific and technological discoveries. New products and new processes will appear in response to evolving customer demands and ESTEP members' determination to contribute to preserving the natural environment. Hence, if the transformation of the European steel industry is to be led by science, technology and innovation, then the industry needs the people who will drive these changes and ensure their success – the steelworkers of the future.

At the same time, the steel industry workforce is undergoing an unprecedented change. The age structure in most European steel-producing companies is such that more than 30% of the workforce will have left the industry in the period 2015-2030.

In today's so called 'war of talents' the hemorrhage of highly skilled people leaving the company to competitors or other competing industries is a serious business threat. While in the past there was an employer's market, the situation changed to an employee's market. Thus companies have to compete with attractive workplaces and working conditions for highly skilled people. Due to the demographic change in most European Member States, we expect a further expanding of this trend.

The activities of ESTEP's Working Group 'People' contribute to ensuring the supply and retaining of high-qualified scientists, technologists, innovators and man-



agers, who will take the European steel industry forward and provide new sources of competitive advantage.

To retain this target to our industry and prevent a brain drain to other industries, knowledge and information about attitudes, needs and perceptions of highly skilled employees are fundamental to shape the working conditions appropriately and make the talents feel comfortable.

To contribute to this situation, ESTEP Working Group 'People' launched an EU-wide survey in 2014 addressed to talents identified by steel companies and asked them to estimate their values, ambitions and needs.

We would like to express our appreciation to all the members of the ESTEP Working Group 'People' for advising on the survey. Particularly, Hanna Salovaara, Ernst Balla, Daniele Quantin, Wojciech Szulc and Enrico Gibellieri gave strong and important support in developing the survey, while Catherine Tiedemann conducted the analyses and Michael Zocholl supported us with interpretations and prepared the report. And not to forget Jean-Pierre Birat, the General Secretary of ESTEP, giving us an in-depth feedback for improving this article.

1. About the survey

The target group we intended to meet is called "talents". Our definition of talents refers to a junior manager identified by their company to be promoted within the next two years. Usually these employees are informed of the trajectory programme for their personal carrier and participate at specific development measures. Regarding the future of the steel industry, in the years to come this target group will take over responsibilities and help the steel industry move forward in the global competition. It is essential for the industry to retain these people.

To identify this target group and reach them with our survey, we first used the ESTEP network of people in Human Resources positions and second asked EUROFER to distribute a cover letter giving access to the online survey to Human Resources representatives from additional steel companies not yet represented. In the cover letter, Human Resources Managers were asked to forward the invitation to the online survey to their own talents as defined.



The online survey was open between 10th of April and 16th of May 2014. Completing the questionnaire took approximately 25 minutes. The information was treated confidentially, guaranteeing the anonymity of the participants and their companies. Due to this fact, the data were not analysed by company or European member state.¹ Finally we received 268 completed questionnaires. At this point, we would like to thank all survey attendants for their contribution to this analysis.

The results of the following main topics of the questionnaire will be discussed with its impact for the steel industry and further research:

- What is a "great" company?
- How relevant is social media?
- How to integrate talents in the company?
- How to retain talents in the company?
- How relevant is leadership and management?

2. A "great" company

Years ago, companies were in the position to choose the best talents out of a pool of possible employees. But nowadays due to an increasing shortage of skilled workers in several industries in Europe, particularly in industries needing very specifically qualified people, qualified young people are in the position to choose the employer they want to work with. Studies show that companies must change and become attractive or "great" for young talents.

But the question is: What is an appealing company from the talents' point of view?

The first open question of the survey dealt with exactly this matter and asked the participants to indicate what a great company is about. The answers of the talents show the multifaceted and individual perspective on what a "great" company is. While several talents appreciate interesting products and services of the company, others emphasize effective organization processes and a learning organization.

¹ Because there is mostly one big company representing a member state, the country analysis could not take part as well.



Personnel development is one aspect that most of the talents put forward as their major concern. Considering the target group, this is not surprising. Employee development is based upon three core tasks: Identifying employees - developing competences – retaining employees. On the one hand, these tasks are influenced by different factors, e. g. culture, organization or technology. On the other hand these factors need to be aligned with the talents demand to provide a contribution to the success of certain personnel development systems.

Indeed, talents are usually informed about their personal development plans or they are attending specific programs to be prepared for the next step in their career. Personal development programs and systems organised in companies are the basis for their individual evolution and their career. Therefore, this result validates that the companies do have to focus (and most of the steel companies do) on the personnel development measures of this target group.

Furthermore, the results show how important it is to project an entrepreneurial view in order to be a great company. Companies need to express a clear strategy and transparent goals. Without limiting the freedom degree, the organization is able to break down company goals to its employees. To achieve the goals, it is inevitable to have a creative and innovative work environment.

While we asked in the first question about qualities of a great company in general without any given parameters, we asked additionally to rate how important different properties are for them personally (see figure 1). The answers are very similar to those of the first question. Personal development received the highest importance referring to the positive extremity (scale 5). From the aggregated point of view, all qualities attached an importance higher than 70%.

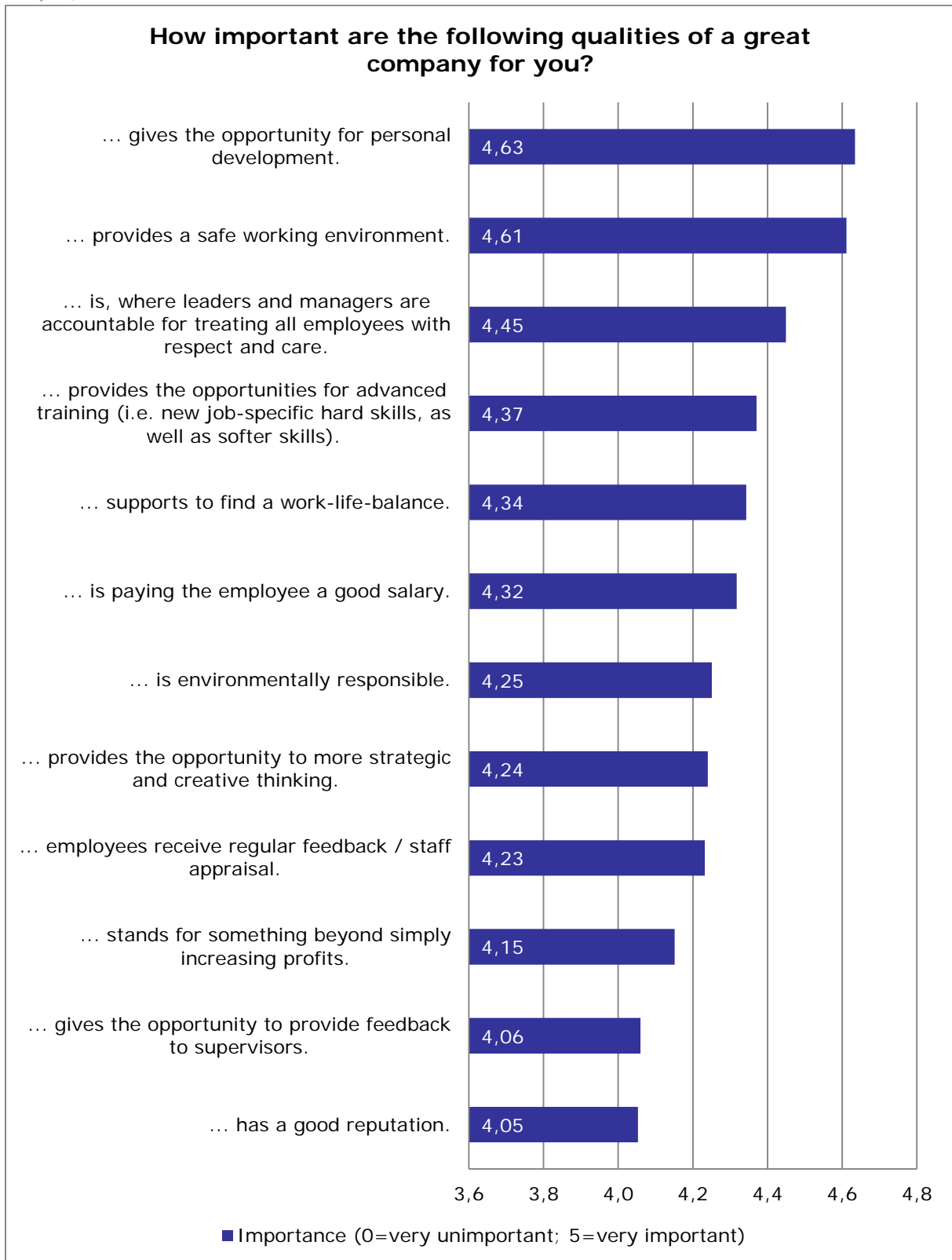


Figure 1: How important are the following qualities of a great company for you personally? (arithmetic mean)



Based on these answers the participants rated their top 5 qualities (see figure 2). As the results show, personal development, work-life-balance and salary are the three main features defining a great company from the talents' standpoint. The talents rated the balance between private and company life as more important than a good salary. As we know from several other surveys this is a clear signal for steel companies to care for work-life-balance to be an employer of choice for their talents. It is interesting to see that leadership, especially regular feedback for employees, are of minor interest. It might be that most talents are used to receiving and giving regular feedback, so that they don't estimate this as a quality of a great company but a regular and necessary measure.

Interestingly, the quality of a good salary is highly differentiated by the gender perspective. While 51% of the male participants rated salary as one of the top 5 qualities of great companies, only 33% of the female made this selection. From a gender approach, salary is only in the mid-table of all qualities rated by female participants. This result contains an important message for companies that are caring about promotion of women in management positions. Thus, promoting female talents cannot be driven only by a good salary. Also interesting to see is the difference in sharing the company's success. While only 2% of the female talents rated this item as one of the Top 5 qualities, almost one fifth of the male participants assessed the stake in the success as a top 5 quality.

From a female perspective, a great company in general needs the following properties:

- Personal development (77.1%)
- Leadership (56.3%)
- Work-life-balance. (50%)
- Autonomy (47.9%)
- Safe working environment (45.8%).

