Global Talent Competitiveness Index (GTCI)

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HISTORY: GTCl is a multi-stakeholder effort

- Three partners: the Human Capital Leadership Institute and Adecco, with INSEAD
- Research undertaken by INSEAD
- INSEAD Academic Network & International Advisory Board
- Independent statistical audit by the Joint Research Centre of the European Commission
Talent scarcity spurs global hunt

Mobility Policy-makers are under pressure to help companies attract in-demand staff, says Hannah Murphy

Global mobility is morphing from a niche offering for a few select employees to a necessary fix for one of the biggest problems facing multinational employers: a scarcity of talent.

But as the battle to attract and retain the best employees goes global, countries are having to change the way they support companies within their borders and encourage inward movement.

International mobility has traditionally been associated with tempting staff to relocate from developed countries to emerging markets, with the lure of an expatriate lifestyle and agnouson pay package.

This model of mobility is undergoing rapid transformation, human resources experts say, as economies with ageing populations are faced with acute workforce shortages.

Germany will face a labour shortfall of 10m workers by 2030, according to estimates by Boston Consulting Group. For China, the figure is 24.5m, while for Brazil it is around 40.9m.

“Companies have to be very proactive about thinking what their talent needs are likely to be five, 10 years from now,” says John Marshall, UK and Ireland chief executive of specialist recruiter Adecco Group.

“You really can’t wait until then to try to figure out how you’re going to fill those talent needs... We’ve got to find a new way of looking at this.”

Competing for talent: the top 10 countries

Global Talent Competitiveness Index, 2015-2016

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Ease of doing business</th>
<th>Gender earnings gap</th>
<th>Formal education</th>
<th>Work tax incentives</th>
<th>Political stability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (2)</td>
<td>Switzerland</td>
<td>100</td>
<td>50</td>
<td>90</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>2 (2)</td>
<td>Singapore</td>
<td>100</td>
<td>50</td>
<td>90</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>3 (3)</td>
<td>Luxembourg</td>
<td>100</td>
<td>50</td>
<td>90</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>4 (4)</td>
<td>US</td>
<td>100</td>
<td>50</td>
<td>90</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>5 (3)</td>
<td>Denmark</td>
<td>100</td>
<td>50</td>
<td>90</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>6 (5)</td>
<td>Sweden</td>
<td>100</td>
<td>50</td>
<td>90</td>
<td>60</td>
<td>70</td>
</tr>
</tbody>
</table>

...causing severe talent shortages

<table>
<thead>
<tr>
<th>Country</th>
<th>Labour deficit by 2030, million people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>40.9</td>
</tr>
<tr>
<td>China</td>
<td>24.5</td>
</tr>
<tr>
<td>Germany</td>
<td>10.0</td>
</tr>
<tr>
<td>Canada</td>
<td>2.3</td>
</tr>
<tr>
<td>Italy</td>
<td>0.9</td>
</tr>
</tbody>
</table>

human resources adviser Total Reward Solutions. “When you go there, they even have an employee from the government who helps companies move in and set up,” he says.

The UK ranks seventh overall, but falls drastically short when it comes to the gender earnings gap, where it ranks 71st out of the 109 countries included in the index.

The importance of fairness and transparency should not be underestimated, says Adecco Group’s Mr Marshall, who calls such factors “hygiene issues”.

Countries can also do a lot to boost the brand perception of their cities, whether by building opera houses and art galleries to make a place more culturally appealing or opening international schools to accommodate the children of top candidates.

From a regulator’s perspective, managers of global mobility programmes welcome stability over constant change, says Andrea Piacentini, head of reward for the UK and Europe at Standard Life.

“What governments need to realise is that every time you change a tax law or add an extra requirement, you’re putting the onus on organisations to be up to speed,” he says.

If structural reforms are necessary, they should be focused on simplifying labour market bureaucracy and ensuring legal frameworks are easy to navigate, Mr Piacentini adds.

It is not just complexity that can be an obstacle. Against the backdrop of the European refugee crisis, some governments are ramping up costs as a way of reducing net migration.

