



ManpowerGroup™

# The Borderless Workforce 2011

Research Results



## About the Research

To shed light on how organisations are using foreign talent to help ease talent shortages in their workforce, ManpowerGroup conducted research among nearly 25,000 employers across 39 different countries and territories in July/August of 2011. Research was conducted via telephone research, except in the United States, where it was conducted online.

### Countries Include:

Americas	5,820	Asia Pacific	9,666	Europe	9,946		
Argentina	404	Australia	2254	Austria	401	Netherlands	400
Brazil	400	China	2593	Belgium	401	Norway	400
Canada	1004	Hong Kong	426	Bulgaria	400	Poland	408
Colombia	402	India	1011	Czech Republic	400	Romania	400
Costa Rica	401	Japan	1004	France	502	Slovenia	401
Guatemala	402	New Zealand	655	Germany	501	South Africa	400
Mexico	1003	Singapore	650	Greece	400	Spain	517
Panama	400	Taiwan	1073	Hungary	400	Sweden	401
Peru	402			Ireland	401	Switzerland	405
United States	1002			Israel	400	Turkey	500
				Italy	506	United Kingdom	1002

### Questions Explored:

- Which category of job is foreign talent the most important in helping your organisation meet its skills shortages?
- From which countries are these workers primarily coming?
- What are your organisation's biggest obstacles to recruiting these workers?
- Are you concerned about the impact on the labour market from talent leaving [your country] to go and work in another country?
- Do you think government and business are doing enough to slow the outward migration of talent and attract these people back to your country?
- Which countries do you believe provide the biggest competitive threat to your own country's ability to compete economically? (list the top 3)
- Does your company have operations in multiple countries?
- Thinking about manager-level positions and above at your organisation, what percentage, if any, are expatriates or individuals who are based in countries other than their home countries?

### About ManpowerGroup

ManpowerGroup™ (NYSE: MAN), the world leader in innovative workforce solutions, creates and delivers high-impact solutions that enable our clients to achieve their business goals and enhance their competitiveness. With over 60 years of experience, our \$22 billion company creates unique time to value through a comprehensive suite of innovative solutions that help clients win in the Human Age. These solutions cover an entire range of talent-driven needs from recruitment and assessment, training and development, and career management, to outsourcing and workforce consulting. ManpowerGroup maintains the world's largest and industry-leading network of nearly 3,900 offices in over 80 countries and territories, generating a dynamic mix of an unmatched global footprint with valuable insight and local expertise to meet the needs of its 400,000 clients per year, across all industry sectors, small and medium-sized enterprises, local, multinational and global companies. By connecting our deep understanding of human potential to the ambitions of clients, ManpowerGroup helps the organisations and individuals we serve achieve more than they imagined — because their success leads to our success. And by creating these powerful connections, we create power that drives organisations forward, accelerates personal success and builds more sustainable communities. We help power the world of work. The ManpowerGroup suite of solutions is offered through ManpowerGroup™ Solutions, Manpower®, Experis™ and Right Management®. Learn more about how the ManpowerGroup can help you win in the Human Age at [www.manpowergroup.com](http://www.manpowergroup.com).

# Introduction

Despite the high unemployment rates being reported during this sluggish global labour market recovery and a presumed talent surplus, employers are facing a perplexing problem: talent shortages. Many employers around the globe say they are having difficulty finding the right people with the right skills due to lack of available talent in their respective markets. In fact, over one in three employers worldwide indicate this is a problem they face.<sup>1</sup> One strategy for closing these skills gaps is for organisations to recruit non-national workers to fill holes in their domestic workforce. To be competitive in the Human Age, the ability to attract talent across borders and effectively manage what is rapidly becoming a borderless workforce, will be key to maintaining a competitive business edge.

To shed light on how organisations are using foreign talent to help ease the talent crunch, ManpowerGroup conducted research among nearly 25,000 employers across 39 different countries and territories. The research explores the extent to which employers rely on workers from abroad, where those workers are most likely to come from, and the job categories where the domestic talent pool is most likely to fall short of meeting demand. Findings also highlight obstacles to the sourcing of foreign talent, the level of employer concern about talent drain away from the domestic market, and opinions on how government and business are responding to this challenge. Finally, ManpowerGroup also asked employers to identify the countries which pose the biggest threat to their ability to compete economically.

<sup>1</sup> 2011 Talent Shortage Survey, ManpowerGroup, 2011.