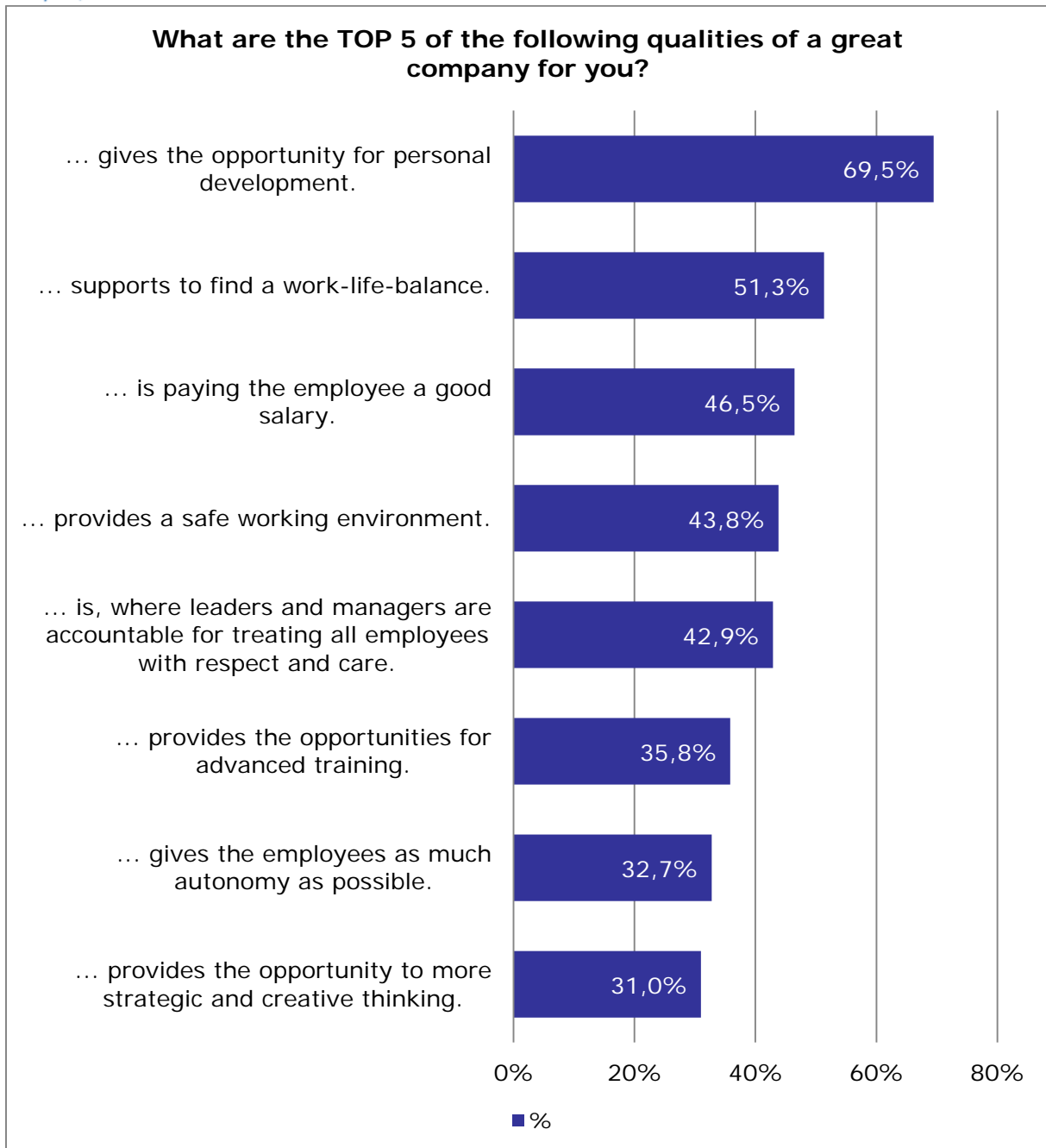


Figure 2: What are the TOP 5 of the following qualities of a great company for you?

3. Social Media

It was also asked about the relevance of social media for steel companies. Social media is one of the major trend topics in all industries. Communicating with future employees and all other stakeholders is necessary to position oneself as a "great employer" in the market. Social media plays an important role for the steel industry as well. 58% of the survey participants think that Social Media has relevance for all steel companies.

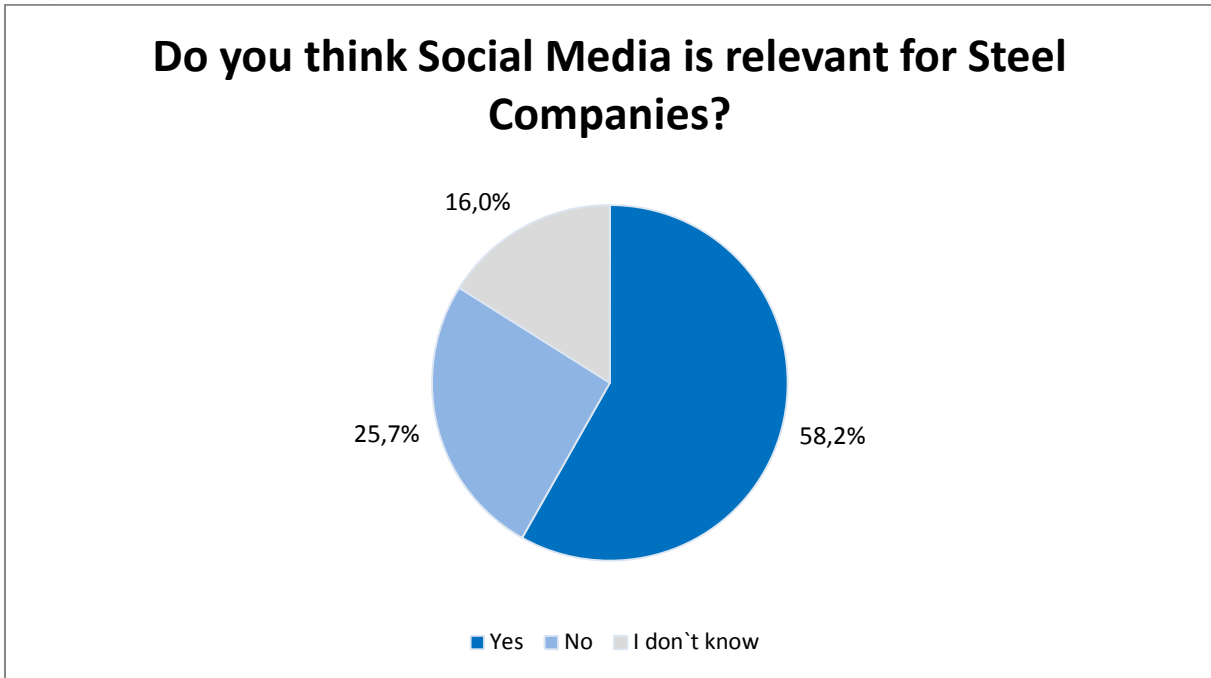


Figure 3: Do you think Social Media are relevant for Steel Companies?

To deepen this topic, we asked about the role of Social Media for talents when they *choose a new company*. **Facebook**, **Twitter** and **LinkedIn** are the main actors in the social media environment. Interestingly, the participants attributed no major importance to two of the three social media applications (Twitter and Facebook). Only **LinkedIn** was considered (very) important for choosing a company (stated by 44% of the talents). That leads to the assumption that, the more specific and business oriented the application is, the more attention it receives.

Beside a general relevance social media is also not important for the activities of the companies of the talents (as stated by the respondents of the questionnaire). LinkedIn as the most specific and business oriented application got the highest relevance as well.

In comparison with the fact that the talents assess social media in general as relevant for the European steel industry, it is necessary to find out why social media got a lack of significance at the moment. It also illustrates that companies need to reflect their recruiting activities with social media. As social media is not relevant for recruiting activities, there is a need to be analyzed what the appropriate use of social media would be. Or are the participants of the survey the wrong target group for social media?



4. Integration in a new company

There are many reasons for a talent to start a new job. Furthermore, when companies have hired a new talent, the difficult part in building loyalty to a company begins. The first six months of the employment are crucial. The new employees are expected to handle new colleagues, new tasks and new responsibilities. The participants were asked in an open question to state the three most important things when they started at a new company and at a new position in the same company (see figure 4).

It is visible that the aspects mentioned embrace the new position and job of the employee. The European talents want clarity about their role, their tasks and the persons in charge. To cope with the new position, participants expect learning or training periods. They have to become familiar with their new colleagues and collect all the information required managing the tasks. Other participants mentioned that challenging tasks and the assumption of responsibility were important in the first six months. In the course of the survey, the talents were further asked to assess given issues referring to their importance in a new company respectively in a new position.

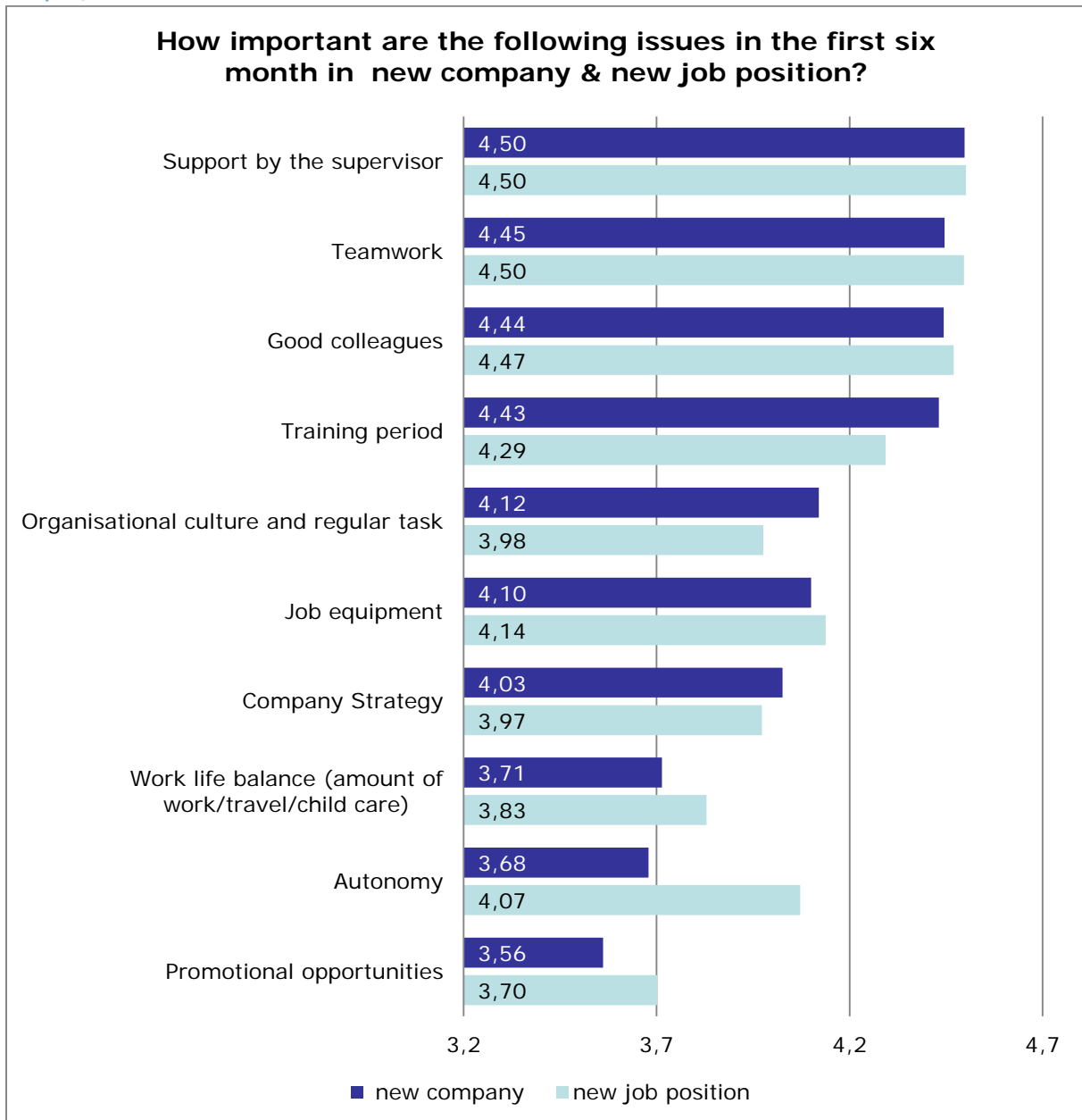


Figure 4: How important are the following issues in the first six month (in a new company and a new job) (arithmetic mean)

These results make clear that no matter if you work in a new company or just in a new position, the direct and **personal support of the supervisor, colleagues** and also **teamwork** are the three most important issues for the EU talents in the first six months. Independently of the size of the company in which the surveyed talents work, the support by the supervisor received high importance of at least 90% of the talents.

