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The War for Talent

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Going Global
Miami, May 1 2014

A war with some winners but also high costs

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Individuals:

- Being skilled pays-off
- Skills beget skills

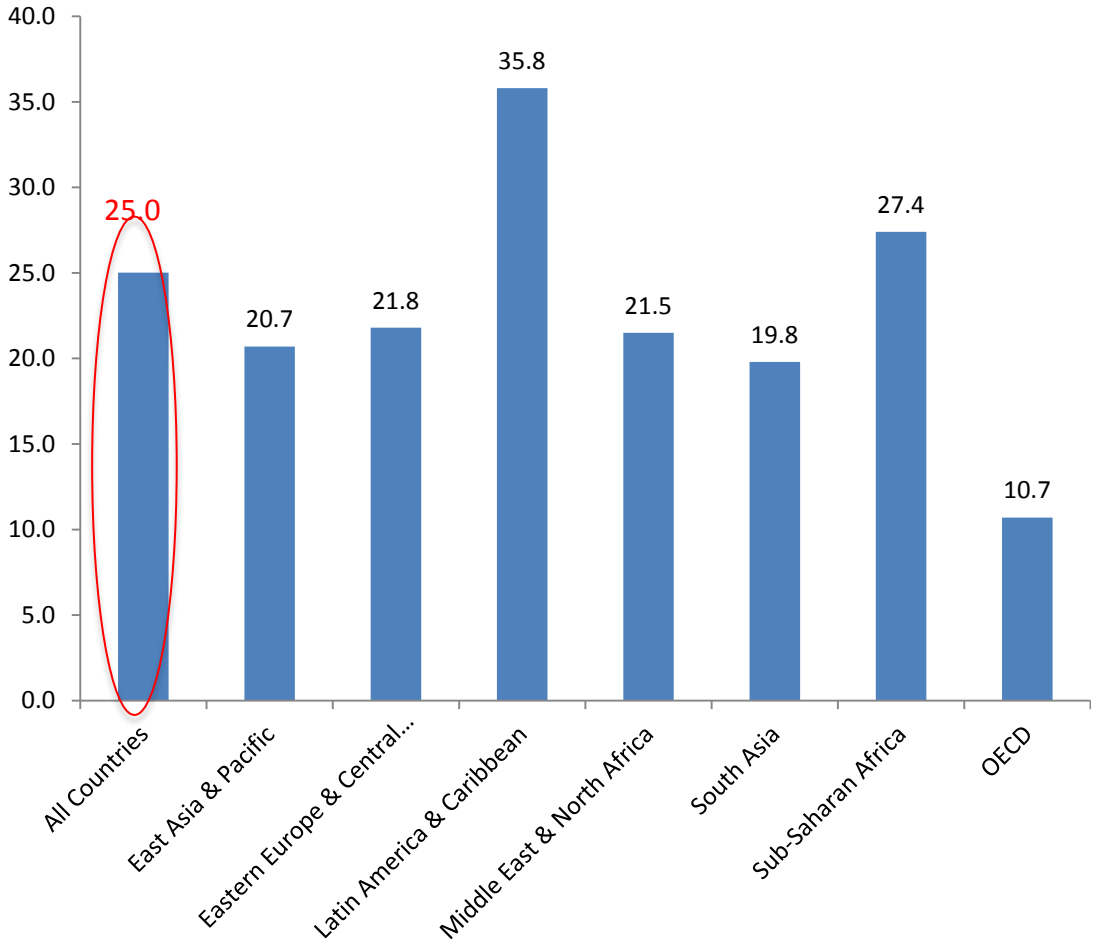
Firms:

- Lack of skills is main barrier to growth for ¼ firms globally
- ½ employers in Australia, Brazil, India, Japan and USA report recruitment difficulties

Economy-wide:

- Strong empirical link between economic performance and international test scores
- For EU countries, 1% increase in training days ➔ 3% increase in productivity

Percent of firms identifying an inadequately educated workforce as a major constraint



