World Economic Forum report calls for greater talent mobility to prevent global labour crisis

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- Stimulating Economies through Fostering Talent Mobility report demonstrates the magnitude of an impending global labour crisis by analysing talent shortages across 22 countries and 12 industry sectors and argues that talent mobility can stimulate economies in both developed and developing countries.
- By 2030, the developed world will need millions of new employees to sustain economic growth (US: 26 million employees; Western Europe: 46 million employees).
- Developing countries, not affected by ageing populations (the workforces of India and Brazil will grow by more than 200 million people over the next two decades), will also face huge skills gaps in some job categories due to low employability.
- Full report, video of the Davos Talent Mobility session and more here

Geneva/New York, 23 March 2010 – Despite high unemployment, the global economy has entered a decade of unparalleled talent scarcity. If left unaddressed, it will put a brake on economic growth in both developed and developing countries, warns Stimulating Economies through Fostering Talent Mobility, a new report released today by the World Economic Forum in collaboration with The Boston Consulting Group (BCG).

“Today’s high unemployment rates mask longer-term talent shortages that may affect both developing and developed countries for decades,” said Piers Cumberlege, Senior Director, Partnership, at the World Economic Forum. The global population of 60 years and older will exceed that of 15 years old or younger for the first time in history by 2050. But, the talent crisis will start much sooner. Barring technological breakthroughs, the United States, for example, will need to add 26 million workers to its talent pool by 2030 to sustain the average economic growth of the two past decades. In most developing countries – not affected by demographic shifts – strong economic growth and the limited employability of the workforce will lead to large skills gaps in some job categories.

Nations and industries will be particularly challenged by the shortages of highly skilled talent. “In today’s global and fast-changing business environment, access to highly skilled people – not just top talent, but also people who possess essential expertise – is crucial to succeed and grow,” noted Hans-Paul Bürkner, Global Chief Executive Officer and President of The Boston Consulting Group, Germany. Some industries, such as business services, IT and construction, are likely to experience significant skills gaps, regardless of geography. At the same time, certain countries, such as Japan, Russia and Germany, will face shortages of highly skilled employees in many industries.

Increasing the mobility among countries will be a key part of the solution, the report argues. “The message here is that migration not only works – it is the only solution,” said Angel Gurría, Secretary-General of the Organisation for Economic Co-operation and Development (OECD), Paris, in the session, “Entering the Era of Mobile Talent”, at the World Economic Forum Annual Meeting 2010 in Davos-Klosters, Switzerland. “Ethics and values must, of course, come with it. We have to organize the world phenomenon of migration to improve the state of the world.”

Contrary to conventional wisdom, greater mobility can benefit not only nations that receive talent, but also sending countries, especially large ones such as India. In addition to fuelling their countries of origin with remittance funds, many expatriates eventually decide to return home armed with skills

and business acumen developed abroad. Receiving countries benefit from the contribution of highly skilled migrant workers to their economies.The report calls on governments, companies, educational institutions and international organizations to collaborate systematically to address talent shortages and increase talent mobility.

Countries need to prepare for demographic shifts and a fast-changing labour market environment by defining adequate education and migration policies. The report recommends several ways:

• **Assess current and anticipate future skills shortages through strategic skills planning**. Governments and industry associations should analyse capacity and productivity risks for each job type, such as mechanical engineers, and develop policies to mitigate anticipated shortfalls.

• **Develop skills recognition mechanisms for native-born and migrant workers**. Governments should invest in workforce development and ensure migrants are properly employed given their skills and work experiences.

• **Design inclusive and comprehensive migration policies from students to experienced workers**. Governments should ensure the proper integration of migrants, provide them with employment and language support and facilitate the portability of pension and social benefits.

• **Integrate migration into development strategies of sending countries**. Hosting and sending countries must collaborate to design policies that encourage talent circulation and ensure the transfer of migrants' skills.

Companies, meanwhile, need to improve their talent management strategies as many businesses within five to ten years will face sizable talent shortages. These improvements include:

• **Develop global talent management processes**. Companies should make talent planning and management a priority and invest in global leadership development and management training.

• **Assess current and anticipate future skills shortages through strategic skills planning**. Companies should determine their need for workers in critical job categories by analysing their strategy and productivity. They then need to compare this demand to the supply of internal and external candidates.

• **Design and promote talent mobility programmes**. Companies should develop attractive talent mobility programmes such as rotations or cross-company programmes to be more flexible and retain talented employees.

• **Expand the talent pool for recruitment and grow talent internally, in a spirit of “talent well sourcing”**. Global companies need to recruit from broader talent pools by considering second- and third-tier universities, for example, and creating specific training programmes to ensure top capabilities are acquired.

The Stimulating Economies through Fostering Talent Mobility report highlights best practices from governments and companies that successfully address talent shortages, and outlines recommendations for both countries and companies to improve the skills of their workforces and attract highly skilled workers.

Nearly 80 high-level experts and practitioners contributed to the recommendations in the report and to the talent mobility dialogue hosted by the Forum online and at meetings in Davos-Klosters, Dubai, New Delhi and New York. In 2010, this work will continue at meetings in Europe and China. The recommendations will be discussed with policy-makers at a Global Redesign Summit in Qatar, Doha, on 30-31 May 2010, and through the Global Agenda Councils involved in the project. In addition, leaders will advance proposals online through the Forum’s interactive WELCOM platform.

Note to Editors:
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• Clifford Chance, Credit Suisse Group, Deloitte, Heidrick & Struggles, Infosys Technologies, Manpower, Microsoft Corporation, PricewaterhouseCoopers, The Boston Consulting Group and Zurich Financial Services formed the project's Steering Board and are available for interviews.

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