This determines the meaning of leadership when it comes to retaining talents. With promotional opportunities and work-life-balance, two of the top 5 qualities of a great company (compare figures 1 and 2) gained the lowest respectively the third lowest importance among the participants in this question.

Companies in the European steel industry not only compete for talents among themselves, but also with other industries. Therefore it is important to know the reasons for talents to stay in a company for a long time. The participants were asked to apply the most relevant reason for staying in the job.

As the results reveal, there are lots of issues causing the talents to stay in a job. Salary – for instance – is the most mentioned reason to stay in a job. That suggests the assumption that the uncertainty related to a new position can cause employees not to change the employer and to stay in the current job. Other important aspects for steel talents are their personal career development, a supportive manager and interesting tasks.

In the next question, the participants were asked to rate to what extent their expectations have been satisfied (see fig. 5).

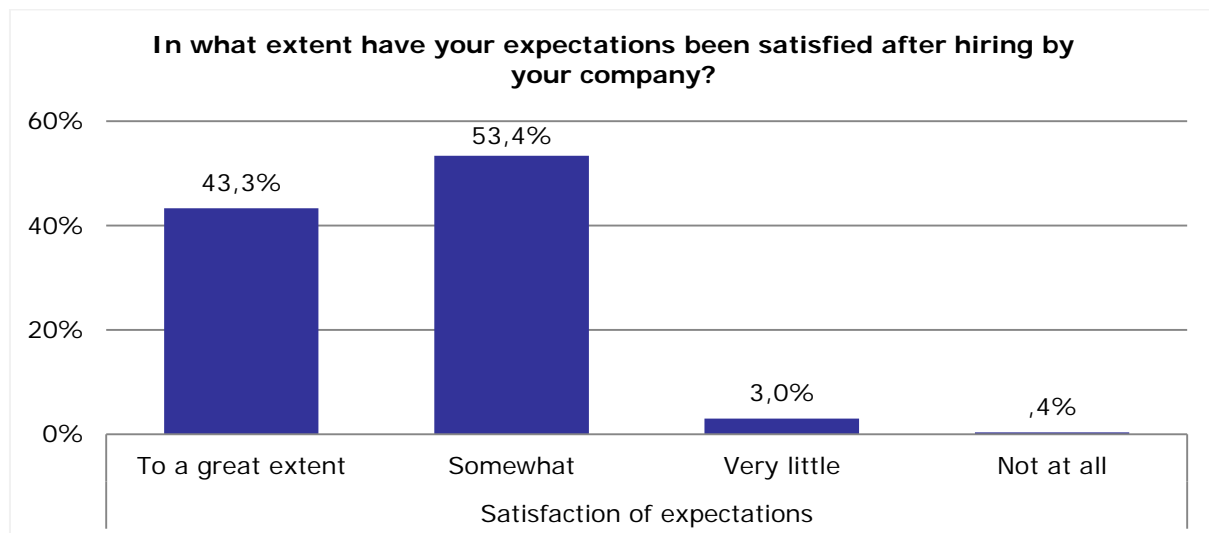


Figure 5: In what extent have your expectations been satisfied after hiring by your company?

For more than half of the talents (53.4%), their real experience in their new job in EU steel companies, just after hiring, only met their expectations "somewhat", i.e. to a limited extent (43% were satisfied to a great extent). This result is an



indication for the European steel industry to expand their work in the integration process. Female and male participants show no difference in their expectation fulfillments. Also 98% of the female and 96 % of the male talents rated “somewhat” or “to a great extent” in this question, however, in the so-called “war for talents” the assessment “somewhat” is not sufficient. To make the hired talents feel comfortable in the company immediately from the start, there is still a lot of space for improvement.

4. Retaining Talents

Retaining talents will be the major challenge for the European steel industry in the near future. Talents are “rough diamonds” for the companies. Companies have to invest time for training and development and at least a reasonable amount of money to develop the talents for higher and more ambitious positions. Moreover, talents are difficult to recruit as it is very limited to identify them by recruiting assessments. Usually, the performance of employees is the first hint of the potential to become a talent. As the EU steel market is under pressure and the future of steel companies is fuzzy, a high turnover of talents is a risk for companies.

To keep the talents in the company for a long time means to understand the talents’ needs and beliefs. Their expectations of what constitute a “great company” are already mentioned in the first part of the survey. In this part of the survey, talents were asked to assess how important certain kind of activities, e.g. **leadership** or **information culture**, are from the talents’ point of view. Furthermore, they were asked to estimate the steel industry in terms of **image**, **career development** or **networking**. Next to **environmental sustainability**, this part of the survey works out the talents view on **work-life balance** or **workplace innovation** as well.

Figure 6 shows the assessment of supportive activities. Participants were asked to estimate how they personally rated the importance of measures such as **vocational training**, **manager support** or **information culture**.

We would like to summarize the first four items (information, support of the line and the supervisor, participation in a relevant company project) as company

support culture aspects and the second four items as Human Resources instruments. All of the activities mostly obtain approval by the participants. The top 3 activities in terms of positive importance are: **support of supervisor** (arithmetic mean 4.34; 92.1% rated (very) important), **openness and disclosure of information** (4.33; 89.1% (very) important), **support of line manager** (4.19; 85.8% (very) important). **Monitoring** received the lowest importance with approximately 63% replies as very important or important. Based on the classification above, it becomes obvious that a modern company support culture is more important to retain talents than specific Human Resources instruments.

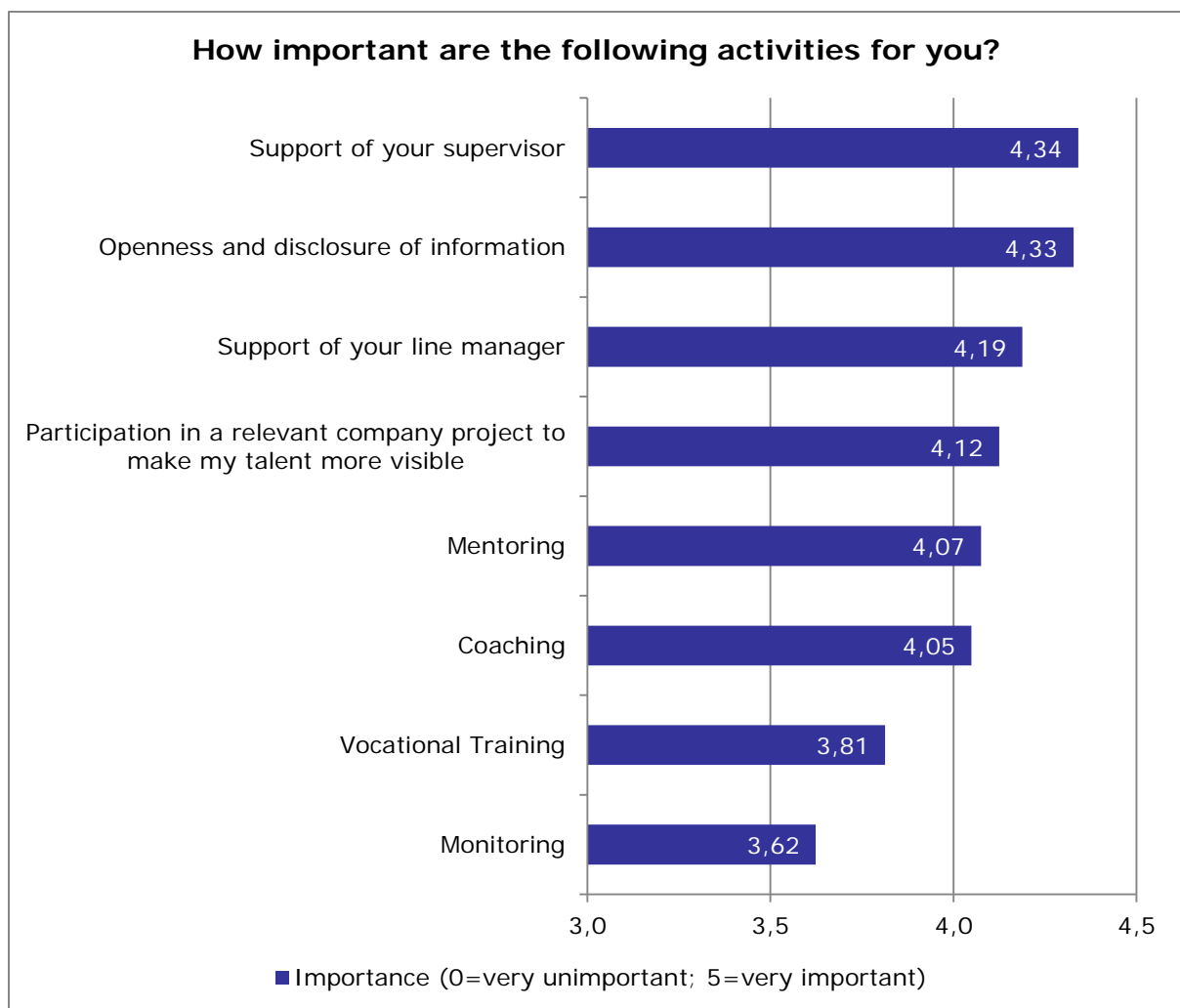


Figure 6: How important are the following activities for you? (Arithmetic mean)

Human Resource Departments should take this result seriously and initiate an improvement of company support culture. An interesting aspect of the **supervisor support** is that the importance reaches its peak at talents of companies with more than 5,000 employees. The same trend can be seen regarding **openness**

and disclosure of information. This can be a call for more interaction between the supervisor and his employees. Big enterprises have the resources to integrate state-of-the-art instruments and develop standards in leadership to retain employees. Anyway, the results show that a successful company needs to improve its company culture in the areas of information, support and participation.

To understand these results, it is helpful to take a look to the level of education and the tenure of the talents (see the socio-demographic annex): The majority of talents (66.4%) have a master's degree and another 14% have a PhD. Furthermore, more than two thirds of the talents have worked at least five years for their current employer. This explains the minor importance of vocational training for the participants. Individually seen, vocational training is known as the first step towards a professional career, mostly in Germany. This result does not depend on the enterprise size. The importance compared in all the different sizes of enterprises is at a minimum of 65%: Therefore the importance of vocational training could be of relevance for further analyses. Exemplarily, it is important to find out to which degree company internal vocational training serves as the first step to further education. In terms of preparing a holistic personnel development, how can the European Steel Industry use vocational training to start a career as a talent? As a starting point for further education like bachelor or master studies, it is necessary to work on the questions: Does vocational training benefit differ according to the size of company? Does the benefit increase with more resources spent on it, or is it just a question of a modern company culture to use vocational training to initiate the talents' career?

Beneath the importance an additional question deals with the support needed at a *personal level* in the activities outlined. When it comes to "Coaching", it is the only instrument, where the demand is greater than the rejection.

