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Moving People to Work: Leveraging Talent Mobility To Address the Talent Mismatch in the Human Age

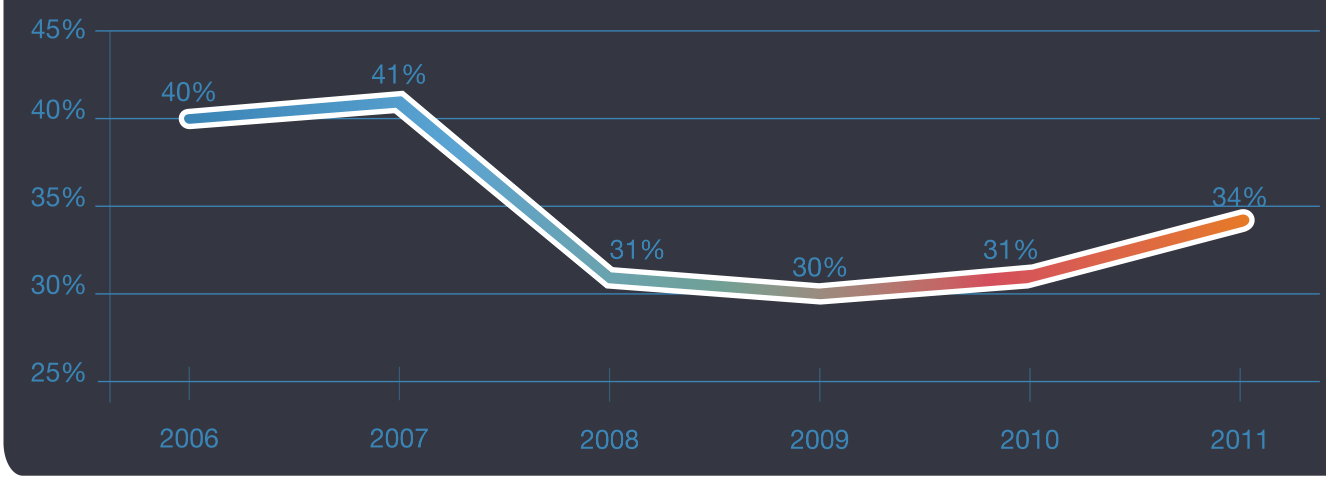
The world has entered a "new normal"—a post-recession business environment in which organizations have to do more with less, and are forced to compete more rigorously to find the best talent. Complicating matters are the demographic trends: Working-age populations in developed countries are declining faster than replacement rates, constraining supply amidst increasing demand. And while the economies of emerging markets such as Indonesia and Brazil are booming, their education and training systems are generally failing to supply enough skilled individuals to sustain their growth. The result of these trends is a global skills shortage and talent mismatch.

At the same time, epic shifts in business dynamics are converging: for many companies and countries, talent is replacing capital as the key competitive differentiator. As "talentism" becomes the new "capitalism," human potential will be the catalyst for change and the major agent of economic growth. ManpowerGroup identified this new era as the Human Age, and it will demand that the world rethinks national policies and corporate business models to ensure that organizations have access to the skilled talent they need.

Even amid high unemployment, employers are struggling to find people with the precise skills or combination of skills they need. ManpowerGroup research indicates that 34 percent of employers worldwide are having trouble filling key positions (Figure 1). As the economy continues to recover, it will only get harder to put the right people with the right skills in the right place at the right time (Figure 2). As Jean Charest, Premier of Quebec, has put it, "We are entering the era of unparalleled talent scarcity, which, if left unaddressed, will put a brake on economic growth around the world, and will fundamentally change the way we approach workforce challenges."[1]

FIGURE 1. **TRENDS IN DIFFICULTY FILLING JOBS DUE TO LACK OF AVAILABLE TALENT**

Compared to last year at this time, the proportion of employers reporting difficulty filling jobs has increased by three percentage points – this is the highest percentage since 2007.