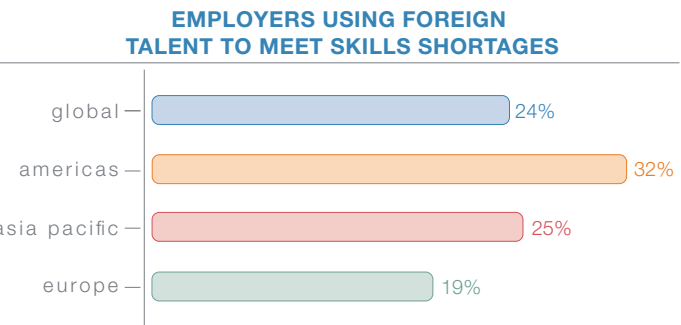
## Global Research Highlights:

- One in four employers worldwide seeks solutions to skills shortages by looking to foreign talent in particular job categories. Engineers, labourers and workers in the skilled manual trades are the scarce roles most often filled by foreign talent.
- Employers are largely competing for the same skilled talent in the same region or “talent corridor.” If needed talent becomes scarce, recruiting efforts become more global.
- China, India, the United Kingdom and the United States are the four countries employers most associate with talent supply, but employers can encounter obstacles in recruiting abroad—typically with understanding visa and legal requirements and/or overcoming language barriers.
- One in three employers is concerned about the impact of talent leaving their home market. Among those who report this concern, most feel that business and government should be doing more to stem outward migration and attract workers in key categories back home.
- Today, expatriates still play a key role at the management level; organisations in the Americas region are most likely to have expat leaders.

# Using Foreign Talent to Help Ease the Talent Crunch

## Global

Almost one in four employers (24%) worldwide looks outside its borders to meet skills shortages in particular job categories. United States employers are most likely to seek talent outside the domestic market, with 75% naming a specific job category where foreign talent is important to filling gaps. Other countries where a high proportion of employers rely on foreign talent are Singapore (61%), Costa Rica (51%) and Japan (48%). However, in some countries, the vast majority of employers feel that skills shortages can be effectively addressed without looking beyond the domestic talent pool. In India, just 2% name a job category where they seek foreign talent and the proportion is similarly low in Sweden at 3%. It is 7% in South Africa and 8% in Ireland, Poland and China. Meanwhile, the majority of employers (76%) globally say there is no particular job category where foreign talent is important to help them tackle skills shortages, and instead are finding the talent they need in the domestic workforce.



## Americas

Regionally, employers in the United States (75%) and Costa Rica (51%) are the most likely to name a category where foreign talent is important for addressing skills shortages. Meanwhile, sourcing talent outside the domestic labour supply to tackle skills gaps is least prevalent in Colombia (9%) and Brazil (14%), where the stricter labour laws in these countries discourage employers from sourcing talent outside the domestic market. The remaining 68% of employers in

the Americas region do not nominate a job category where foreign talent is important to their organisations.

## Asia Pacific

The need to look beyond the domestic labor pool is most pronounced in Singapore, where 61% of employers name a job category where foreign talent is important for addressing skills shortages. This is due in part to the country's supply-demand dynamic: a domestic workforce which is relatively small and a destination popular for locating multinational operations. This has nurtured a Singaporean market with open immigration policies and high international mobility. Other countries with a need for expatriate workers above the regional average are Japan (48%), New Zealand (39%) and Australia (35%). Meanwhile, employers in India (2%) and China (8%) are least likely to look outside the domestic labour market to fill specific roles. Overall, three in four of employers in the region don't look outside the local labour market to address any specific skills shortages.

*Almost one in four employers worldwide looks outside its borders to meet skills shortages in particular job categories.*

## Europe\*

In Europe, the strategy of sourcing in-demand talent from abroad is most prevalent in Norway (36%), Italy (34%) and Austria (29%). Perhaps surprisingly, given the ongoing economic predicament in Greece, employers in the country also report an above average reliance on foreign talent, with 29% saying they look outside the domestic labour market to fill specific job vacancies. Elsewhere in the region, the reliance on foreign talent is very low in Sweden (3%) and limited in South Africa (7%). Employers in Ireland (8%), Poland (8%) and Romania (9%) also report low levels of reliance on foreign talent.

\* Includes data for Israel and South Africa.

# Top Job Categories Where Foreign Talent is Most Important to Meeting Skills Shortages and Popular Talent Sources

## GLOBAL

On a global basis, foreign workers are most important in filling engineering roles, where we see the job role appearing in the top five in every region. The most popular countries cited by employers as talent sources include:

- China (11%)
- India (11%)
- United Kingdom (10%)
- United States (7%)
- Philippines (5%)

And the movement of talent isn't simply a developing-to-developed country migration. For example, many organisations in emerging market countries are sourcing executives and middle managers from developed western markets to provide experienced leadership.