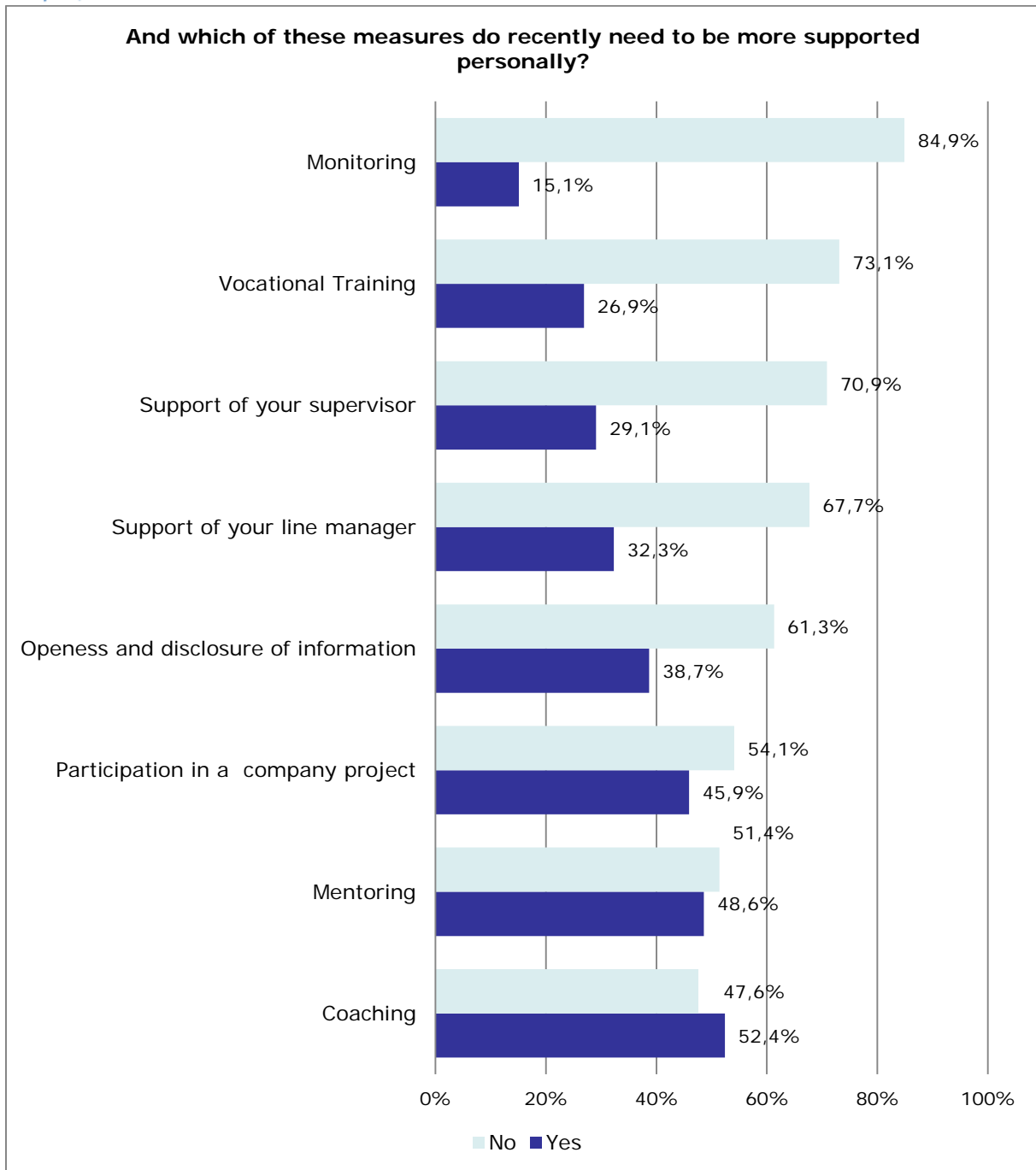


Figure 7: Which of these measures do recently need to be more supported personally?

The **support by supervisor**, as the most important element exhibited in the answers to the previous questions (see figure 6), is seen as the strongest need for individual development. This demand increases with the age of respondents. However, items differ by gender. **Management support** is seen as very important (49%, scale 5) by female respondents. Concerning the items for leadership (**support of management**) and company information culture (**openness and disclosure of information**) in EU steel companies, this can be seen as a



positive signal for an up-to-date steel industry. Individual support by the management is very important, but for two thirds of the respondents more support than currently provided is not necessary. Although openness and disclosure are estimated to be of high importance for the target group but they do not need more support.

Additionally, we asked the target group to rate to what extent they agree or disagree to the statements concerning the steel industry in figure 8. While the first and second statement are characterising the steel industry in a more general way, the others are more based on own experiences (straightly related to the personal view and the particular company the talents are working).

Just one of three talents disagree with the statement that the steel industry has a good image. For decades EU steel companies invested a huge amount of money to make the steel production more eco-friendly and sustainable. As the sentence was shaped generally the “relatively” positive estimation is surprising. However, from a talent's perspective the image is not too bad and this is a very positive signal considering the war of talents between steel and other industries.

All the statements focused more on the individual experience and perspective received approval to a high extend. To sum up, talents receive a good scope for action in their companies, they are integrated and their experiences lead to a good image of the steel industry. This could be seen as an expression of a positive company culture but also of a good personnel development system – 89% agree with the fact that the experiences made in the steel industry are also helpful for other industries.

At least 60% of the surveyed talents in the European Union would be ready to advise friends to take a job in the steel industry. This effect is not correlated to the seniority in the company, although it must be mentioned that the group with job tenure up to one year shows stronger agreement. The same can be seen at position affiliation. That suggests the assumption that the process for the integration in a new job seems to be well-marked.

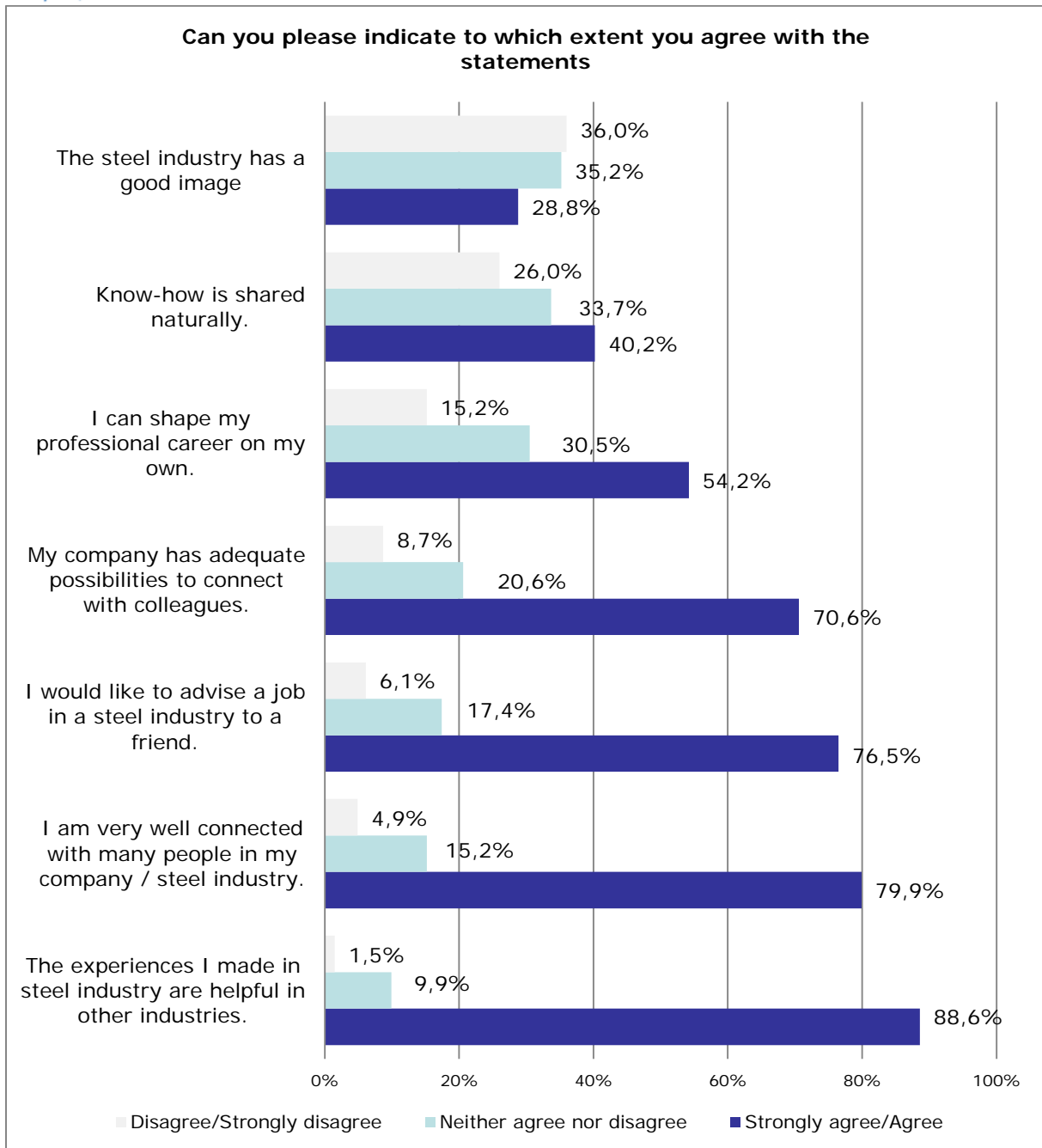


Figure 8: Can you please indicate to which extent you agree with the statements

Work-life balance

Work-life-balance is currently very popular and a big issue for companies, particularly when it comes to recruiting and retaining highly qualified people. From a scientific perspective, it is not so much a precise concept as a holistic subject-area. Against this backdrop, this survey questioned various aspects of work-life-balance. Beside the **management of life and work**, the questions cover **flexi-**

ble working hours, leadership and the knowledge about work-life-balance instruments in the talents' companies.