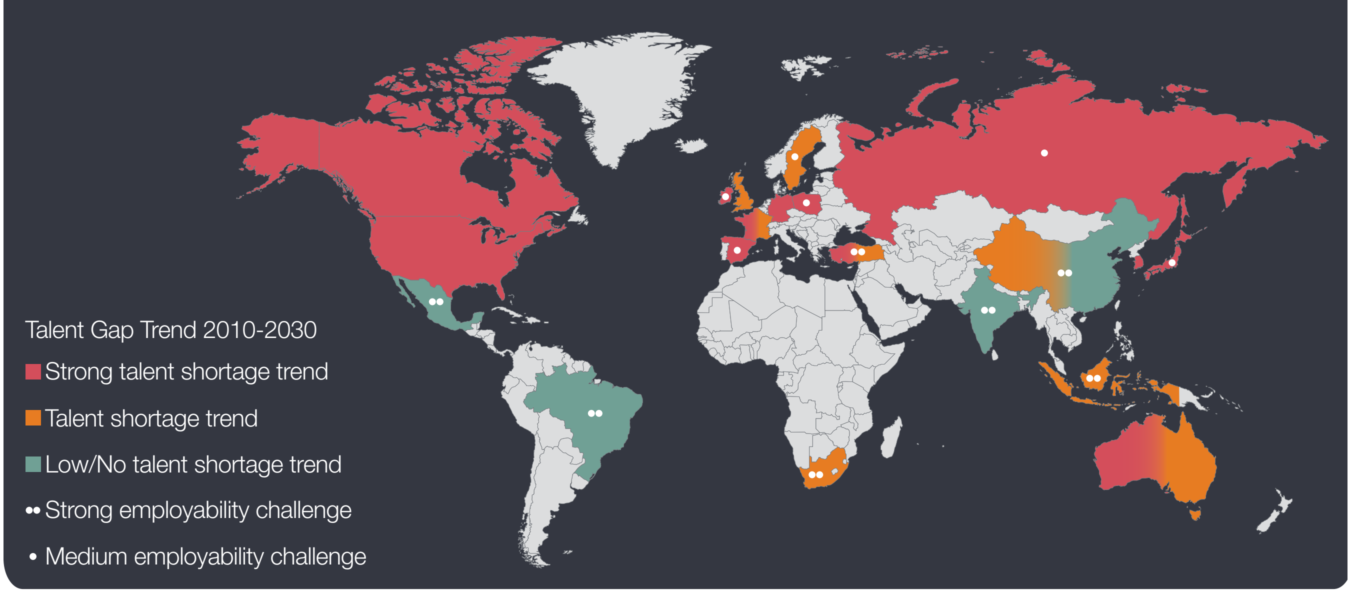


Source: ManpowerGroup

In the Human Age, talent mobility—moving people to where the work is—must be one component of a coordinated public-private response to the talent mismatch. While the topic is a political lightning rod in this period of continuing high unemployment, it's important to recognize that talent mobility is a proven way to address many pressing business needs. And talent mobility is not solely about bringing in foreign workers; it's also about moving domestic talent within national borders to balance supply and demand in the labor market. "Global mobility of talent is becoming as critical as the global mobility of goods and capital," according to a recent report from the World Economic Forum.[2] The point here is that talent mobility is not the only answer. Along with education and innovation, it's one crucial component of a long-term approach—one that will take careful planning and new thinking on the part of both policy-makers and business leaders.

FIGURE 2. **SIGNIFICANT TALENT GAPS EXPECTED BY 2020 AND BEYOND**

In countries with no talent shortage trend, employability is the challenge



Source: World Economic Forum

Organizations Must Be Pro-Active

In the Human Age, companies must align their talent strategies with their business strategies to ensure that they have the right people in place to grow and succeed. Business leaders must rethink old assumptions about work models, people practices and talent sources. They can expand their internal talent pools via retraining or by reaching into pools of talent with skills adjacent to those in demand.[3] But they should also figure out how talent mobility programs can support their business goals. In the short term, for example, in countries such as the U.S., Japan and the U.K., where there is a shortage of nurses, healthcare organizations have offset those shortages by recruiting nurses across international borders. Over the long term, talent-mobility programs are an effective professional-development approach, as international experience becomes an increasingly important requirement for future business leaders.

Given all that, it's no surprise that skilled talent is ready and willing to move. ManpowerGroup's new Migration for Work Survey finds that six in 10 employees would consider relocating for a job, including 25 percent who would consider permanent relocation. Among those surveyed who would be willing to relocate, 32 percent would be prepared to relocate anywhere in their current country and 30 percent would go anywhere in the world. And while the recession has clearly impeded individuals' ability to relocate for work (i.e. not being able to sell current house or pay relocation costs) 27 percent of employees surveyed said they are more willing to move for work since the recession (Figure 3).[4] These findings highlight the importance for both companies and countries alike to "brand" themselves as talent destinations if they want to become more attractive to potential employees in their respective regions and around the world.

As they consider their strategic skills planning, business leaders should think about how talent mobility factors into their efforts to attract, engage and retain key employees. Internal talent mobility programs—international rotations, projects and transfers, for example—can enhance the employer's brand even as they promote collaboration, cohesion and cross-pollination of ideas. Sourcing talent across international borders has the added benefit of sparking innovation, promoting diversity and introducing new perspectives—all important to companies that operate across borders where familiarity with local markets and social customs is vital.