Source: www.enterprisesurveys.org, April 20014

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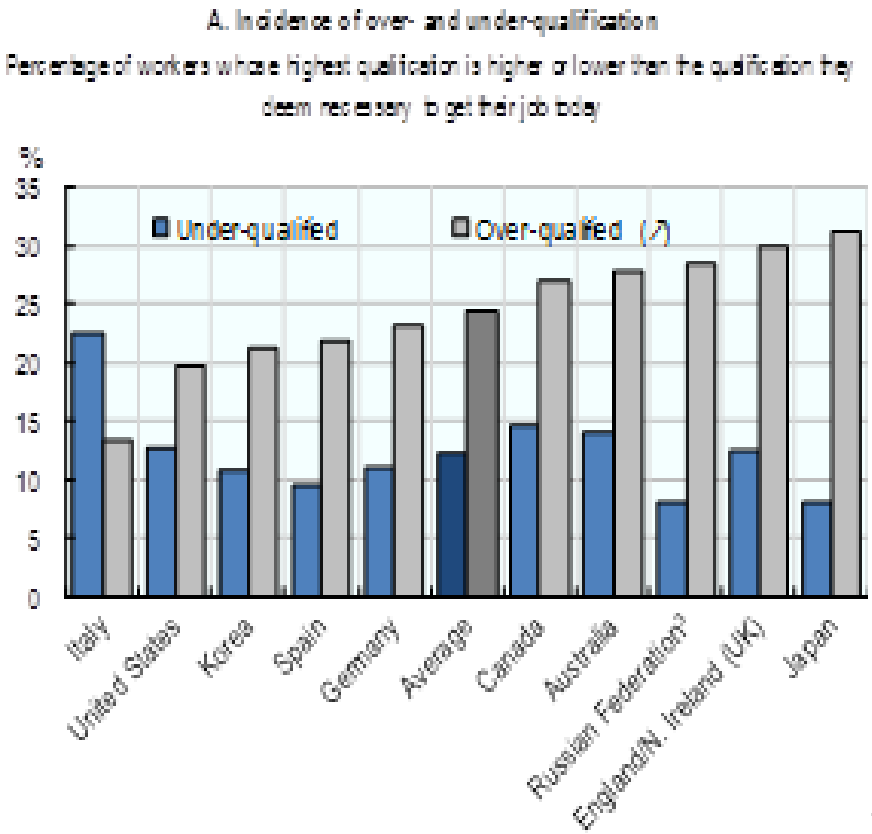
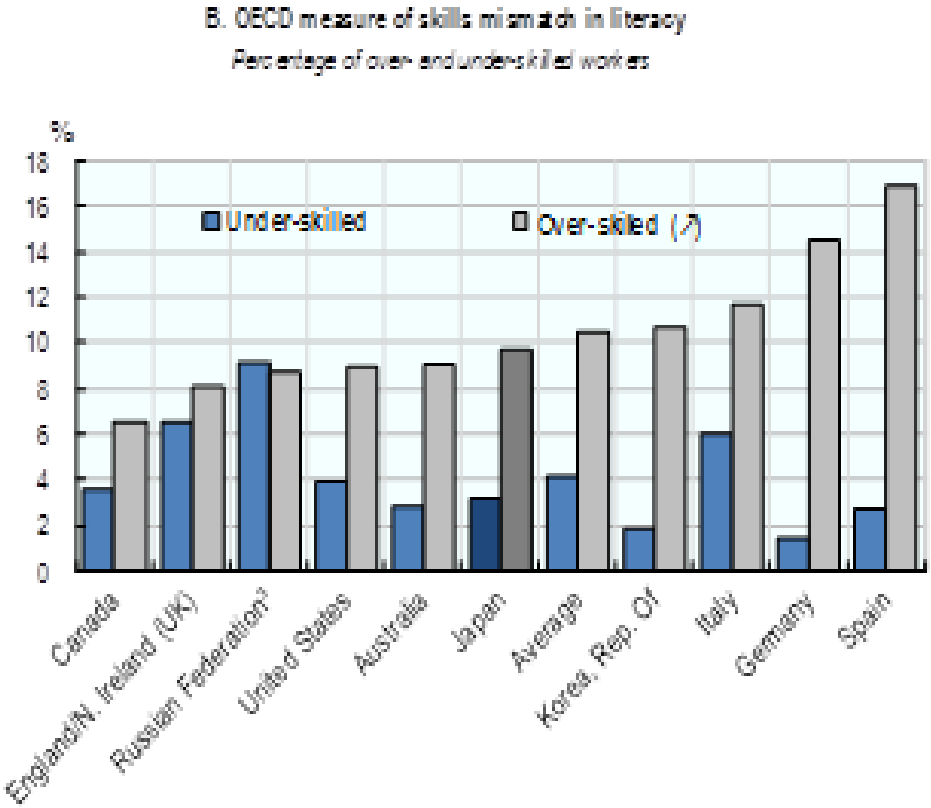
But it is really a war?