### DEMAND

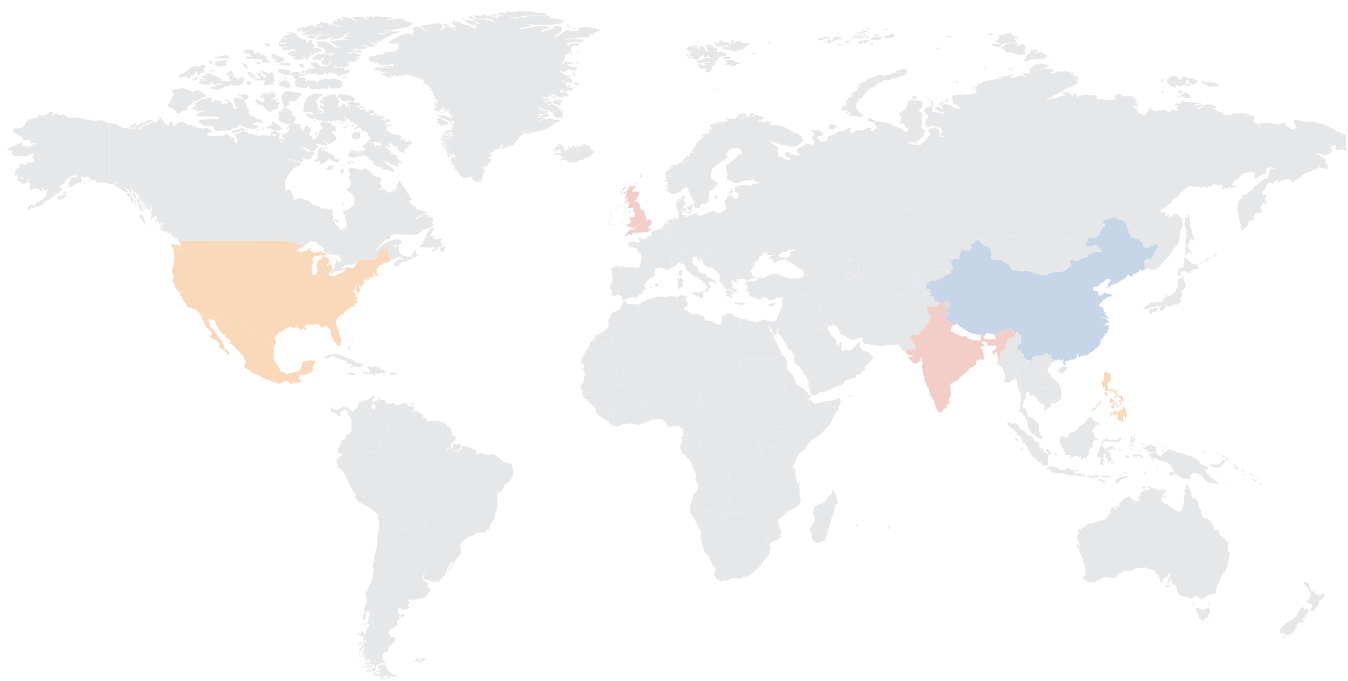
engineers	11%
labourers	8%
skilled manual trades	7%
production operators	5%
sales representatives	5%
middle managers	4%
technicians	4%
administrative/PA/office support etc	3%
IT software experis (programmers etc)	3%
senior executive/board members	3%

job categories utilising foreign talent

### SUPPLY

china	11%
india	11%
uk	10%
usa	7%
philippines	5%
germany	4%
mexico	4%
poland	4%
colombia	3%
france	3%
romania	3%
south africa	3%

common supply countries for talent



## AMERICAS

Companies in the Americas that look to foreign talent to fill particular job categories are primarily turning to India (14%) and Mexico (12%). This makes sense when examining the region's in-demand roles, with India being a popular talent source for workers with STEM (science, technology, engineering and math) skills and Mexico traditionally providing a large amount of manual labour to its northern neighbours. Research results also illustrate the trend that recruitment for talent occurs largely in regional "talent corridors," as employers source individuals from countries adjacent to the home market or within the same geographic region. We see several countries within the region cited among the most popular talent supply sources. In addition, employers in the region look to China (9%) and Colombia (9%) to address skills shortages, and foreign talent is also sought in the United Kingdom (7%) and the United States (7%).