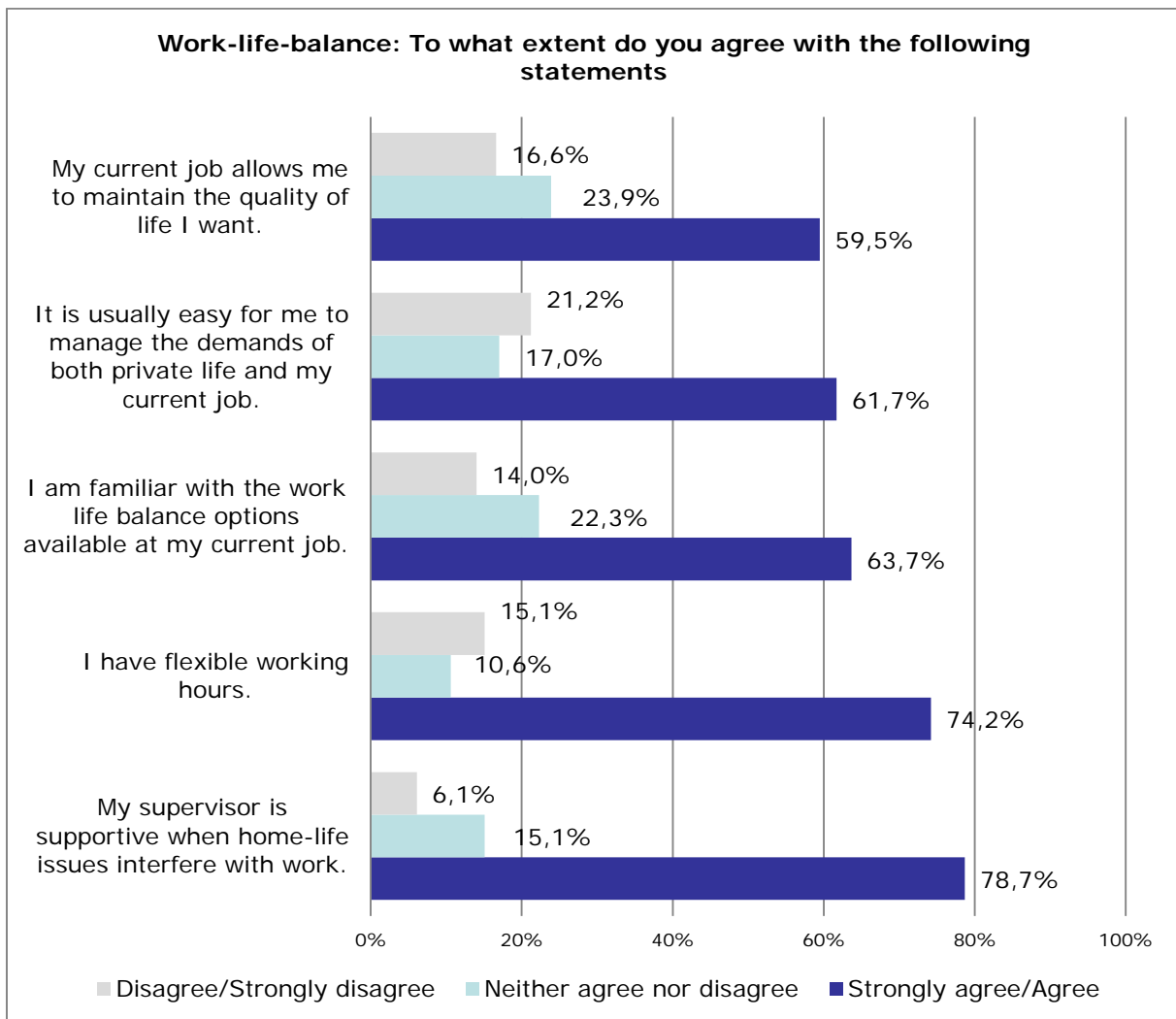


Figure 9: Please indicate how much you agree with the following statements about work-life balance?

In general, the strongest agreement regarding work-life-balance can be seen in relation to aspects about leadership style by the supervisor. Almost 80% of the participants already work under a work-life balance-oriented and supportive supervisor.

Besides our given statements, the survey asked EU talents for other relevant topics on work-life-balance. The respondents mentioned the stress caused by the permanent **need to be available by e-mail or mobile phone**, which is counterproductive for a balance between working and private life.



The basic assumption of work-life-balance certainly is the management of both challenges. Although the supervisor's leadership activities were rated highly positive, 20% of the surveyed EU talents find it hard to manage their work and private life. Considering gender, the disagreement is nearly the same for both male (22%) and female (20%).

To qualify the results, it is important to mention the complexity of the topic, because more than 60% of the female and male talents at least agree with the statement and find it easy **to manage their job and private life**. However the disagreement is related to the age of the talents. 20% of the respondents of the youngest groups of both genders have problems to manage job and private life. The problem decreases to 16% in the age group of more than 45 years.

Work-life-balance raises employees' satisfaction. Companies, who take advantage of talents, need to inform their employees and communicate their work-life balance options and instruments. At least almost 64% agree with the statement and respond that **they are familiar with the company's work-life-balance options**. Indeed, companies seem to be well equipped in this area and **processes dealing with work-life-balance are well known**. This impression will be supported by the fact that almost 70% of the female participants agree or strongly agree to this statement. After all, 62% of the male respondents "at least agree".

To discuss work-life-balance means to discuss flexible working hours. A flexible working period simplifies the arrangement of both work and private life. This flexibility allows more flexible devoting of time to one's family, free time activities and regeneration.

In the view of the fact that one fifth of EU talents cannot handle the demands of both private life and work, it is interesting to see that **74.2% of the participants state that they have flexible working hours**. It suggests that flexible working hours are a precondition to work-life-balance, but not the only success factor. Next to flexible working hours, the EU talents indicate working from home as a need to be improved for more work-life-balance.

In the breakdown by age, the strongest agreement lies with the group of respondents between 35 and 45 years. It can be assumed that 35-45 years old



employees are in the phase of founding a family. This group of employees especially wants to increase a high work-life-balance. These results are mirrored in the statement about **knowledge of work-life-balance options**. The younger (less than 35 years) and older age groups (more than 45 years) disagree more with this statement or don't give response compared to other age groups.

As already mentioned, work-life-balance is a major topic for Human Resources (HR) departments. The fact that almost one fourth of the participants neither agrees nor disagrees to the question **of whether their job offers the quality of life they want** is alarming. As already stated the war for talents allows young talents to choose the company that fits best to their expectations. It will be therefore more important to align corporate attitude to work-life-balance in order to retain young talents.

HR departments need to analyse which factors, besides flexible working hours, effect work-life-balance. They need to examine the aspects of work, e.g. meaningfulness and holism of tasks, theories of motivation, like Herzberg's "two-factor theory", which explains that appreciation, responsibility and development lead to more job satisfaction. And a higher degree of job satisfaction results in an easier maintenance of the quality of life.

Furthermore it needs to be explored to which extent work-life balance changes when the career goes ahead to higher positions and responsibilities. Especially the items "managing demands of both private and life" and "maintaining the quality of life" need to be highlighted, because they were seen as main challenges by the talents.

Workplace Innovation

To be innovative is vital for companies with a global ambition today. It is absolutely necessary to ensure an efficient organizational performance. Innovation at and for the workplace is a social innovation concept and a European wide activity (e.g. represented by the European Workplace Innovation Network euwin) to focus improvements embedding the workers as experts of their working environment. To unlock this potential the workplace surroundings must be appropriate. A good quality of jobs as well as good and innovative working conditions are an essential basis for future success. The survey reflects this with five topics (in ac-



cordance to the euwin concept): work organization, structure and systems, learning and reflection, workplace partnership and employees' involvement (cf. fig. 10).

All in all 90% of the steel companies are (slightly, mostly or highly) engaged in workplace innovations. This embeds not only workplace innovation and employees involvement as such (talents development, opportunities for innovation and organisational development) but also the related

- Structure and the system (flat organisation, support of employee initiatives),
- Work organization (job autonomy, flexible work in balance with the private situation of the employees, see also the results of work-life balance)
- Learning and reflection (learning organization, involvement of employees, knowledge sharing, open for new experiences)
- Workplace partnership (dialogue, participation).

All in all the results concerning workplace innovation mirror the impressions from a lot of other questions of the survey, dedicating the steel industry as socially innovative from the talents perspective.

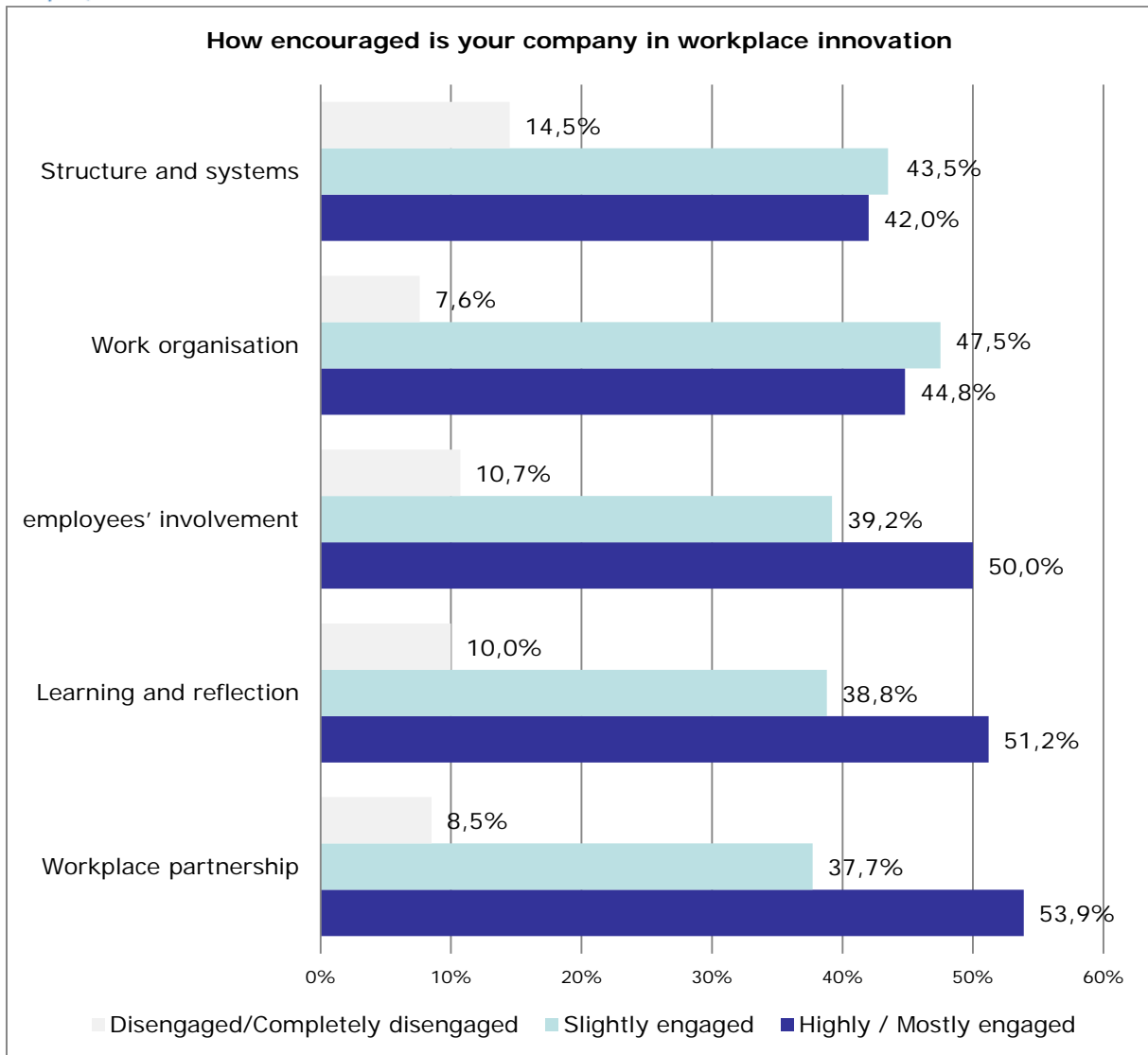


Figure 10: How encouraged is your company in workplace innovation?

Human Resources Development

The talents were asked to assess the applicability and the degree of implementation of personnel development practices to receive experience, knowledge and finally prepare them to take over higher and more ambitious positions. Next to the execution, the participants were asked to evaluate the conceived importance of these practices. The results show that almost every instrument is applicable for almost 90% of all EU talents. It is interesting to see, that even the group of enterprise size up to 499 employees obtains applicability around 80% of all practices. This suggests that small enterprises as well are well placed in the “war for talents”.

Beside the general high importance, participants were asked to estimate to what extent the practices are already in place and used (from “not at all” up to “to a large extent”). Compared with the importance the results show a lower execution of the measures. All mentioned elements could be improved because they are rated mainly as “somehow” executed (and not “to a great extent”).