Close to one in four workers in the G20 countries that participated in the Survey of Adult Skills (PIAAC) have higher qualifications than what they believe is required to be hired for their jobs and 13% are under-qualified





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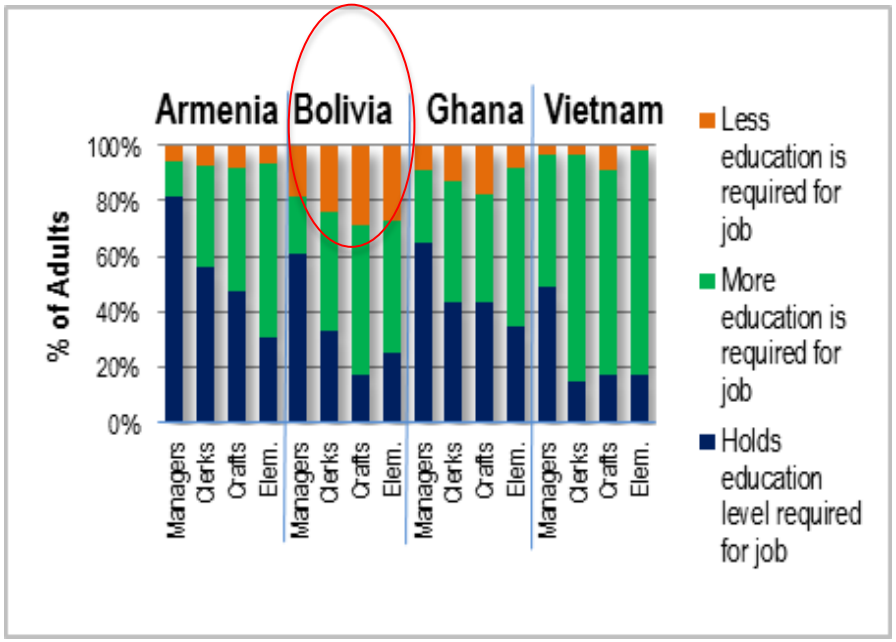
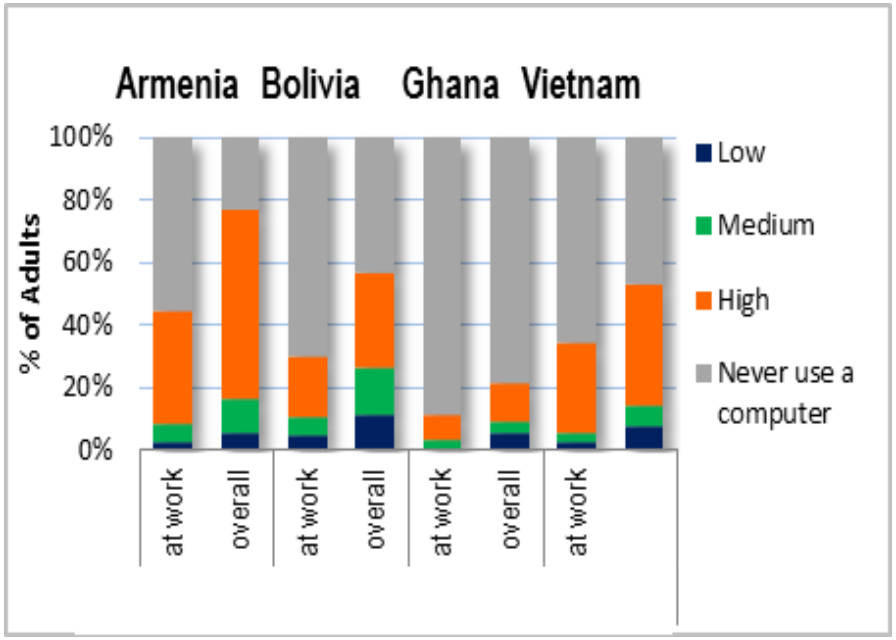
But it is really a war?