### DEMAND

engineers	12%
skilled manual trades	6%
IT software experts (programmers etc)	4%
IT systems experts (analysis, consultants etc)	4%
labourers	4%
production operators	4%
sales representatives	4%
senior executives/ board members	4%
technicians	4%

job categories utilising foreign talent

### SUPPLY

india	14%
mexico	12%
colombia	9%
china	9%
uk	7%
usa	7%
argentina	4%
brazil	4%
germany	4%
philippines	4%
venezuela	4%

common supply countries for talent

## ASIA PACIFIC

The primary countries of origin for foreign talent in the Asia Pacific region are China (18%) and the United Kingdom (18%), as many countries in the region look to leverage China's manufacturing muscle and source expatriate managers and other professionals from the United Kingdom. In addition, 13% of employers in this region look to India to address talent needs. Meanwhile, both the United States and Philippines are mentioned by 9% of employers as common destinations from which they recruit for difficult-to-fill positions. The appearance of the United Kingdom and United States as common supply sources also suggests that countries in Asia Pacific are looking to attract local expatriate talent back from these popular work destinations.<sup>2</sup>

### DEMAND

engineers	14%
skilled manual trades	8%
sales representatives	6%
labourers	5%
middle managers	5%
production operators	5%
technicians	5%

job categories utilising foreign talent

### SUPPLY

china	18%
uk	18%
india	13%
philippines	9%
usa	9%
south africa	6%
germany	3%
france	2%

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## EUROPE

Unlike their Americas and Asia Pacific counterparts, employers in Europe name labourers (17%) as the top job category that must utilise foreign talent to fill vacancies and they are looking toward Eastern Europe to fill these gaps. Poland is named as the region's primary talent source followed by Romania (8%). Other countries where European employers source talent include: Germany (7%), Italy (5%) and Russia (5%). Notably, the trend of competing for talent within the geographic region is most evident here—the most popular talent-source countries are all located within the region.

### DEMAND

labourers	17%
skilled manual trade	8%
engineers	7%
production operators	6%
sales representatives	3%

job categories utilising foreign talent

### SUPPLY

poland	12%
romania	8%
germany	7%
france	4%
india	4%
uk	4%
china	3%
usa	3%
colombia	1%
philippines	1%
south africa	1%

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<sup>2</sup> Migration for Work Survey, ManpowerGroup, 2011.



# Expatriates Still Play a Key Role at the Management Level; Companies in the Americas Most Likely to Have Expat Leaders

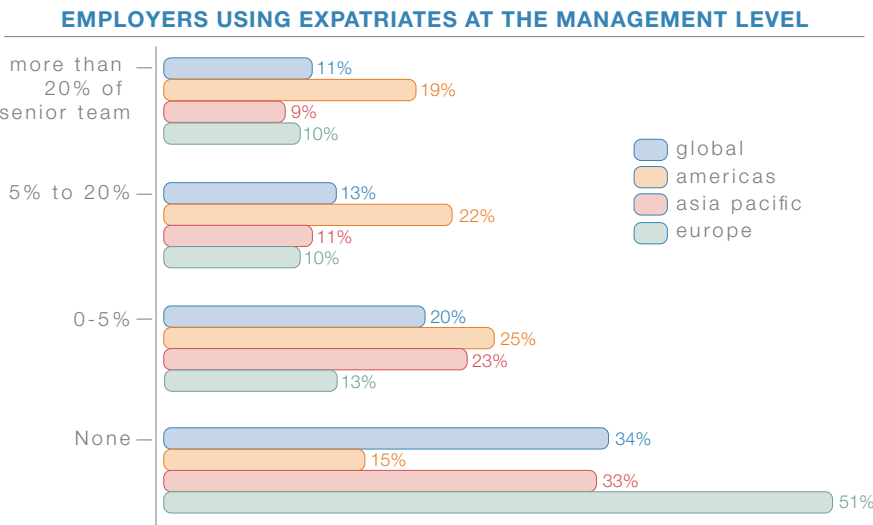
## Global

Over the past several years, ManpowerGroup has seen a shift in the use of expatriate talent (individuals based in countries other than their home) to manage and lead operations in emerging markets. Due to some of the challenges this practice creates, such as expat managers not being able to adapt to local cultures and creating a perception that there is a “ceiling” on the promotion of local managers, some forward-thinking multinational companies are pursuing what ManpowerGroup calls a “reverse expat strategy.” A reverse expat is a local manager who is placed at the helm of a Western-based company’s emerging-market business and then rotated through some of the company’s more mature operations outside of that market. The reverse expat shadows and role-plays with the local leaders; observes and absorbs protocols, processes, and practices; and develops a plan for quickly adapting any relevant developed-market practices to the developing country. When executed effectively, this approach dramatically accelerates the development of local managers and ultimately creates a more competitive and sustainable organisation. Although not yet widespread, this practice is beginning to take hold.<sup>3</sup>

*44% of the multinational companies surveyed have employees at management level or above who are expatriates.*

And while the Western expat may be becoming less common, ManpowerGroup research found that there are still plenty of companies using this approach. In fact, of the multinational companies surveyed, 44% have employees at management level or above who are expatriates.

