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# Global mobility: countries compete for best workers

## Policymakers are under pressure to help companies attract in-demand staff

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Switzerland: tops global rankings for attracting taltented workers © Bloomberg
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by: Hannah Murphy

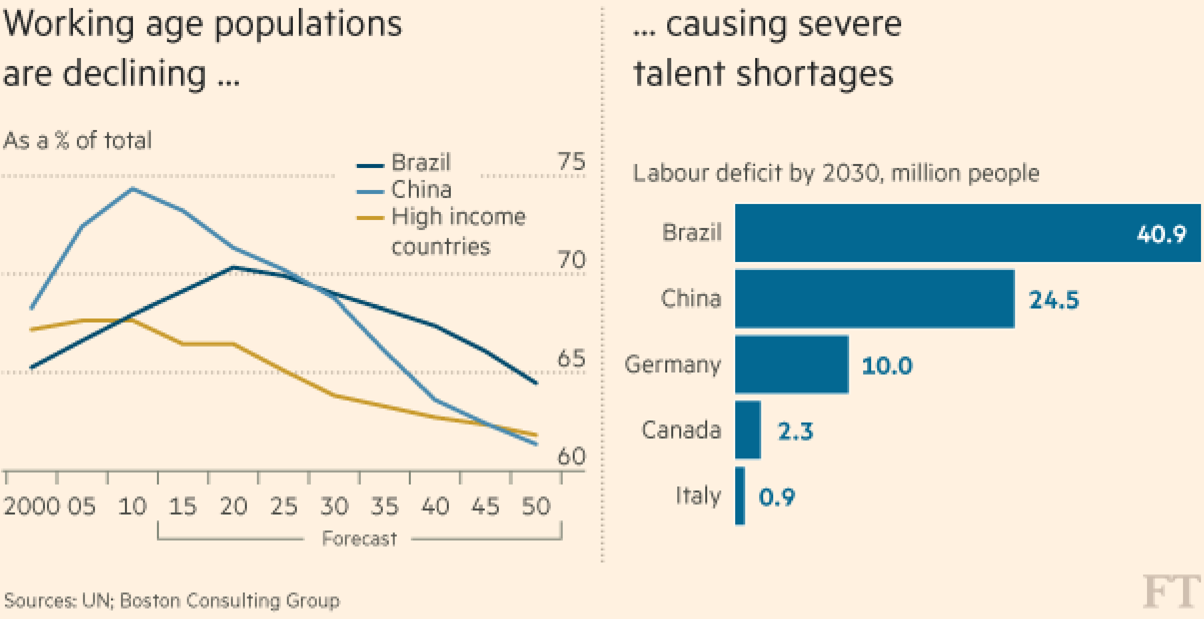
Global mobility is morphing from a niche offering for a few select employees to a necessary fix for one of the biggest problems facing multinational employers: a scarcity of talent.

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 a generous 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 way to close that gap."

Skills shortages are not the only reason organisations are broadening their approach to global mobility. New evidence shows international experience drives innovation, says Dr Eduardo Rodriguez-Montemayor, senior research fellow at Insead business school.

He points to research suggesting one in four tech start-ups in the US between 1995 and 2005 was launched by foreign-born entrepreneurs. US-based foreigners "patent twice as much as [native-born Americans]", he adds.

With these benefits in mind, companies are developing internal systems to move talent across borders quickly and smoothly — and in a way that is more cost effective than the old expatriate model.

But few are prepared for the complexity of conflicting country regulations and the bureaucracy involved in creating a system from scratch. Just 8 per cent of human resources professionals rate their global mobility programmes as "world class", according to a Deloitte survey from 2014.

While it is up to employers to invest their time and money wisely, countries also play a big role in making life easier for the organisations within their borders.

Switzerland, with its tax breaks and snowy mountain peaks, tops the Global Talent Competitiveness Index by Adecco Group, a ranking that scores countries on their competitive edge by measuring 61 variables, from political stability to research and development spending (see chart).

