



Global Talent 2021: The Transformation of Labor Supply and Demand in World Markets



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Global Talent 2021 – key research issues

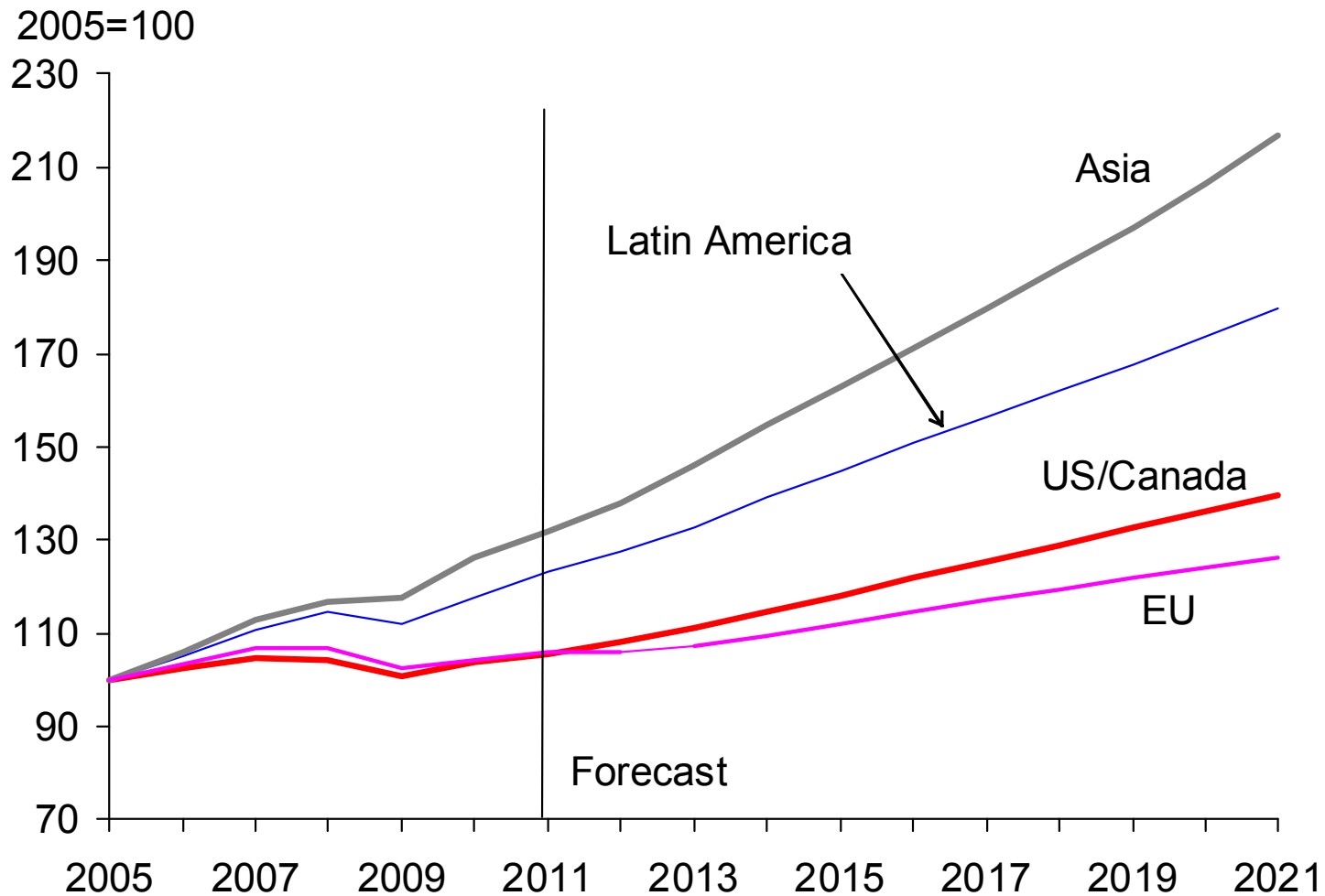
- How will global business demands for labor evolve over the next decade? Which skills will be in demand and which will fall out of favor?
- How will demographic trends – from aging population and birth trends – affect the availability of global talent?
- Will the expected supply of skilled labor meet business needs? Where will we see employment dislocations and gaps?
- How can companies best prepare to meet the attraction, retention and engagement issues of today to be best positioned in 2021?
- How should governments, educational institutions and senior executives address these issues?

Global Talent 2021 – study components

- Survey of over 350 senior HR executives in Americas, Europe, Asia-Pacific and Middle East/Africa
- Forecasts for employment trends in major sectors for 46 countries, including 11 from Western Hemisphere (Argentina, Barbados, Bermuda, Brazil, Canada, Chile, Colombia, Costa Rica, Mexico, Peru, and US)
- Assessment of the impact of demographic and education trends on the global supply of talent
- An analysis of the link between talent practices and company performance
- A ranking model that can be used by executives to assess the impact of adopting more rigorous HR approaches