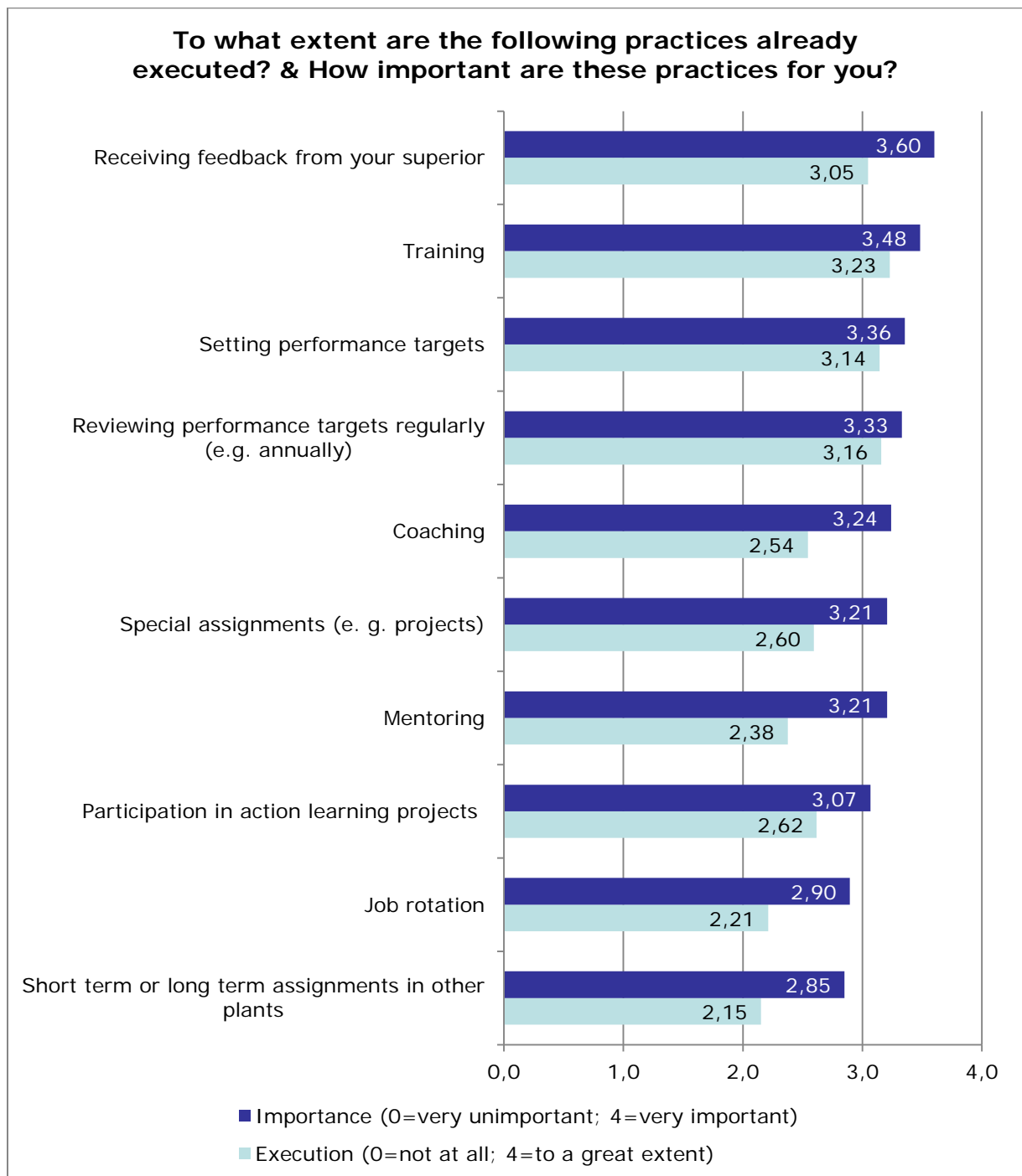


Figure 11: Importance and execution of development practices
 (arithmetic mean; ordered by importance)



Just looking at developing measures which are executed to large extent, **training** and **reviewing performance targets regularly** as well as **receiving feedback from the supervisor** and **setting performance targets** constitute a positive exception. More than 30% of the talents state that these measures are performed largely. **Job rotation** and **short-/long-term assignments** in other plants are less executed and have the lowest importance compared with the other practices. Almost one fourth of the EU talents state that these practices are performed “not at all”. This is a field of action for the steel companies.

EU talents had the chance to mention other important measures or activities relevant for their development. An important additional measure they mentioned is a career development program already in practice.

4. Leadership

Leadership and management excellence play an important role in defining the future success of the steel industry. The current talents of the steel companies are the population from which the future key position holders will to large extent be selected. Therefore, the current talents play an important role in setting the directions for the future. To understand what kind of leadership and management competences might be relevant to be prepared for the future, the respondents were asked what competence and behavior they consider as important for steel industry leaders in the next 10 years. Also, they were asked about their own competence development wishes.

First, the respondents were asked about the importance of 19 different competences for the steel industry’s future (see figure 12). **Strategic thinking, innovation** and **change management** were ranked at the top. When aggregating important and very important ratings, the five highest-ranking competences were **decision making, strategic thinking, innovation, effective communication** and **continuous improvement**.

The other competences included in the questionnaire were result orientation, teamwork, stakeholder orientation, effective communication, project management, diversity and inclusion, business partnering, relationship management, analytical skills, risk management, coaching skills and cooperative mind set. All of these were considered as being to a large extent important or very important.

Diversity and inclusion competence was considered as least important, but still 68% of the respondents considered it as an important or a very important competence for the future.

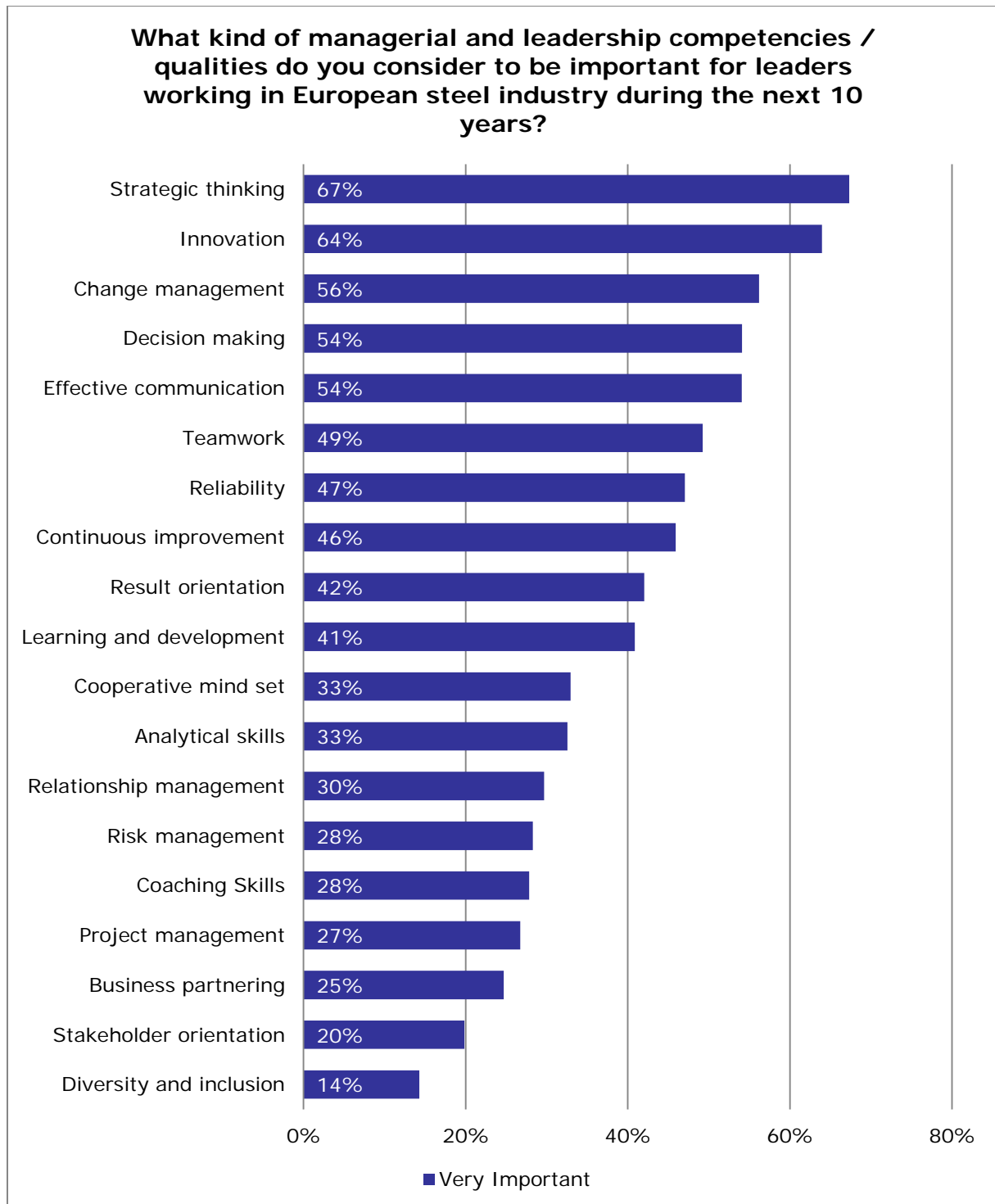


Figure 12: What kind of managerial and leadership competencies / qualities do you consider to be important for leaders working in European steel industry during the next 10 years?

Beside the named (more general) management competences above, additionally 17 different competences were presented to the respondents in form of leadership and management behavior. The respondents were asked to evaluate the importance of these behaviors by considering the time scope of the next 10 years in the steel industry. The scale was the same as in the previous question. As a result (see figure 13), the ability to **motivate employees** was seen as the most important behavioral competence. Top ranking behavior included also **willingness to share success, openness to change and new information, and ability to make well-informed, effective and timely decisions**. Also **treating others with courtesy, sensitivity, and respect** was seen as an important leadership behavior. Again, all prompted behaviors were mostly seen as important or highly important. So no single competences but a set of leadership competences are necessary from a perspective of the talents.

The results indicate that the talents see people leadership behavior as critical for future success, but also recognize the importance of a few managerial skills as fundamental to business, such as driving change and skillful decision making.

In addition to the 17 prompted competences the respondents provided two comments to the open question:

"A leader shares effectively his vision with employees, reference in hard work and involvement, recognizes employee's efforts".

"A leader should be an own example".

Both of comments indicate the importance of setting (exchanging visions, being a role model) a good example. Additionally it was stressed that interaction with employees and feedback is an important element of leadership.

The talents needs for developing experienced competences are aligned with competences considered to be important for the future!

Respondents were asked to indicate which competences they would like to develop (see figure 14). The questions covered both cognitive and behavioral competences. The items were identical to the questions in which the respondents rated the importance of competences.

Among the cognitive competence list the five top ranking competences in which the respondents would like to develop were **strategic thinking** (68% of the respondents indicated willingness to have competence development in this area), **change management** (62%), **decision making** (60%), **effective communication** (54%) and **innovation** (52%). Comparing these findings with the main future challenges of the European steel industry, the development needs seem to be in line with them. Lower development needs are seen in **diversity and inclusion** (23% of respondents indicated development in this area), **stakeholder orientation** (25%) and **reliability** (32%).

In the behavioral competences, development needs were more strongly tied to leadership skills. The most often selected development wish was **motivating employees** (56% of the respondents), **willingness to share success** (48%), **making decisions** (47%), and **setting objectives and priorities** (47%).

The study participants pointed out the importance of **innovation** and **continuous improvement** as crucial competences for the industry's future. Interestingly, the talents did not see them as areas where they would have much development needs. This could imply that these competences have already been invested in.

Diversity and inclusion as well as **stakeholder orientation** were seen the least important competences for the future. It is possible, that these competences are seen as "hygiene" type of competences, which need to be in place but do not play a crucial role in defining the future success.