A family of four relocating to the UK for five years would be hit with...
Talent Competitiveness (TC) concept

Develop + Attract + Employ + Enable = Talent that contributes to national prosperity

– Beyond corporate talent management
  • National policies (e.g. educational systems)
  • Regulatory environment (e.g. labor market flexibility)
  • Labor relations

– Beyond human capital
  • Labor markets (skills matching)
  • Management practices (meritocracy)
  • Market environment (ease of doing business)
GTCl: a composite indicator measuring Talent Competitiveness

Global Talent Competitiveness Index (GTCl)

Input

Enable
- Regulatory landscape
- Market landscape
- Business and Labour landscape

Attract
- External Openness
- Internal Openness

Grow
- Formal education
- Lifelong learning
- Access to growth opportunities

Retain
- Sustainability
- Lifestyle

Output

VT Skills
- Mid-level skills
- Employability

GK Skills
- High-level skills
- Talent impact

VT = Vocational & Technical       GK = Global Knowledge
Employability dimension

Luxembourg

Key Indicators

<table>
<thead>
<tr>
<th>Rank (out of 119)</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income group</td>
<td>High income</td>
</tr>
<tr>
<td>Regional group</td>
<td>Europe</td>
</tr>
<tr>
<td>Population (millions)</td>
<td>0.57</td>
</tr>
<tr>
<td>GDP per capita (PPP US$)</td>
<td>101,926.00</td>
</tr>
<tr>
<td>GDP (US$ billions)</td>
<td>57.79</td>
</tr>
<tr>
<td>GTCI score</td>
<td>71.64</td>
</tr>
<tr>
<td>GTCI score (income group average)</td>
<td>60.92</td>
</tr>
</tbody>
</table>

68 variables
Hard data
Survey data

5.2 Employability
5.2.1 Ease of finding skilled employees
5.2.2 Relevance of education system to the economy
5.2.3 Skills matching with secondary education
5.2.4 Skills matching with tertiary education

67.18 32
53.80 49
59.86 28
74.09 25
80.97 26
Talent and GDP (Global)
### Top 20 GTCI 2017

<table>
<thead>
<tr>
<th>GTCI 2017 Ranking (out of 118 countries)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Switzerland</td>
</tr>
<tr>
<td>2. Singapore</td>
</tr>
<tr>
<td>3. UK</td>
</tr>
<tr>
<td>4. USA</td>
</tr>
<tr>
<td>5. Sweden</td>
</tr>
<tr>
<td>6. Australia</td>
</tr>
<tr>
<td>7. Luxemburg</td>
</tr>
<tr>
<td>8. Denmark</td>
</tr>
<tr>
<td>9. Finland</td>
</tr>
</tbody>
</table>

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**The Global Talent Competitiveness Index**

Talent Attraction and International Mobility

2015-16

The Global Talent Competitiveness Index

2017

The Global Talent Competitiveness Index

Diversity for Competitiveness

2018
Solving the Talent Challenge: Quantitative + Qualitative Analysis
Growing Talent: good balance of skills

ADAPTABILITY
The model of 20 years of education followed by 40 years of work doesn’t fit with the realities of today’s fast-moving world.
Growing talent (2): Asia Pacific example

[Bar chart showing the percentage of formal education, lifelong learning, and access to growth opportunities in various countries in the Asia Pacific region.]
Attract talent: “Opportunity” makes countries attractive

Business & Work context
- Clusters and networks
- Meritocracy (in management, in education, etc.)
- Employee Development
What next? Challenges into the future

GTCl 2017 argues that, to understand talent competitiveness in the coming years, it is critically important to:

**THINK BEYOND URBANIZATION:**
Look at the increasing role of regions and cities as a game changer of global distribution of production, jobs, trade, investment and innovation

**Impacts on people**
- Work: project based; collaborative innovation
- Careers: spiral
- Skills: lifelong learning
- Inequalities

**THINK BEYOND AUTOMATION:**
Technological revolution vs. management revolution