The macroeconomic context

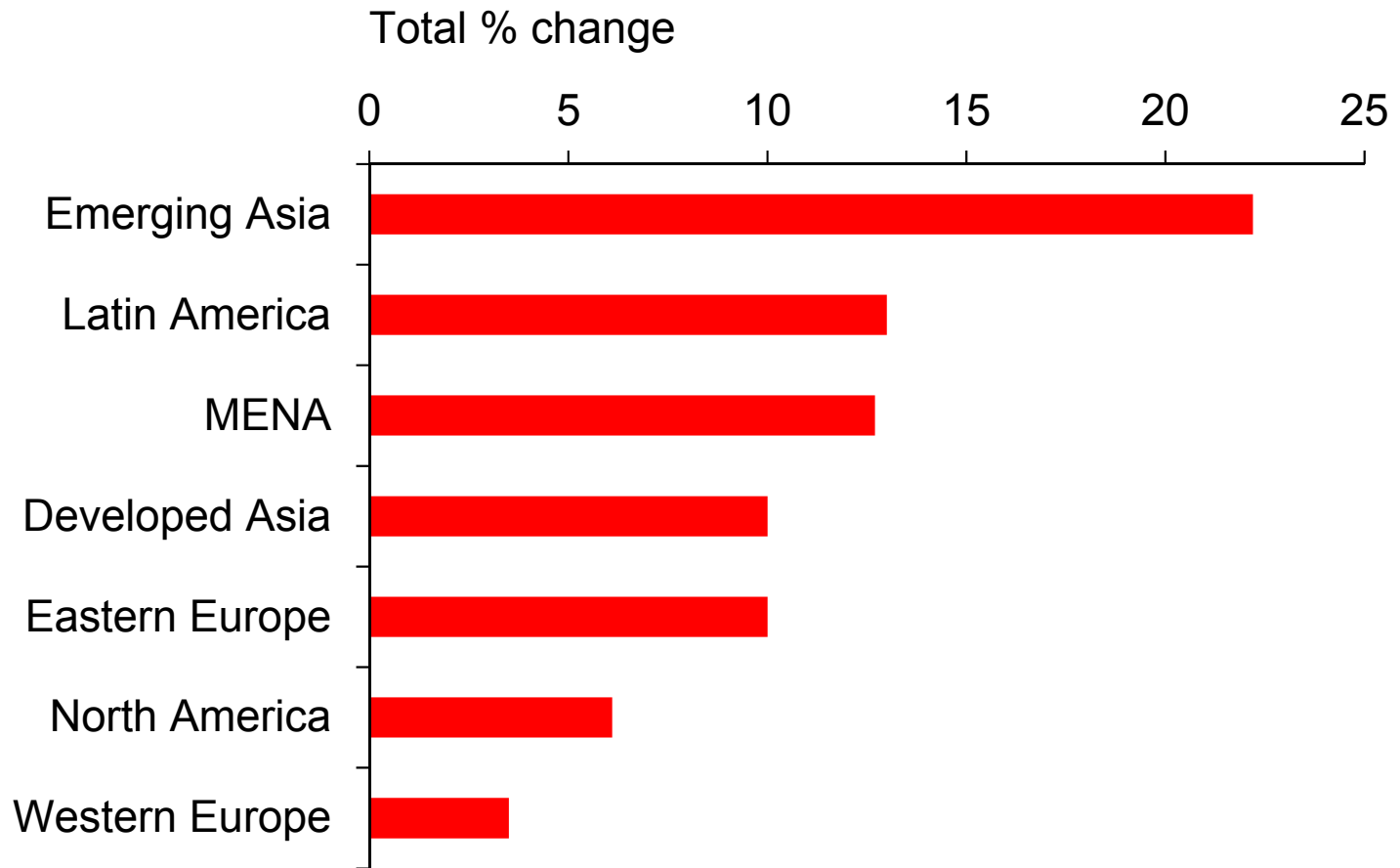
Prospects for real GDP



Source : Oxford Economics

Strongest talent demand in emerging markets

Survey: how will the demand for talent change over the next 5-10 years



Source : Oxford Economics

Strongest talent demand in emerging markets

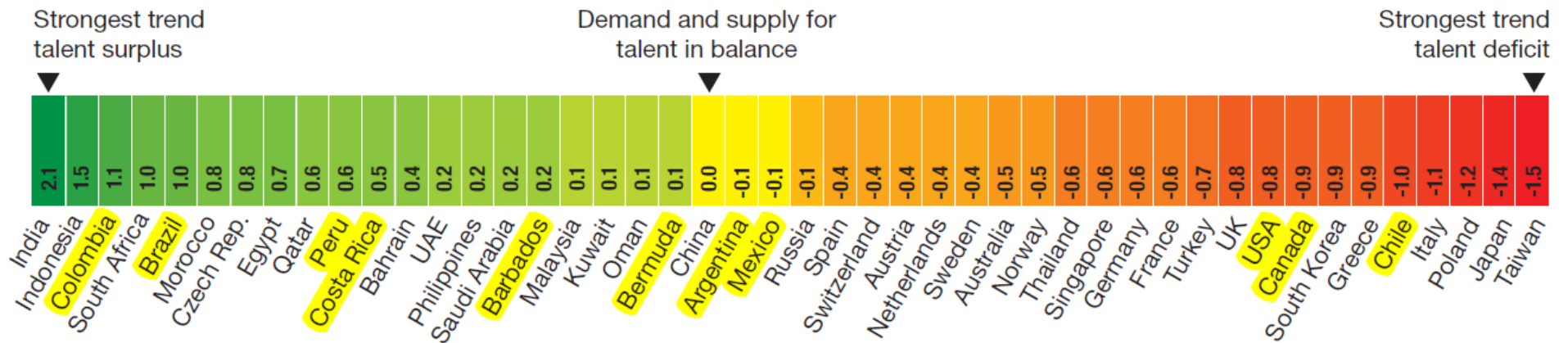
How will the landscape for talent change over the next 5 to 10 years