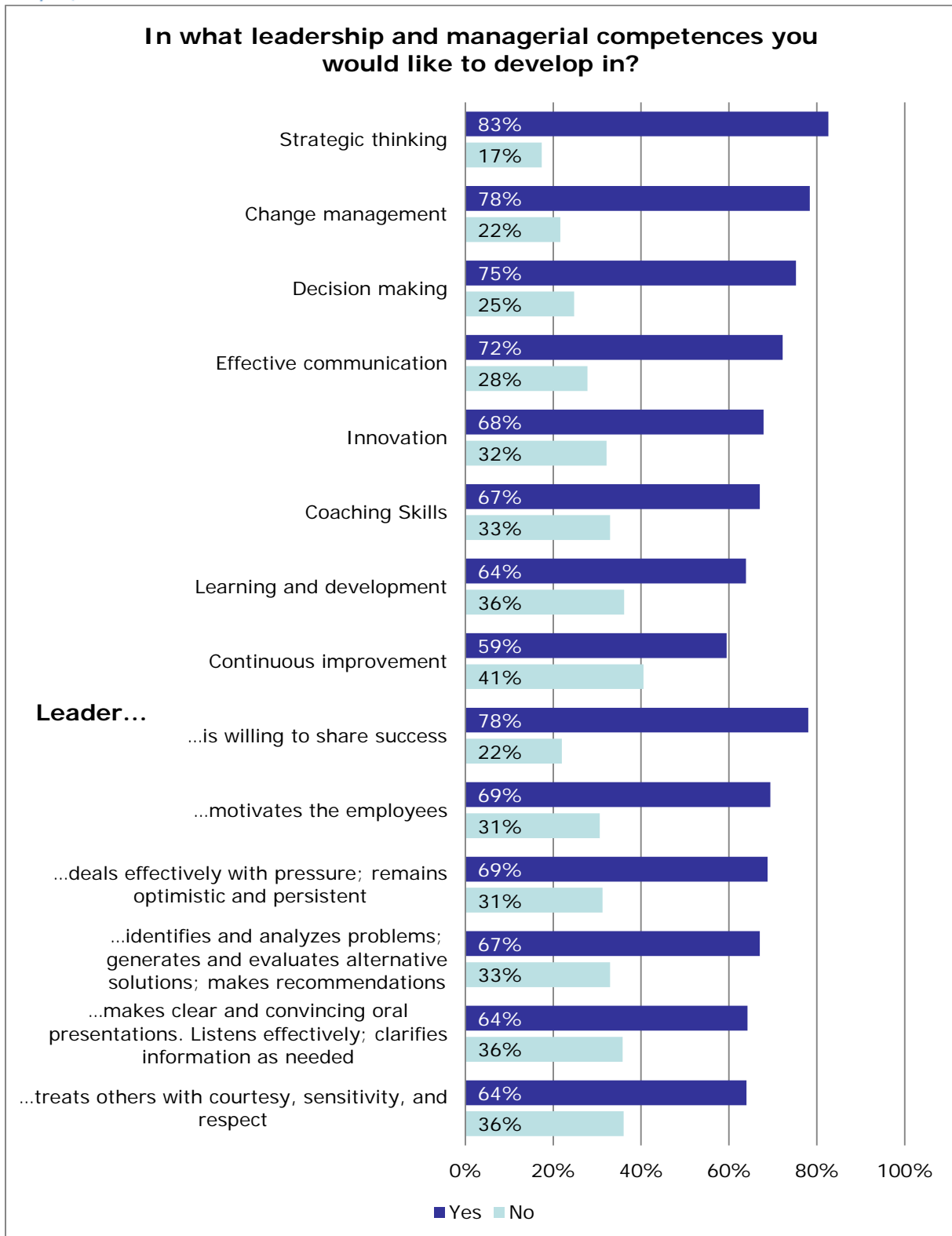


Figure 14: What kind of managerial and leadership competencies / qualities do you want to develop within the next 10 years?



The results indicate that according to the talents' wishes, the European steel companies should provide them with means to develop in strategic thinking, decision making, change management and motivating employees. Many of these competences can be strengthened by training and coaching. Still, when approaching leadership and management from a more behavioral aspect, there is plenty of room for more individual and situation-bound development methods. For example, motivating employees or decision making are difficult skills to develop unless learning can be related to authentic cases, practice and real-life situations. Instead of training, these types of leadership skills are best developed via individualised methods where the learner is in the focus of the process such as mentoring, coaching, systematic feedback or shadowing. Also individual behavioral assessments, such as 360 degrees evaluations can play an important role in indicating the points of development and also measuring the achieved changes. In a 360 degrees evaluation, the entire occupational environment, such as colleagues or the supervisor, is able to assess the talents' professional performance and competencies.

As a partial conclusion, it seems that leadership and management in the European steel sector is considered as important for the industry's future. According to the results of this study, we have talents working in the sector, who are willing to develop their competence further. It is evident that companies and sector need to provide means and possibilities for continuous competence development of the talents.



5. Conclusions

Know-how itself and the ability to retain it within the company determine the competitiveness of the company. This is a big challenge for strategic human resources development as a part of the management of the company. Changing the enterprise to a learning organization with knowledge sharing is seen as a core competence and it will be the major challenge to attract young talents to work in the European steel industry.

Retaining Talents is a major challenge for the European steel industry. The war for talents will dramatically change the way of attracting and retaining experts. Young employees will more and more decide where and how they want to work. Their manpower and especially their know-how will be in demand, asked by the companies. And the participating talents aren't an exception. They also quote that their experience would be helpful in other industries. This brings the discussion to a clear point: The steel industry has to adjust itself to the talents' needs.

The surveys points out clearly that the participants attach importance to personal carrier development. It becomes apparent in the matter of what is a great company and it is continuing in the assessment of the importance of particular development instruments – verified by the results of other questions of the survey. But the results also refer to another sphere of activity: Developing a corporate culture will be a prerequisite to retaining talents via high quality development instruments. This means that the interaction between employee and supervisor, e.g. regular feedback or setting performance targets, becomes more important because employees attach value to a good corporate culture. On the one hand, companies have to compile a culture where leaders understand personal interaction as the starting point of personal development. On the other hand, companies need instruments which point out the importance of cultural support and participation aspects or personal interaction. To accommodate the results, enterprises have to discuss guidelines, e. g. leadership principles, which form a framework for the embodiment of consecutive individual personnel development instruments. Every industry which doesn't react and adjust the talents' needs will be left on the sidewalk.



All participants in this survey were identified talents, who will be promoted in their company within in the next two years. This group of employees will lead the business in the companies in the coming years. The survey is an indication of how they want to design their way of work. Using the example of leadership shows that the leadership style of delegating work and holding on established systems and rules is obsolete. An appealing style of leadership includes the motivation of other employees and the participation in success (so called transformational style of leadership). The leader style arouses enthusiasm for its values, targets and tasks. Furthermore the leader transforms the employee into an entrepreneur who has to lead as well. The results about the managerial competencies the talents want to develop illustrate this: strategic thinking, change management or decision making will be fostered best with the above mentioned leadership style, because the employee is challenged to show his or her managerial competencies in their everyday work.

To manage the skill shortage in the future, it is important to support female employees and their career as well. Some companies have specially introduced activities to retain or attract female talents. It is foreseen that the activities will be widened in the near future. Following the gender perspective, the results point out that a topic like work-life-balance isn't more important for female employees than for males. The balance between work and private life is important for both males and females. It clarifies that the activities for more work-life balance have to be embellished holistically. But it also needs to be analyzed if the demand for more work-life-balance correlates with the fact of being a talent and of being involved in more tasks concurrently. As the results show, it is not possible to retain female employees only by a good salary. Therefore, the importance of the employee-facing leadership becomes essential. This will be supported by the result that 75% of the female participants rated the feedback from the supervisor as very important and therefore as the most important practice in a company. In consideration of the fact that only one third rated mentoring as very important, it is an indication for the need of more informal, interaction-based support or development programs. The basic positive evaluation of practices suggests that companies in the European Steel industry only have to justify their instruments and programs.



The European Steel Industry acts in a highly competitive market. Especially the retention of young qualified talents will mark the operations of the coming years. As the survey shows, the Steel Industry is in a good position and has all the instruments in place to improve practice. But the change of values and the vision of how the Steel companies will work have to find their way into the organizations. Companies have to work on topics like corporate culture to attract young talents. The way how a company animates its programs and instruments is essential. The fact that the Steel industry in Europe had to change and to adapt frequently in the past decades shows clearly that they understand change as a chance. Steel companies will benefit from this and become more successful in future.

Existing resources in large companies ought to focus on learning, on development of talents or talent management as a whole. Therefore a comprehensive set of measures is necessary for a great variety of needed competences. This could be a possible conclusion to this study.

6. Appendix: Socio-demographic description

The 268 participants are evenly allocated in Europe and the most important European steel production countries. However, 25% of the talents work in Germany, therefore the most represented country in this survey. While France is represented by 7% of the respondents, other countries (e. g. Austria, Italy, Finland, Spain) are represented in between 12% to 15%.

Furthermore, 76% of the participants are male and one fourth of the talents are female. The majority of the talents are between 26 and 35 years old (41%) or 36 to 45 years (41%). Only 3% of the participants are under 25 years old. Two third of the 268 participants have a second level university degree (e. g. MA), while almost 14% have a PhD or higher.

From the enterprise size point of view, almost 68% of the respondents work in a company with 5,000 or even more employees. The second largest group in this dimension is the company size up to 249 employees (12%).

36% of the talents work for their company for more than 10 years and 37% work in their current position from 3 to 5 years.

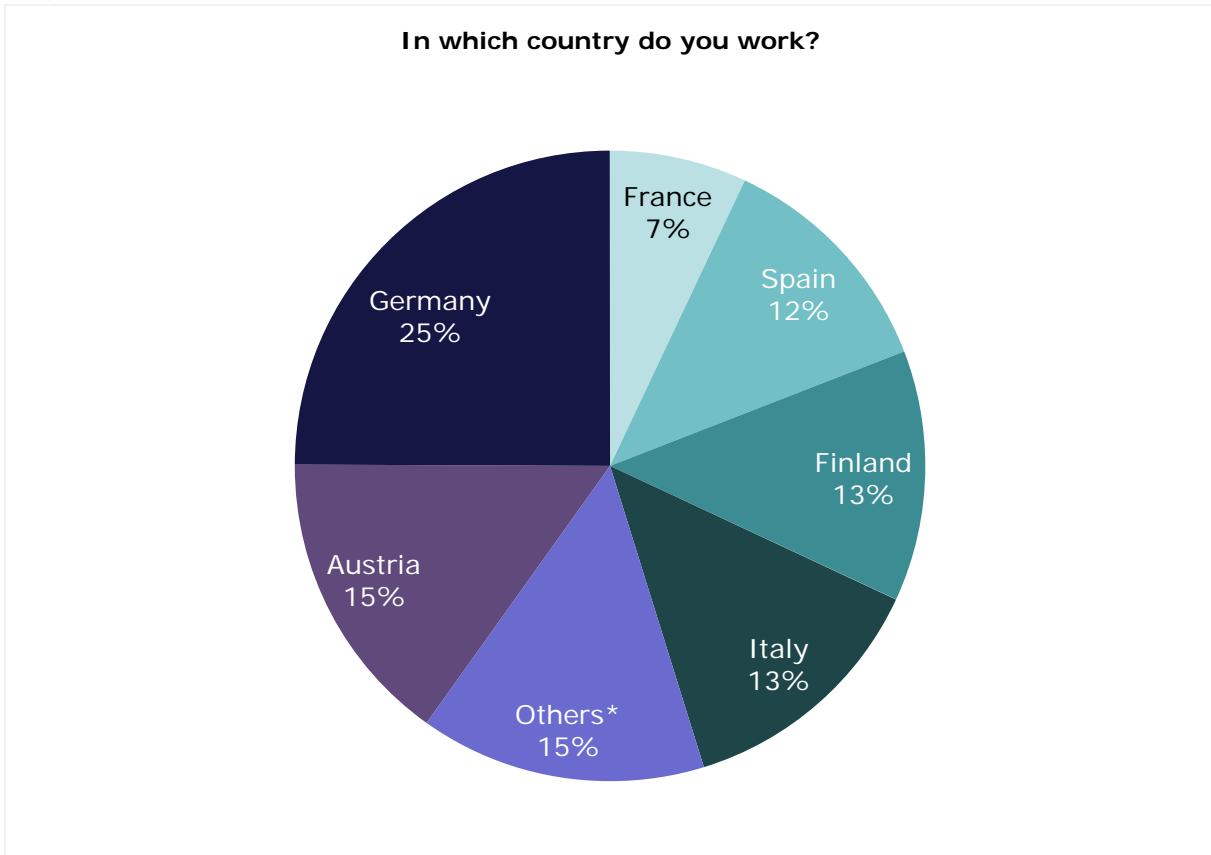


Figure 15: In which country do you work?