Skill shortages are more obvious in developing countries but even there workers skills are often underutilized and some workers are over-qualified

Incidence of skill mismatch



Underutilization of computer skills at work



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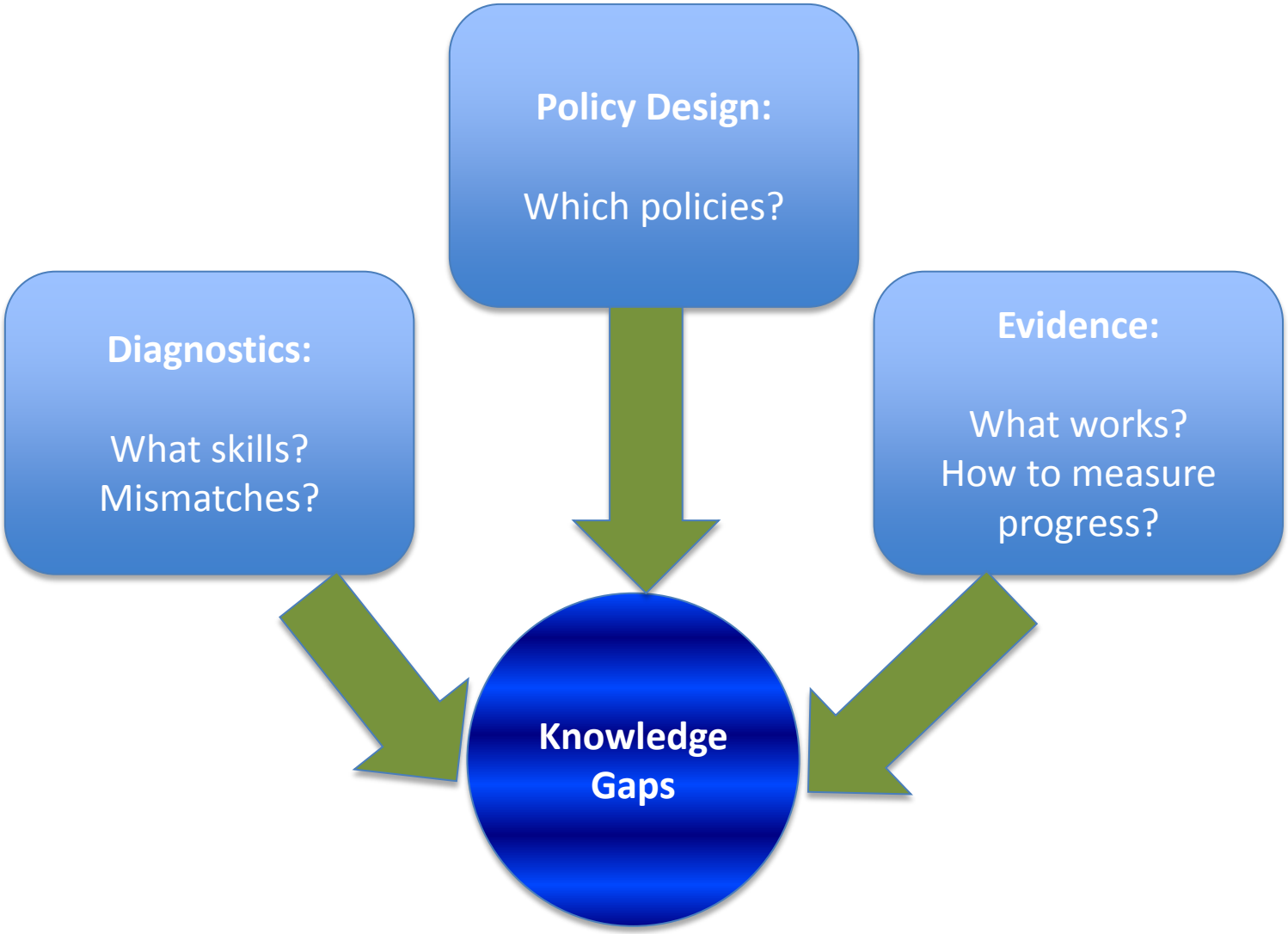
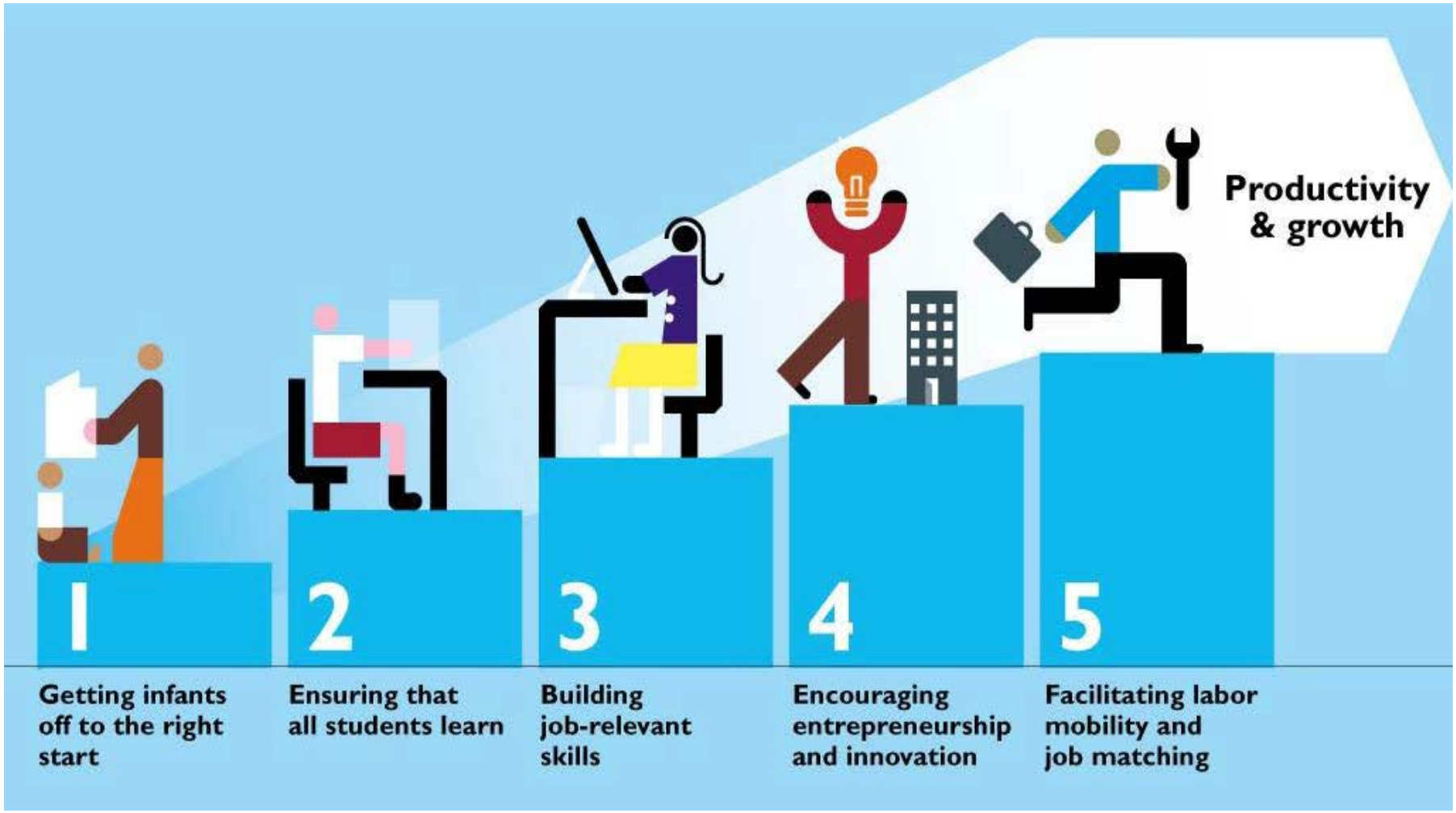
Three Broad Types of Knowledge Gaps



STEP stands for *Skills toward Employment and Productivity*