<sup>3</sup> McKinsey Quarterly, “Beyond Expats: Better Managers for Emerging Markets,” Jeffrey A. Joerres, May 2011.



## Americas

In the Americas, over one in five companies (22%) surveyed have operations in multiple countries, with companies in this region most likely to employ expatriate leaders in comparison to their global counterparts. When asked what proportion of managers and above are based in countries other than their home, 19% of these multinational organizations indicate that more than 20% of senior staff are expatriates. More than one in five (22%) say that expatriates make up between 5% and 20% of their management staff, and one in four report up to 5% in this expatriate management category.

## Asia Pacific

One in three (33%) of the Asia Pacific employers taking part in the research has operations in multiple countries and 9% of those respondents report that 20% or more of the management staff are expatriates. In a further 34%, expatriates make up fewer than 20% of the senior management team, while 33% of these organisations have no employees working at this senior level outside their country of origin.

## Europe

Almost one in five (19%) European employers taking part in the survey has operations in more than one country. Notably, companies in this region were least likely to employ expatriate leaders, with more than half (51%) saying they have no expatriates working at management level or above. Meanwhile, 20% of European employers say that 5% or more of their management talent come from expatriate backgrounds.

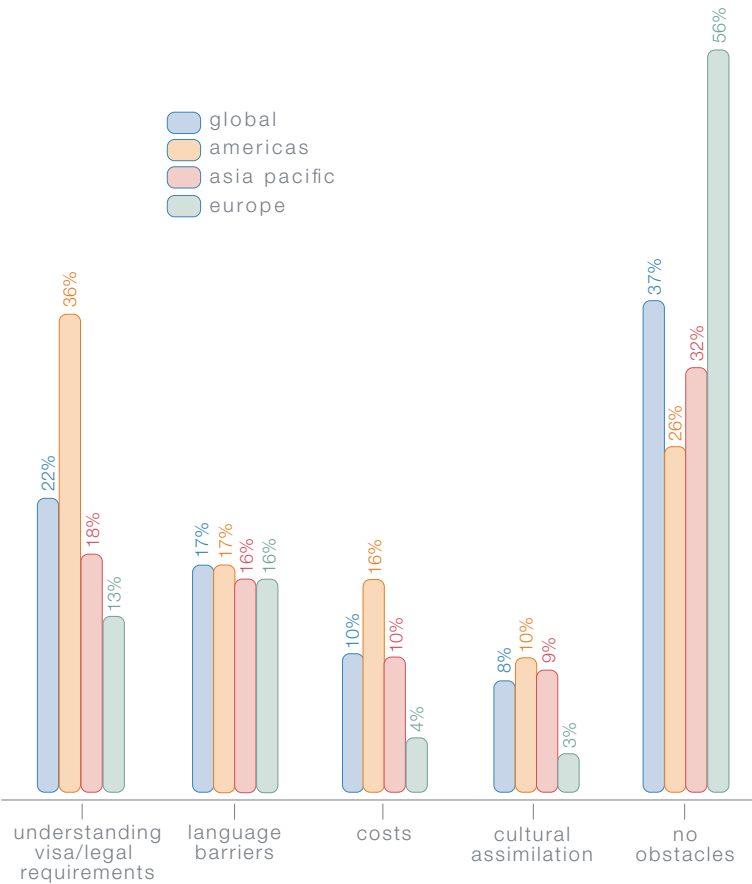
# Obstacles to Recruiting Foreign Workers

## Global

ManpowerGroup asked employers who look abroad to help solve talent shortages to indicate the biggest obstacles they encounter when recruiting foreign workers. Navigating through the potential minefield of legal and visa requirements is most frequently mentioned as the top obstacle, followed by language barriers. One in ten says that the cost of recruiting outside the home market is an obstacle, while a similar percentage encounter issues with

the cultural assimilation of workers into their workforce. A significant minority of employers say they don't know which countries could supply the talent they need and that they wouldn't know how to go about recruiting them even if they did.

## BIGGEST OBSTACLES IN RECRUITING FOREIGN WORKERS



## Americas

Among Americas employers who seek talent outside their borders, results follow the global trend—understanding the legal and visa requirements involved in sourcing foreign talent is by far the most common recruitment obstacle. Coping with language differences and the cost of hiring talent from outside the home country are the next most common barriers in the region. Around one in eight are unsure about how to recruit outside the domestic job market, and a similar proportion say they don't know what country has an available talent supply from which to recruit. Meanwhile, employers indicate that the unwillingness of candidates to leave family behind is having little impact on their recruitment efforts.