Figure 16: Gender

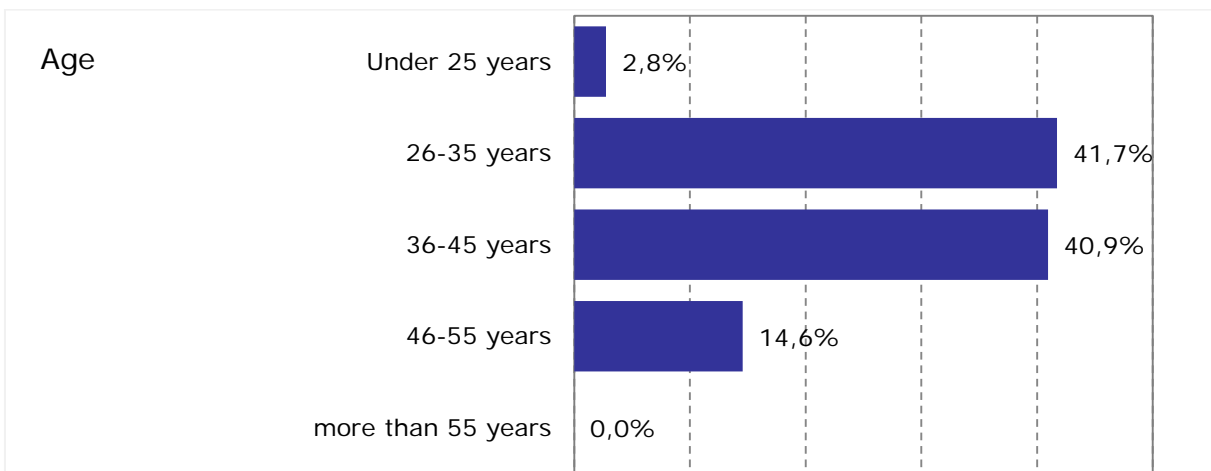


Figure 17: Age

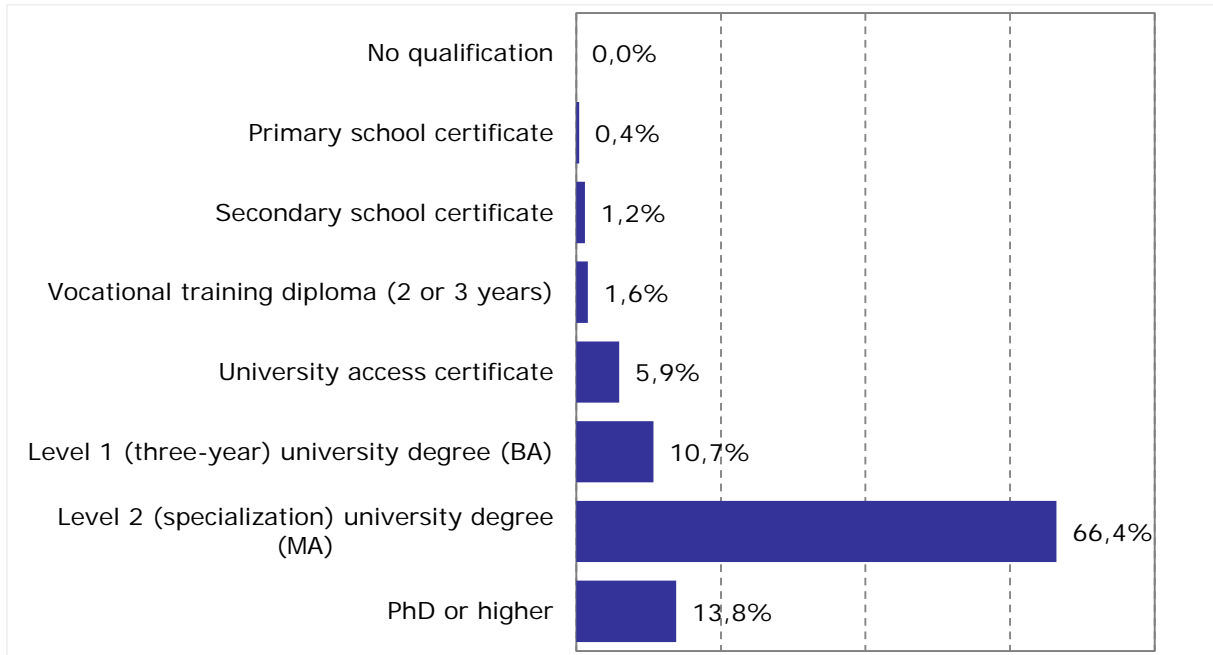


Figure 18: Qualification

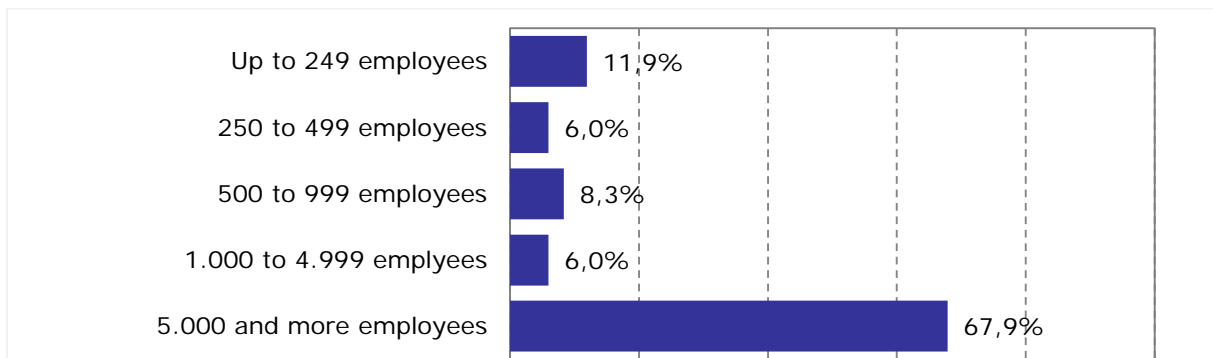


Figure 19: Enterprise Size

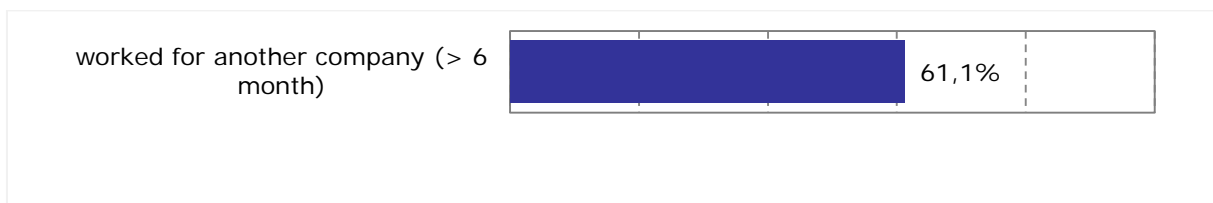


Figure 20: Work experience

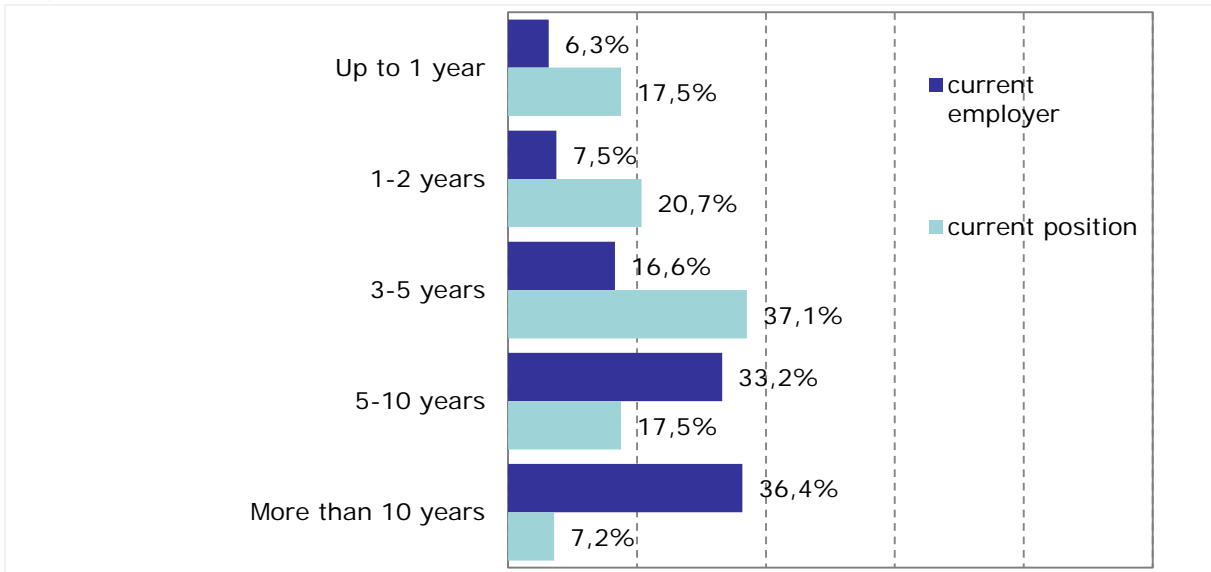


Figure 21: Current employer and current position

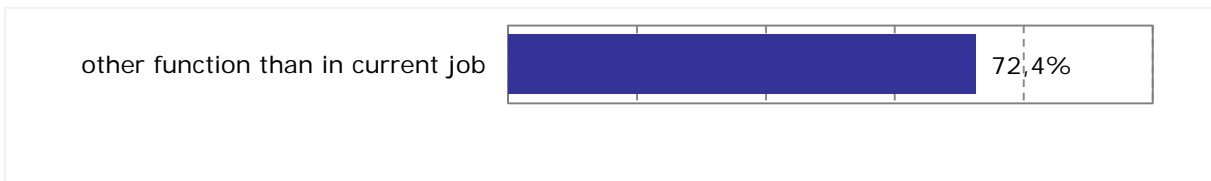


Figure 21: Other functions in the current job