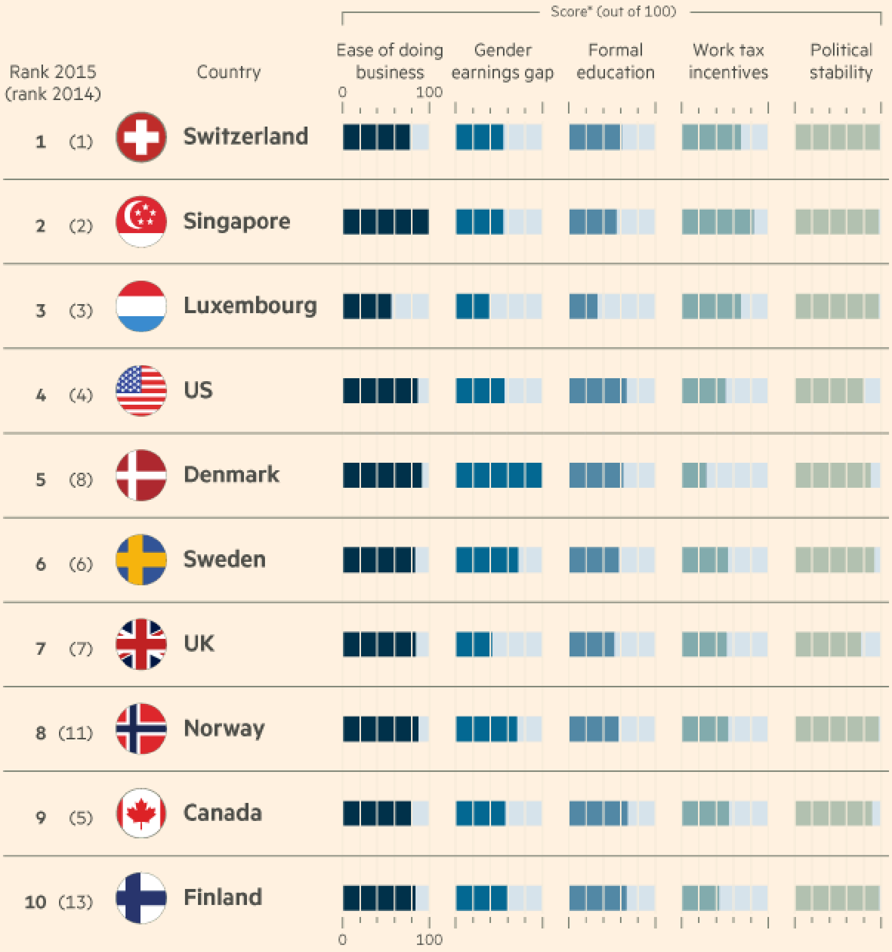
The Alpine country makes attracting talent a priority, says Simon Richardson, senior consultant at human resources adviser Total Reward Solutions. “When you go there, they even have an employee from the government who helps companies move in and set up,” he says.

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.

Competing for talent: the top 10 countries

Global Talent Competitiveness Index, 2015–2016

Insead, Adecco Group and the Human Capital Leadership Institute score more than 100 countries on 61 variables to generate an overall ranking




* On selected variables
Sources: Adecco; Insead; Human Capital Leadership Institute

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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 regulatory 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.

Switzerland, with its tax breaks, makes attracting talent a priority

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 visa fees of nearly £10,000, according to Jurga McCluskey, head of Deloitte’s UK immigration practice. To move to the US, the same family would need to pay about £2,000, while in Canada the cost is £812.

Instead of introducing a blanket rise in costs to drive migration numbers down, countries should craft policies to target the expertise that is needed, says Ms McCluskey.

A well-designed immigration policy is equivalent to “opening a valve” that lets talent flow into a country, according to Insead’s Dr Rodriguez-Montemayor, adding that a seamless visa system alone is not enough to persuade a promising candidate to move abroad. Above all, people are attracted by opportunity, he says