## Asia Pacific

Understanding legal and visa requirements tops the list of barriers from employers in the Asia Pacific region, however the percentage is notably half that cited by employers in the Americas region. The language barrier is also a concern in the region, cited at a percentage similar to the global average. Other commonly observed issues in the region include the cost of recruiting non-native talent and dealing with the cultural assimilation issues of these workers. Meanwhile, nearly one in three employers who actively seek foreign talent feel there are no particular obstacles.

## Europe

The majority (56%) of European employers who look abroad for talent say there are no obstacles to recruiting foreign workers—a result certainly influenced by the European Union's friendly policies on migration for work. The most commonly cited obstacle to recruiting foreign talent in the region is the language barrier, where approximately one in six view it as a problem. Meanwhile, 13% cite issues around understanding legal and visa requirements, the lowest percentage of the three regions. Other potential obstacles such as the cost involved and the difficulties associated with cultural assimilation are only mentioned by a small proportion of European employers who recruit foreign workers.

# Concerns about the Outward Migration of Talent

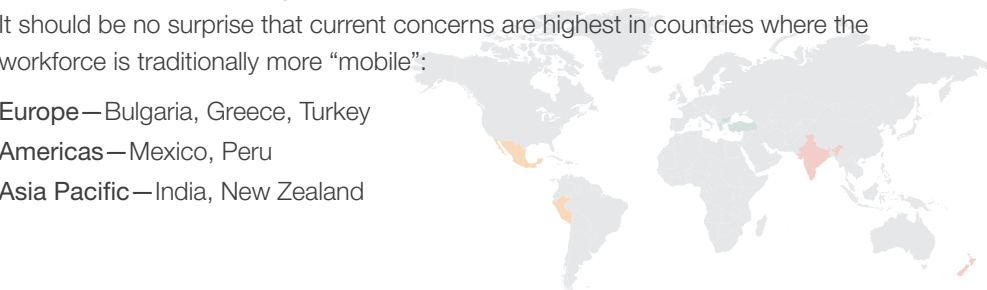
## Global

On a global basis, more than one in three employers are concerned about the impact on the domestic labour market as a result of talent migrating away from the home country, although over six in ten say this is not a particular worry. Fears about the impact of this kind of “brain drain” are highest in Southeastern Europe and the Eastern Mediterranean. It should be no surprise that current concerns are highest in countries where the workforce is traditionally more “mobile”:

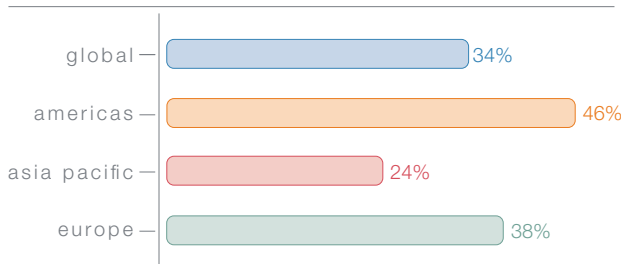
**Europe**—Bulgaria, Greece, Turkey

**Americas**—Mexico, Peru

**Asia Pacific**—India, New Zealand



**EMPLOYER CONCERN ABOUT IMPACT OF TALENT LEAVING HOME LABOUR MARKET**



## Americas

The issue of talent drain is of most concern regionally among employers in the Americas. The most urgency is expressed by employers in Mexico (63%), Peru (61%) and Guatemala (58%). Meanwhile, Canadian employers worry least about the outward migration of talent (14%).

## Asia Pacific

Across Asia Pacific, concern about “brain drain” is most acute in India (58%) and New Zealand (43%), where residents of these countries have traditionally sought work opportunities abroad, but is less of an issue for employers in China (6%) and Australia (14%).

## Europe

In Europe, anxiety about the impact of outward migration on local talent availability is most acute in Bulgaria (73%), Greece (72%) and Turkey (64%). Other countries where employers report above average concern include Romania (56%), Italy (55%), Ireland (53%), Slovenia (53%) and South Africa (52%). Meanwhile, employers are least concerned about talent drain as a result of migration in Switzerland (11%), Belgium (12%) and the Netherlands (14%).



ManpowerGroup Solutions provides international talent mobility for companies looking to source specialised talent from around the globe through its Borderless Talent Solutions offering. For more than a decade, our worldwide network of recruitment experts have been helping organisations across all industries expand their recruitment potential by tapping into a talent pool of more than 10 million candidates in 82 countries and territories.

Each of our dedicated Borderless Talent Solutions Operations Managers maintains extensive country-level networks of experts that enable them to quickly identify candidate-rich markets based on skill sets, migration patterns and economic or environmental trends. Borderless Talent Solutions is a true end-to-end solution that enables you to source specialised talent from other geographic regions when local talent supply chains can't meet demand. Because we manage the entire process—from recruitment and offer, to relocation and orientation—you can remain focused on core business issues.

