

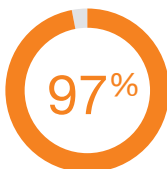
Young, Skilled And Connected: How Mobile Populations Can Improve Your Access to Talent

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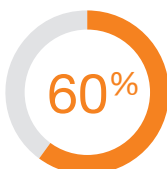


A recent global PwC survey of 1,100 CEOs and business leaders revealed that they are struggling to balance talent retention and cost reduction against a backdrop of economic uncertainty.

The numbers reveal that:



Virtually all CEOs (97%) believe that the access to and retention of key talent is critical to sustaining their growth, yet 25% of CEOs are looking to reduce headcount.



Over 60% of CEOs say they have challenges recruiting and integrating their millennial employees, and less than one-third believe that they have a comprehensive understanding of their employees' views and needs.

It is clear that companies are finding it more difficult to attract and retain the right workforce. In a sense, the old concept of 'brain drain' once referred to skilled workers leaving their home country to pursue lucrative opportunities elsewhere is now something far more common, even amid favourable economic conditions.

'Brain drain' is still a significant and pressing issue for countries in major migratory corridors, such as Southeast Asia and Eastern Europe. However, it's also a phenomenon that affects more companies more often thanks to the mobility of the global workforce, the ease of switching jobs, and other global demographic shifts, such as the ageing population.

Companies need to find new ways to attract and retain talents who possess critical skills, and the original sources of 'brain drain' (i.e. migrant populations or 'diasporas') might just hold the key.

Actively engaging with diasporas offers very specific advantages over other strategies for skills retention.

Why engage with diasporas?

THEY'RE YOUNG The median age of the foreign population living in the EU was 34.4 years in 2010, which is 7.1 years lower than the median age of nationals (41.5).

THEY'RE SKILLED In OECD countries, the skill intensity of migration is around 70 percent. Many visa requirements ensure that migrant populations bring with them high levels of skills and experience. Significant diasporas also develop out of populations that settle after being educated by the host country's tertiary education system, keeping critical skills in-country.

THEY'RE CONNECTED They have connections in their home country, which can be used by corporates looking to expand into new markets.



THEY'RE YOUNG

Fertility rates in all developed economies is now below replacement rate and the downward trend is spreading far and wide.

In Asia Pacific, for example, the number of people aged 65 and older is estimated to increase threefold – from 420 million in 2010 to almost 1.3 billion by 2050. This increase will mean people of non-working age will constitute almost 25% of the total population in this region within the next 40 years. In a part of the world that is experiencing dramatic economic growth, this poses a real problem for companies that need skilled workers.

Unfortunately, many of the countries with growing populations do not have the educational infrastructure to develop the volume of skilled labour to make up for the shortfall in industrialised countries. Africa's population remains youthful and

largely unchanged in age distribution since 1990, yet its education infrastructure cannot fill the talent gap widening over the next decades.

In light of these sobering statistics, companies should look to migrant diasporas with particular interest. If we are all going to be clamouring for a shrinking pool of young talent, with migrant diasporas a key part of this resource, companies will have to get used to accommodating the 'millennial mindset' – particularly that of educated, migrant youth.

Generation Y sees global experience as a positive differentiator in job selection and promotion – this is just one reason why they make up a larger proportion of migrant diasporas. Gen Y also brings new approaches to the issue of ethics and social responsibility in the workplace. They want to work for companies that demonstrate transparency and engagement with the community at large.



How to attract & retain the youthful workforces of diasporas:

RETHINK THE WAY YOU PROMOTE Millennials look for new opportunities for development more than they look for hierarchical advancement. They want a challenge and they want to test new technology and the latest ideas.

BE MORE FLEXIBLE They expect (don't just want) workplace flexibility, and to be measured on their achievements as opposed to the hours they work.

HAVE A REAL DIALOGUE WITH STAFF They expect (don't just want) to be heard and to contribute in meaningful ways. If they see things that don't fit with their values, they'll want you to know about it.

A GENUINE APPRECIATION FOR DIVERSITY To attract the youthful, highly skilled workers of migrant diasporas globally, corporates need to embrace diverse ways of thinking and of acting.

THEY'RE SKILLED

We have already entered a long-term phase of fierce competition for certain skills.

The World Bank's research into the investment climate revealed that for some 40% of firms, skills shortages is a top investment obstacle. Regardless of where a firm operates, the size of its operations, its export orientation, its ownership structure or the industry it belongs to, the concern about their access to critical skills remains remarkably high.

Worldwide education and training infrastructure has failed to deliver the volume of skilled talent required in fields such as IT, healthcare, engineering and science. These shortages are only becoming more acute, and in some locations firms are forced to operate without critical skills for long periods simply because they cannot obtain them.

Skills shortages are the single greatest influence on migratory behaviour and the formation of diasporas. In fact, the Malaysia Economic Monitor shows that of the top three reasons people move from their country of birth, two are money and/or career oriented:

- 1) Career Prospects
- 2) Compensation
- 3) Social Justice

We know that migrant diasporas typically have a higher concentration of skills and education than native populations, and that compensation is one of the key reasons for migration.

To tap into migrant diasporas, companies must:

KNOW THEIR SUPPLY CHAIN Do you know how long your recruitment cycle for critical skill sets are? Where are the bottlenecks in supply? Do you have access to the right talent sources at the right price?

CONSIDER MOVING THE WORK, NOT THE WORKER Consider ways to access critical skills where they are more plentiful, including offering more flexible work assignments and projects.

BE TARGETED IN YOUR HIRING CAMPAIGNS

Campaigns can successfully target expatriates and entice them to return to their home country for specific, high-profile projects. Once you have identified the talent you need and where they are, you can find specific messages that will be relevant and attractive to them.

THEY'RE CONNECTED

For the countries they leave, and the places they go to, the impact of diasporas is significant. The flow of information, money, goods and ideas — between diasporas and their home country networks — influences change in both places.

Not only do diasporas increase the exchange of goods and knowledge between countries, they significantly contribute to facilitating new relationships across borders. These connections are what businesses entering new markets often lack.

A Harvard Business School study revealed that American companies that employ significant numbers of ethnic Chinese find it much easier to set up in China without a joint venture with a local firm.

To leverage the full value of a diverse workforce, companies must:

RECONSIDER THE WAY PROJECT TEAMS FOR NEW VENTURES ARE ASSEMBLED

Life experience of project team members may be just as critical to the success of a new venture as their education and training.

LISTEN TO WHAT THE DIVERSITY IS TELLING YOU

Given the still largely homogeneous nature of most leadership teams, and the skewed demographics of specific roles within every organisation, providing ways for alternative views to be heard is critical.



CONCLUSION

In many ways, the old idea of 'brain drain' has new meaning. Thanks to the mobility of the global workforce and unstoppable global demographic shifts, the right skills are now harder to find and even harder to keep.

Companies need to find new ways to attract and retain critical skills, and the original sources of 'brain drain' might just hold the key. When conditions are right, skilled migrants will move and settle in new locations, bringing their skills, experience, networks, ideas and perspectives with them.

Diasporas are young, educated and connected — just what organisations are looking for. But if organisations are to make the most of the diversity they already embody, or the diversity that they hope to engage, they must adapt to the changing needs of today's talent.