	Western Europe	North America	Developed Asia	Eastern Europe	MENA	Latin America	Emerging Asia
Total (% change)	3.5%	6.1%	10.0%	10.0%	12.7%	13.0%	22.2%
Industrial	-0.5%	-2.4%	11.4%	2.4%	28.7%	17.1%	37.7%
Emerging	26.1%	38.3%	8.4%	19.8%	6.3%	10.2%	13.3%
Heavy manufact.	24.6%	1.7%	1.7%	33.2%	10.3%	17.8%	60.3%
Business services	-4.4%	0.3%	51.4%	6.8%	30.1%	-0.6%	40.0%
Financial services	13.2%	-8.1%	4.9%	-9.9%	31.6%	48.6%	20.9%
Energy	-11.3%	22.7%	8.0%	8.7%	12.2%	-11.9%	33.0%
Travel and transport	-9.3%	-1.4%	36.5%	5.0%	14.1%	32.9%	32.6%
Life sciences	-4.1%	4.2%	8.2%	19.7%	8.6%	20.4%	16.6%

Source: Oxford Economics

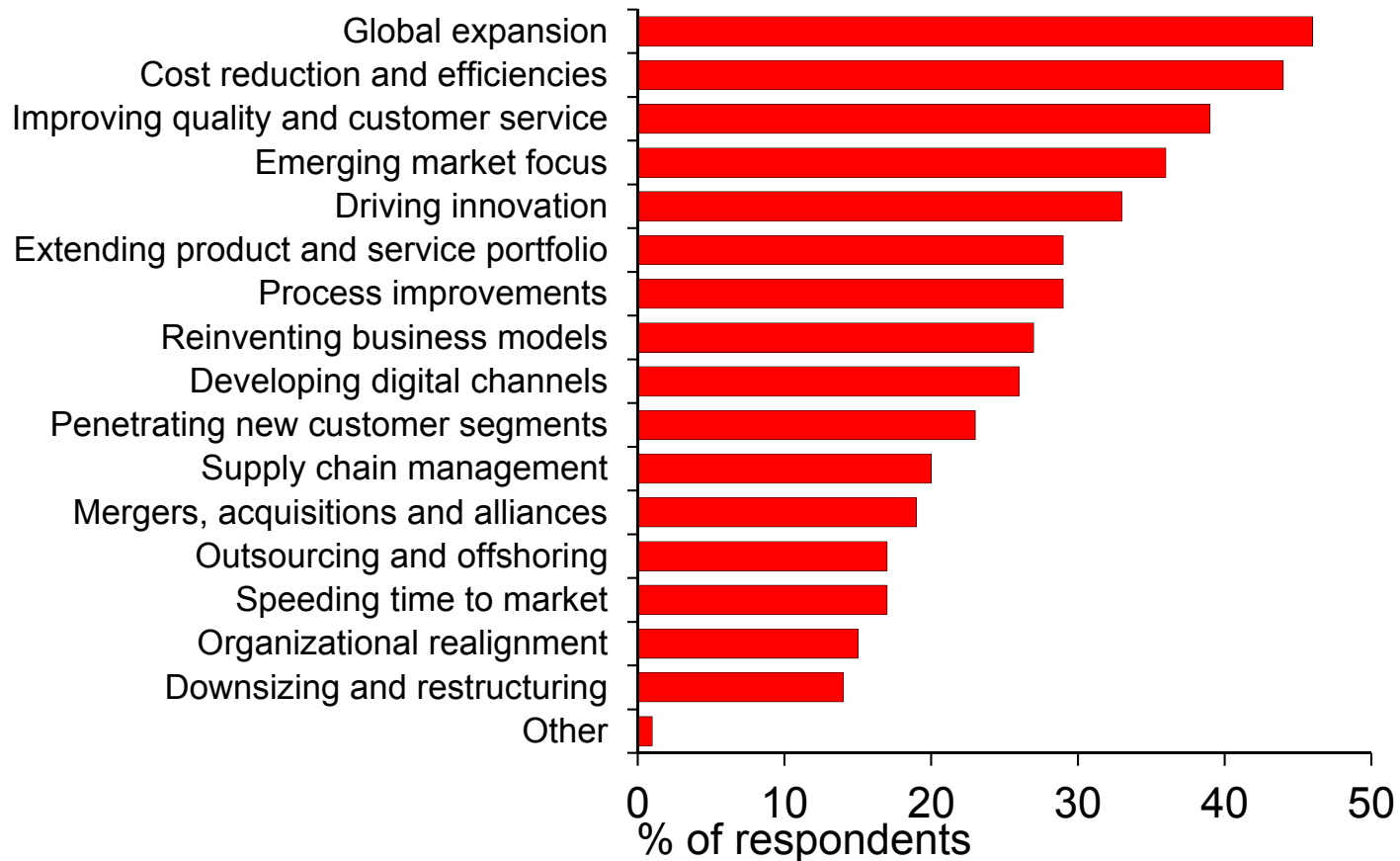
But 2021 talent shortage worse in industrialized world

The mismatch between supply and demand for talent in 2021



How will strategy shifts impact talent needs?