We've designed our cross-border mobility offering to deliver tangible benefits to your business, such as:

- A proactive, simultaneous multi-source-country approach based on extensive, proprietary local market data.
- A dedicated Borderless Talent Solutions Consultant, who is your single point of contact, committed to managing a standardised and rigorous international recruitment process aimed at your specific needs.
- A strategic candidate engagement process, including psychometric testing, relocation, cultural induction and assimilation and candidate management programmes, that ensures the right talent and cultural mix is quickly delivered and assimilated.
- Reduced time-to-fill for new projects.
- Increased organisational and cultural diversity.
- Improved global competitiveness.



## Case Study:

### RECRUITING OIL AND GAS ENGINEERS ACROSS THREE CONTINENTS

Given the difficult task of increasing recruitment productivity while reducing costs, HR executives for an international oil and gas company were under pressure to find a resource even scarcer than oil—engineers. The company needed a dedicated human resources partner to globally recruit site managers and field service engineers (mechanical and electrical engineers) across 19 countries in the Middle East, Africa and Asia.

The client made the decision to partner exclusively with ManpowerGroup Solutions because of our proven expertise including our:

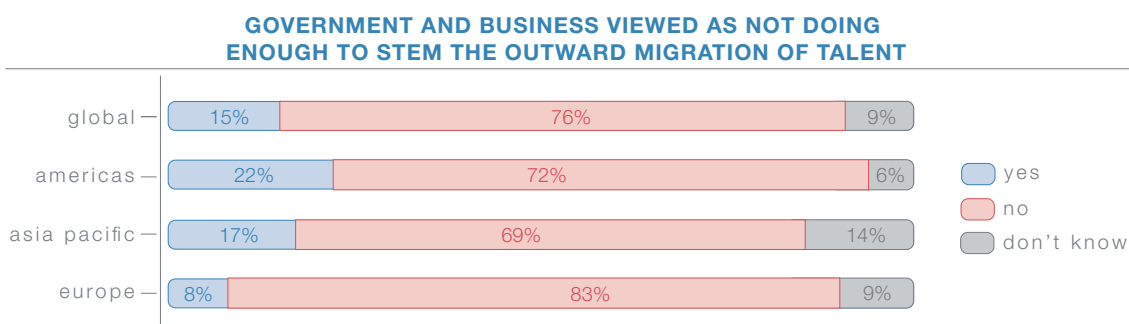
- Recruitment capabilities and geographic coverage within the region.
- Efficient management of time-critical processes.
- Talent acquisition processes that supported all of the client's Human Resources procedures.

In just eight months, ManpowerGroup Solutions was able to source, assess and provide our client with 220 qualified engineering candidates for consideration. Our success rate of submissions to interviews was an industry leading 1.8-to-1 and our success rate of interviews to offers was an impressive 3-to-1. End result? The client was able to quickly acquire better and more cost-effective engineers and improve its talent pipeline for the future.

# Are Government and Business Doing Enough to Slow Brain Drain?

## Global

Of the nearly 25,000 employers surveyed worldwide, only 15% of those who are concerned about the impact of the outward migration of talent from their labour markets, feel that government and business are doing enough to attract people back. On the other hand, over three in four employers globally believe these major stakeholders are not doing enough.



## Americas

Across the 10 countries surveyed in the region, employers in Panama (29%) and Peru (29%) are most likely to feel government and business are doing enough. In contrast, Guatemalan employers (9%) have the least faith in the ability of government and business to stem the outward flow of talent.

*Of the nearly 25,000 employers surveyed worldwide, only 15% of those who are concerned about the impact of the outward migration of talent from their labour markets, feel that government and business are doing enough to attract people back.*