FIGURE 3. **WILLINGNESS TO RELOCATE FOR WORK SINCE THE GLOBAL RECESSION**

27 percent of people are more willing to relocate for work since the global recession

Source: ManpowerGroup

Of course, integrating an effective talent mobility program into a broader talent strategy is complicated. To work, the program has to encompass the full gamut of recruitment processes—planning, sourcing, attraction, assessment, selection—and do it in compliance with international visa and other legal requirements. Clearly, there are logistics and cultural acclimation to consider: relocation, local orientation, company on-boarding and other types of care. Fraught with complexities though this process is, investing resources in this effort will pay off in a workforce that powers growth and success.

ManpowerGroup Solutions engages a five-phase process led by a single point of contact to ensure consistency and continuity in providing clients with the right match of international candidates. Consider this example: A global technology company was facing internal pressure to reduce its server-maintenance costs and back-end delivery operations in Asia. One option was to offshore back-end support functions to another country. However, the tech company didn't want to invest the considerable resources it would have taken to establish its offshore presence, nor did it want to lose daily oversight of the back-end operations. Working with ManpowerGroup's Borderless Talent Solutions, the company was able to bring in qualified IT engineers who spoke the local language from several countries across Asia. In addition, the ManpowerGroup solution addressed the visa, housing and cultural barriers often associated with work migration to the home country. ManpowerGroup delivered an innovative workforce solution that helped the client achieve its goals.

Government's Role

In response to devastating and persistent unemployment, many developed countries have adopted policies that restrict the import of both skilled and unskilled labor. Though understandable on an emotional level, these policies are short-sighted. They ignore the expert consensus that migration—when managed strategically—can stimulate global economic growth and development.[5] Protectionist policies make it almost impossible for employers to fill critical positions now and will surely inhibit growth in the future. In the short term, many companies need people with skills that aren't easy to develop quickly—nurses and engineers, for example—and strategic migration is the most expedient way to fill those roles. In the long term, the effect of these policies can be paralyzing. Political leaders will find that it's a lot harder to loosen restraints on migration than it was to tighten them. As *The Economist* has noted, "When the world economy emerges from the doldrums, some countries that have passed legislation restricting the ability of local companies to hire foreigners may find themselves lacking the flexibility that migrants bring."[6]

Countries need to reexamine their immigration policies to remove barriers to flexibility and foster mobility policies that enable organizations to match talent supply and demand and help labor markets function better. But they need to do this in a way that demonstrates sensitivity to the social implications both at home and in the employees' nations of origin, though it should be noted that the OECD has found a tendency for long-term migrants—particularly highly skilled individuals—to return to their nations of origin.[7] The World Economic Forum offers a series of recommendations that include creation of a new category of short-term visa targeting the highly skilled with fast turnaround and less bureaucracy and collaboration between host and sending countries to ensure that the countries of origin can benefit from knowledge sharing.[8] As the OECD notes, "Shorter (and potentially repeated) periods abroad may avoid some of the obstacles that currently hinder mobility, and would support knowledge flows associated with brain circulation…."[9]

Over the long term, governments should work with business to address the imbalance in supply and demand of skills in a sustainable way. This starts with analysis of the skills needed, now and in the future. Common competency definitions are important here for both analysis and certification. A national skills registry would be invaluable in measuring supply and demand, and more broadly, businesses, governments and educational institutions—the key stakeholders—need to agree on common global standards on skills and availability to facilitate movement across borders. Finally, stakeholders need to invest in the right kind of training. Business should be granted incentives and credits to invest in developing talent locally and should collaborate with academic institutions to make sure schools are providing the training the marketplace needs.

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The dawn of the Human Age demands that the collective group of stakeholders collaborate to find new, innovative ways to operate in a world where people with the right skills are the scarce resource and "talentism" is supplanting capitalism. When a third of employers globally cannot fill positions, it's imperative that stakeholders expand their view of talent sources and incorporate strategies for attracting individuals with needed skills from across international borders. Business and national competitiveness depend on this. To win in the increasingly volatile world of work, all stakeholders must work together to find sustainable ways to unleash human potential—no matter where it comes from.

REFERENCES

[1]World Economic Forum, Global Talent Risk - Seven Responses, 2011

[2]Ibid.

[3]ManpowerGroup, *Teachable Fit*, 2010.

[4]ManpowerGroup, *Migration for Work Survey*, 2010.

[5]OECD, *The Global Competition for Talent: Mobility of the Highly Skilled*, 2008.

[6]*The Economist*, *People Protectionism: Rich countries respond to the economic downturn by trying to limit the flow of migrants*, 2009.

[7]OECD, op. cit.

[8]World Economic Forum, op. cit.

[9]World Economic Forum, *Stimulating Economies through Fostering Talent Mobility*, 2010.