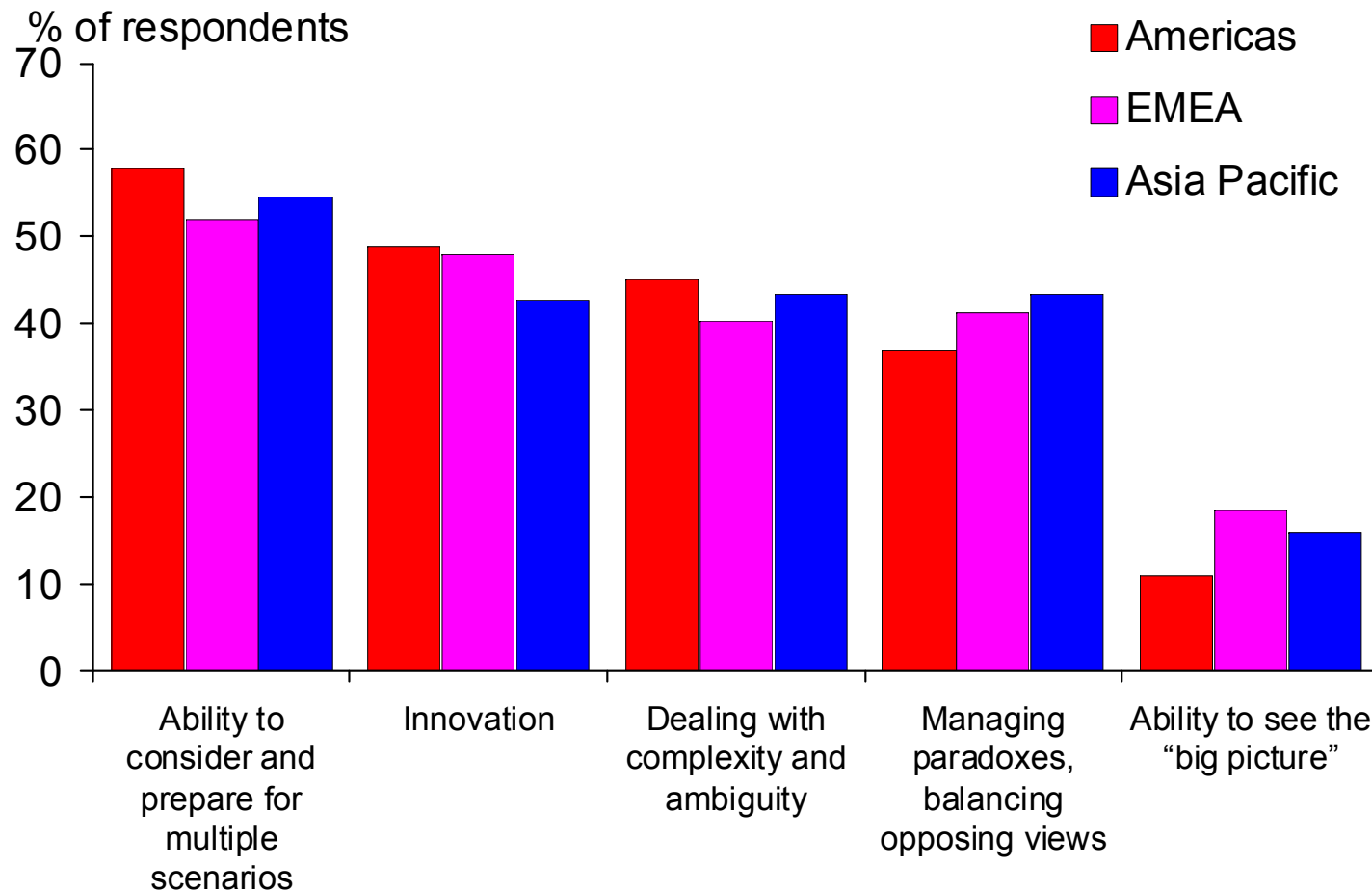
Americas: Which strategic initiatives at your firm will have the biggest impact on your talent requirements over the next 5-10 years?