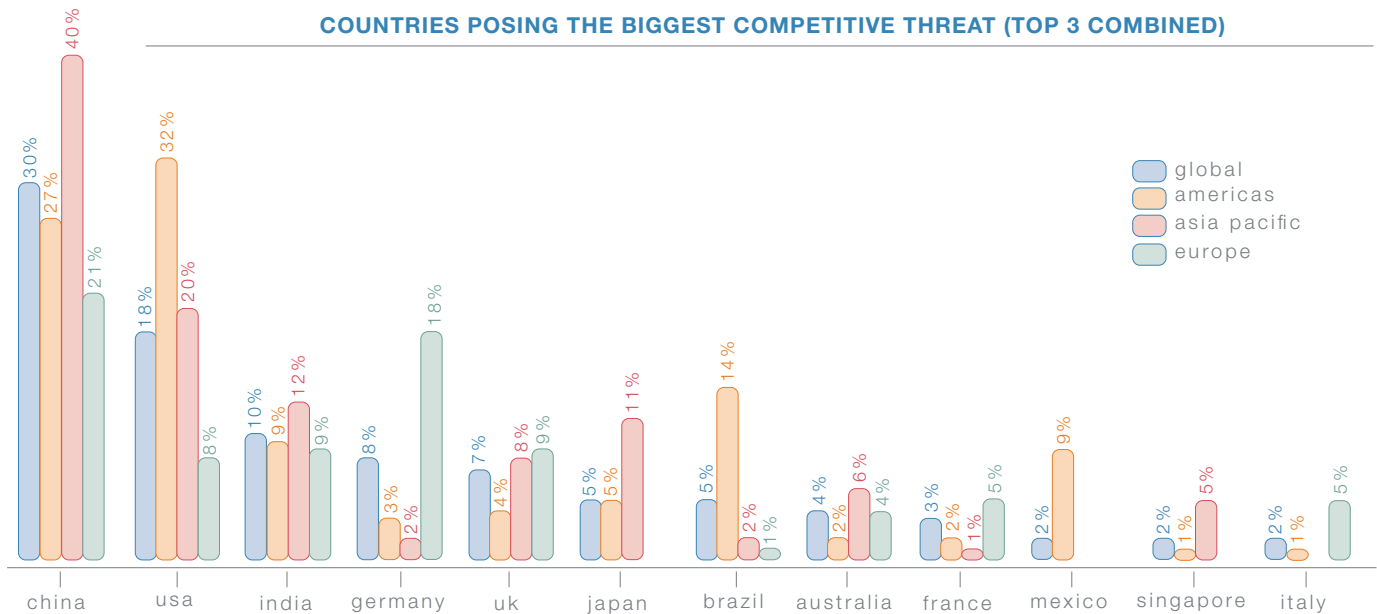
## Asia Pacific

Of the Asia Pacific employers surveyed, those in Japan (85%), Taiwan (84%), and India (73%) are least satisfied with government and business' efforts to address the "brain drain" issue and would like to see more done to attract talent back to the home country, or to persuade people from leaving in the first place. On the other hand, employers were least critical in China (17%) with nearly one in five saying they were unsure about the issue.

## Europe

Only a small minority of respondents (8%) in Europe feel government and business are doing enough to stem the flow of talent and attract people back to the home country. Government and business are felt to be most effective at countering outward migration in the Netherlands (33%) and Switzerland (24%), but across Europe as a whole, 83% feel that more could be done.

COUNTRIES POSING THE BIGGEST COMPETITIVE THREAT (TOP 3 COMBINED)



## Countries Posing the Biggest Competitive Threat

### Global

ManpowerGroup asked employers to name the top three biggest competitive threats to their own country's ability to compete economically. For analysis, the total number of mentions in any of these top three places has been added together to produce an overview. On a global basis, China and the United States are seen as the two greatest competitive threats. After China and the United States, one in ten employers view India as one of the biggest competitive threats. Other commonly cited national competitors are Germany (8%), the United Kingdom (7%), Japan (5%) and Brazil (5%). As previously mentioned, the demand for talent is most often satisfied within the geographic region. We see this similar pattern take shape regarding employers' views of competition, where most competitive threats are viewed as coming from their regional neighbors.

### Americas

The two largest global markets dominate the list of countries which regional employers name as the top threats to their own country's ability to compete economically: the United States (32%) and China (27%). Brazil, too, is seen to pose a significant threat by 14% surveyed, and both India and Mexico are cited by 9%.

In both the United States and Brazil, China is most likely to be nominated as the biggest single threat to national

competitiveness, but in Mexico, employers are most concerned about competition from the largest consumer of talent in the region—the United States.

### Asia Pacific

Two in five (40%) Asia Pacific employers say that China is among the top three biggest threats to their own country's ability to compete economically. The second most frequently mentioned country is the United States, named by 20% of employers. Two other Asia Pacific economies—India (12%) and Japan (11%)—are nominated by more than one in 10 employers, while the United Kingdom is seen as a threat by 8%. In China itself, the most noted competitive threat is the United States, while employers in both India and Japan are most likely to regard China as the biggest competitive threat.

### Europe

European employers are most likely to regard China (21%) and Germany (18%) as the biggest competitive threats to the economic success of their own countries. India (9%), the United Kingdom (9%) and the United States (8%) are the other three countries to be cited by more than one in twenty respondents in the region. In the two European countries included in this list of the biggest competitive threats—Germany and the United Kingdom—employers are most likely to view China as the biggest threat to their respective nation's economic future.