# Borderless Solutions to Today's Talent Mismatch

## World Regions Find Power in Talent Corridors

ManpowerGroup™

In 2008, ManpowerGroup addressed a labor phenomenon: a more globally mobile workforce. ManpowerGroup identified the roots of this increased worker fluidity, a unique combination of technological, demographic and educational change.

A wave of Internet and software evolutions in the first decade of the 21st century had, with remarkable speed, enabled companies to expand their global brands and talent recruitment efforts. In short order, no corner of the world was too remote. The same innovations also allowed candidates to learn about potential employers, source opportunities and apply for openings with greater ease. The increased access to information was tangible and exciting.

ManpowerGroup's Borderless Workforce research identified earlier stages of some now familiar trends, the surging presence of Indian IT workers and engineers in the United States, Polish tradespeople in the U.K., and Filipino electricians in the Middle East. The strong, steady rise of China, India and other emerging economies as fertile business and consumer markets was already spurring the growth plans of multinational companies—and domestic ones often funded by international investment. The challenge: These firms needed workers. Yet the same technology also created new challenges which individuals trained in outmoded systems could not always solve. The term "skills mismatch"—the inability of organizations to find the right employees where and when they need them—became common business speak.

This mismatch left firms searching for new ways to address their talent shortages. Sourcing more heavily from foreign lands has increasingly become a logical solution to be used as part of a comprehensive talent acquisition strategy. The technology was already facilitating the ability of companies and candidates to connect quickly and in greater depth. The byproduct was the growth of a borderless workforce as a permanent piece in the world labor landscape. Companies were clearly more likely to hire people well outside their geographic sweet spots. Job seekers were more willing to accept overseas offers.

Fast-forward to 2011. The world has been grappling with four years of economic tumult and a stubbornly high unemployment rate. Even the juggernauts of China and India are showing signs of stress. Yet, this troubled environment has only increased companies' demand for workers from foreign pools. ManpowerGroup's most recent Talent Shortage Survey of nearly 40,000 employers in 39 countries found that about one in three were unable to find the right skills.

## Ripening Talent Corridors

Now new research by ManpowerGroup and anecdotal evidence confirm that talent mobility has grown and solidified. The company's 2011 Borderless Workforce Survey of more than 25,000 employers from 40 countries and territories has found that about one in four (24 percent) have been looking to foreign talent to solve their skills shortages. The survey indicated that U.S. companies were the most likely to seek help outside their borders with three in four respondents (75 percent) from the country naming a job category where foreign talent is important for filling gaps. China (8 percent) was among the countries where employers were least likely to look externally.

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Many companies also continue to make use of talent migrating from within countries – usually from poorer, rural communities to more job affluent, urban areas. Consider the movement of laborers from Mexico's agrarian south to the country's northern cities, of Japanese farmers to towns, and Tamil IT specialists to technology hotbeds of Bangalore and such high-growth states as Haryana and Maharashtra. With labor markets global and labor laws local, talent is increasingly mobile; and "talent corridors" are ripening as competitive recruitment efforts are largely targeting supply countries located in the same region.

The ManpowerGroup survey found that 44 percent of multinational companies surveyed have management level and above employees who are expatriates. This comes as many forward-thinking firms adopt reverse expatriate strategies, assigning promising foreign managers to shadow executives in an organization's more mature businesses. The reverse expatriate observes operations and protocols and then applies lessons learned to his or her work in developing businesses. The process accelerates development and creates a more comprehensive and sustainable organization, ManpowerGroup Chairman and CEO Jeff Joerres wrote in a recent article for the McKinsey Quarterly.

Europe has been the least likely region to employ expatriate leaders. More than half the European employers (51 percent) said that they have no expatriates working in management or above roles. About one in five of the employers in the survey had operations in different countries.

The seekers of foreign talent are often also the biggest providers. About one in 10 employers in the survey said that China (11 percent), India (11 percent) or the U.K. (10 percent) provided them with workers.

The survey data underscores certain patterns and long relationships. The Americas are more likely to need engineers than other positions and hire extensively from India. Europe is most likely to import laborers, particularly the U.K. Many workers have returned to their homeland as wages and conditions improved there. This two-way traffic has become another mobility trend.

## MIGRATION PATTERNS OF TODAY'S WORKERS

Engineers are most in demand worldwide. About one in 10 (11 percent) of employers said that they needed engineers. It has led to waves of Indian engineers manning projects in North America, the Middle East, and other regions. Laborers (8 percent) and skilled manual trades (7 percent) were the other professions most in demand.

Companies continue to face a number of obstacles in recruiting across borders. In some cases, this may reflect resistance within countries or an inability among some firms and workers to adapt readily to new conditions. About one in five employers globally (22 percent) said that the biggest obstacle was navigating legal and visa requirements. The next largest grouping of employers (17 percent) said that language barriers were the biggest challenge.

*MANPOWERGROUP SOLUTIONS' BORDERLESS TALENT SOLUTIONS OFFERING HELPS COMPANIES FIND AND HIRE FOREIGN TALENT BY LEVERAGING MANPOWERGROUP'S VAST GLOBAL AND LOCAL NETWORKS.*

A 2011 Forbes Insights survey of U.S. executives found that eight in 10 respondents agreed that workers were more effective when managers communicated with them in their own language.

As the borderless workforce has grown, a number of business and political leaders have expressed concerns about the loss of talented workers to other economies. About one in three employers (34 percent) were concerned about the impact of talent leaving their home markets. The percentage was particularly high in the Americas, where nearly one in two employers (46 percent) said they were uneasy.

Employers who are concerned clearly put the onus on government to find, keep more workers or woo them back with reverse expatriation incentives. Of those who were worried about talent drain, just 15 percent said that government was doing enough to fix the situation. This may reflect ongoing tensions worldwide over immigration. The U.S. debate about this issue has escalated, with some Americans believing that foreign workers are taking jobs from citizens. Tighter quotas on work visas are increasingly common in countries worldwide, notably the U.K. and France.

*RESTRICTING THE NUMBER OF U.S. H-1B VISAS ISSUED COULD LIMIT THE NUMBER OF INDIAN WORKERS ALLOWED TO WORK AND OPERATE COMPANIES STATESIDE.*

Employers are worried about competition in this more mobile era, both from emerging and established economies. About one in three employers worldwide (30 percent) identified China as the biggest economic threat to their countries. The next largest grouping, about one in five (18 percent), said that the U.S. was the biggest threat. The threat seems to increase with proximity. About two in five of Asia-Pacific employers (40 percent) saw China as a threat, compared to 27 percent for American employers. Twenty percent of Asia-Pacific employers saw the U.S. as a threat, much lower than the percentage (32 percent) of North and South American employers who shared this opinion.

The talent mismatch and its demography challenges won't be solved in the short term, but employers and governments can indeed work together to create more dynamic talent sourcing opportunities at least regionally across talent corridors. Stronger connections and collaboration between businesses, educators and governments are critical for better anticipating the ever-changing demand for new skills and aligning candidates with the training needed to equip them with these skills. In the short-term, employers can feel confident leveraging ManpowerGroup's global reach and local expertise to secure the cross-border talent that they need, when they need it.