Source : Oxford Economics

Future need for agile thinking skills

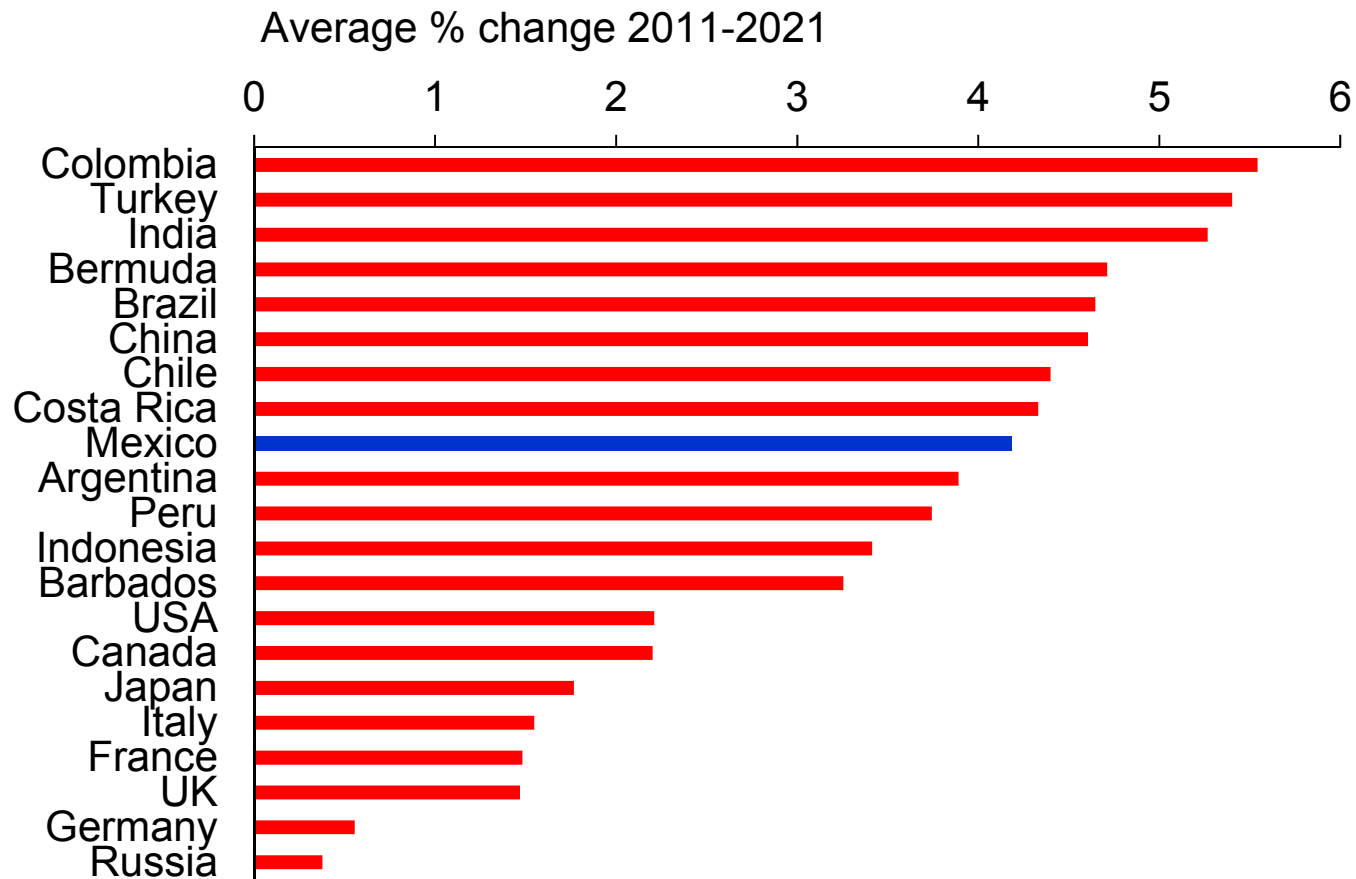
Which of the following agile thinking skills will be in highest demand at your firm over the next 5-10 years?



Source : Oxford Economics

Talent demand growth to 2021

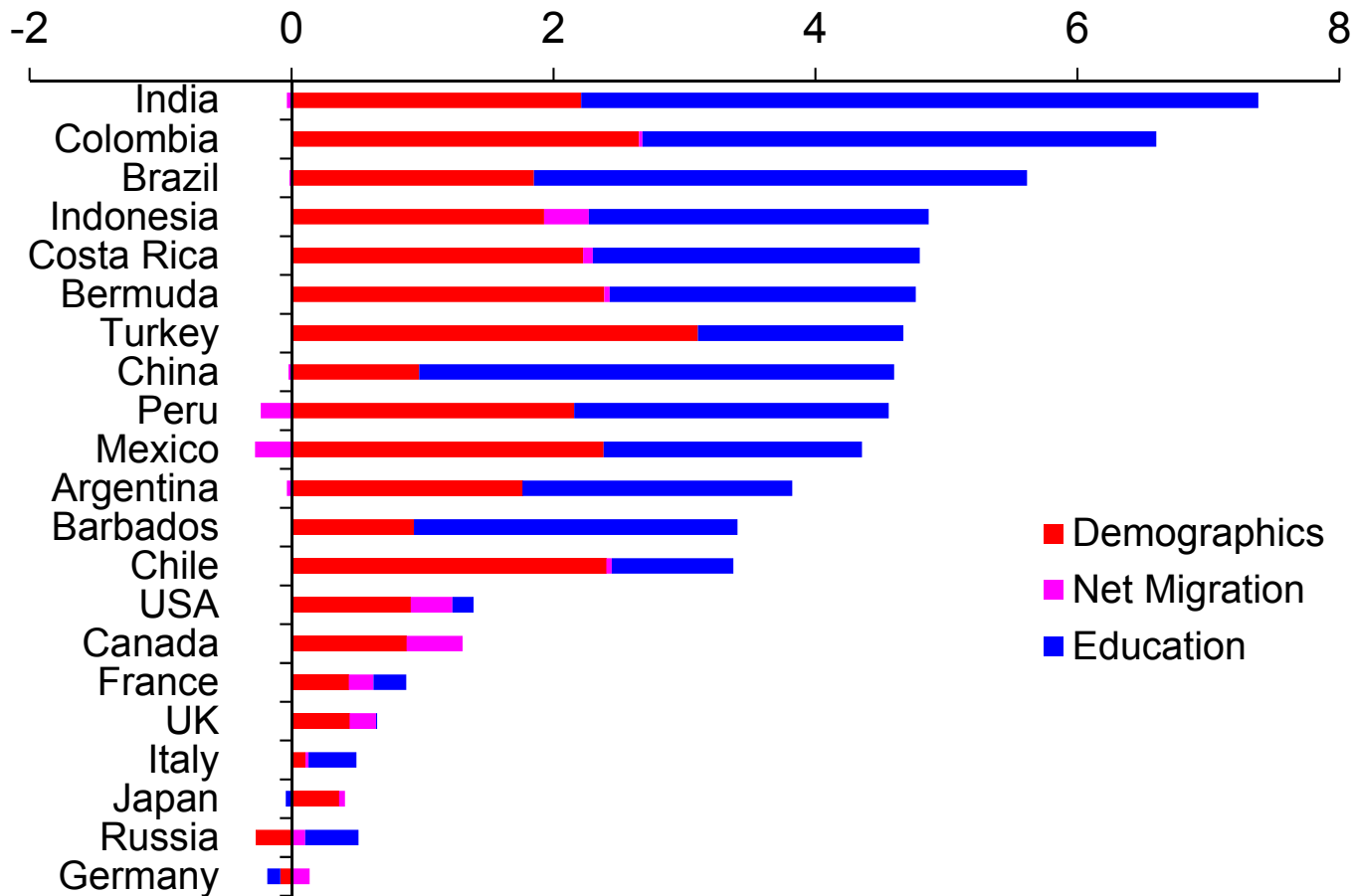
Growth in talent demand (college educated workers)



Source : Oxford Economics

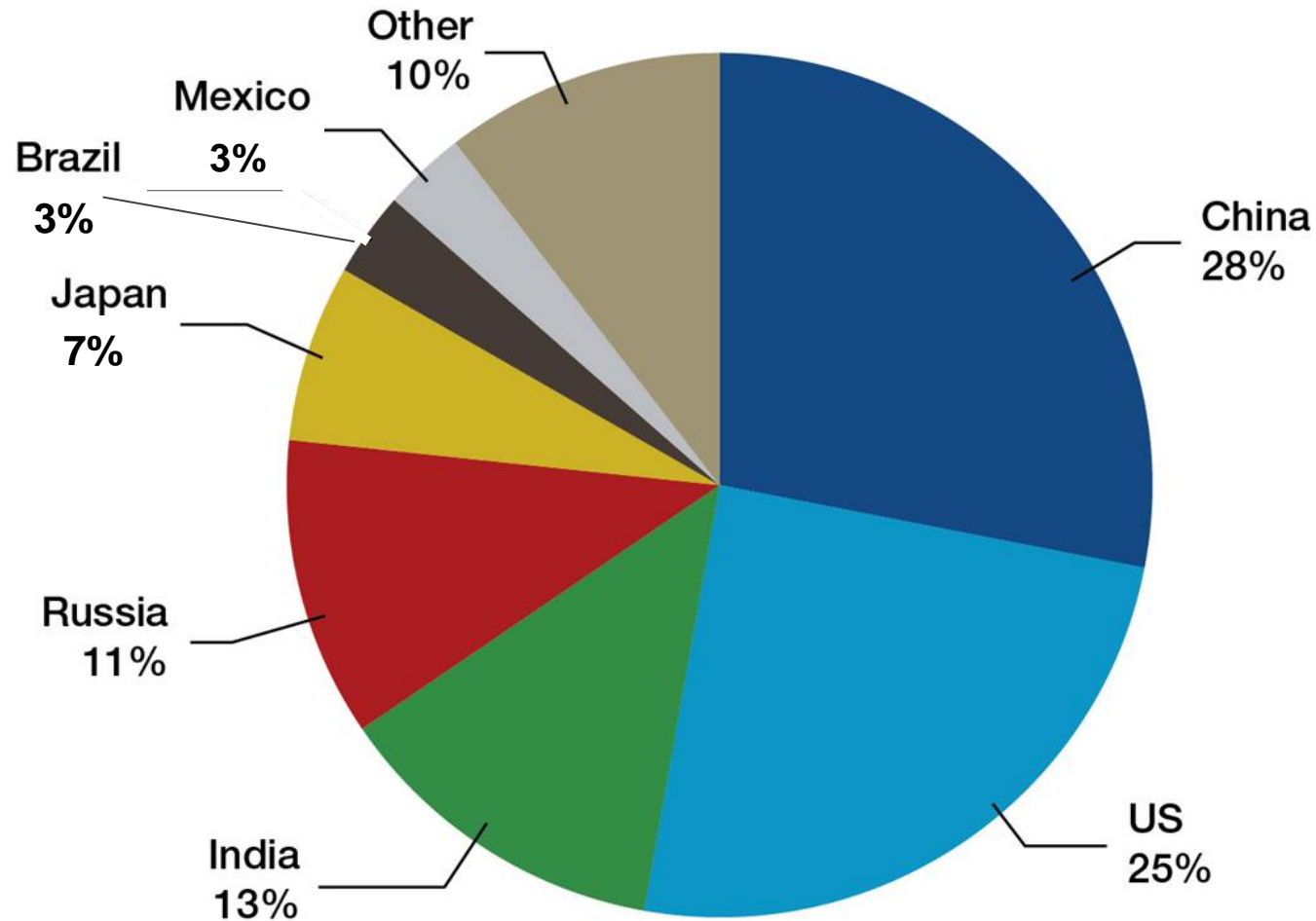
Talent supply growth also rapid in emergers

Growth in talent supply (college educated workers) Average % change 2011-2021



Source : Oxford Economics

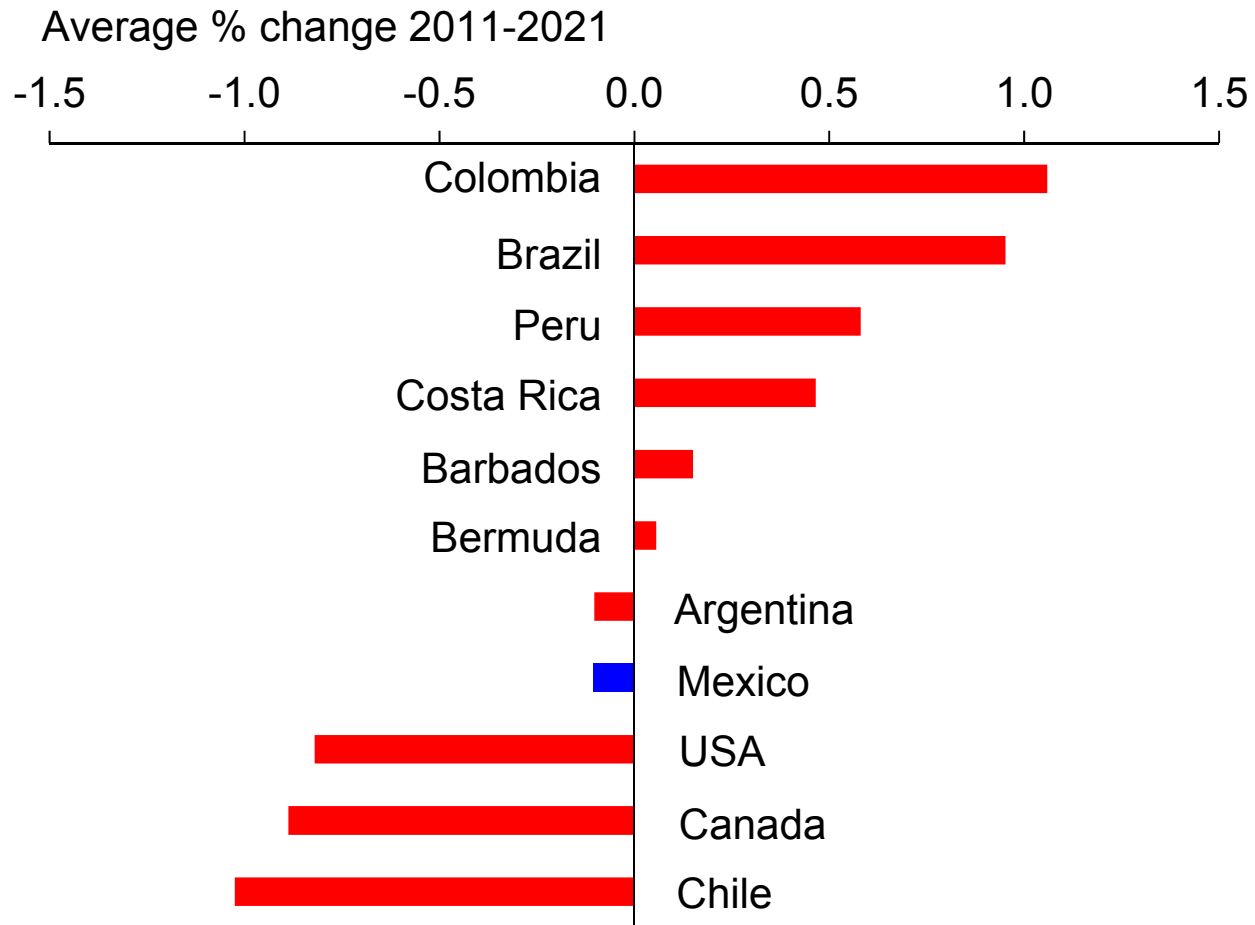
Where will college-educated talent pool be in 2021?



Note: "Other" contains those with less than 2% of the total, including Canada, France, Germany, Indonesia, Italy, Turkey and the UK.

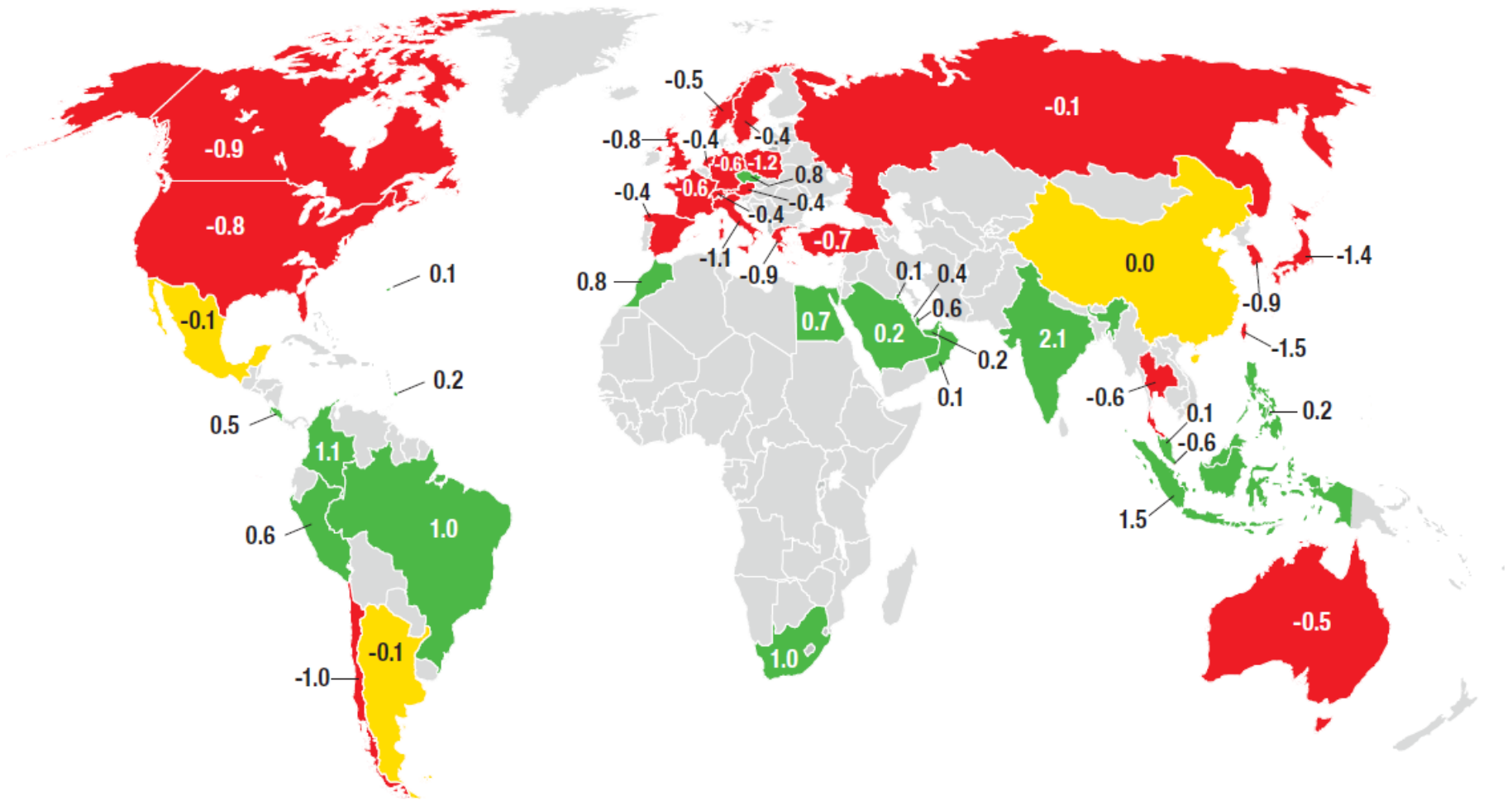
Talent balance in Americas

Americas: Talent balance 2011- 2021



Source : Oxford Economics

Global talent heat map



Implications for corporate HR strategies

- Apply the same rigor, effort and sophistication to human capital planning as is given to designing overall business strategy
 - Greater evidence-based approach to talent management
 - Use more sophisticated analytical tools for making global staffing decisions
- Think more broadly about how and where talent is sourced
 - Improve employee engagement
- Invest more in retraining and reskilling
 - Ensure open dialogue and partnerships with educational institutions and government employment development agencies
 - Move rapidly to develop new forms of digital and technology-enabled training programs

Some policy implications

- Addressing the talent challenge will require partnership between corporates, government and academia both nationally and internationally - appropriate forums need to be established, especially at a sector level
- All governments should undertake skills assessments and projections for key growth sectors to guide talent policy. And companies should survey staff to identify skills gaps and training needs
- Too few employers are providing training – barriers need to be identified and appropriate support and incentives provided
- Equally, workers need to be encouraged to actively embrace lifelong learning
- Policy should aim to enhance labor participation among, for example, women and older workers (eg improved childcare, facilitation of virtual working, reform of retirement regulations)
- National borders should be open for movement of skilled labor – aided by an international code to facilitate migration (eg points based, free flow of remittances)

**The Global Talent 2021 study
is available at**

<http://blogs.oef.com/globaltalent2021/>