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Global Talent 2021:
The transformation of
labor supply and demand
in world markets

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Key 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 and senior executives address these issues?
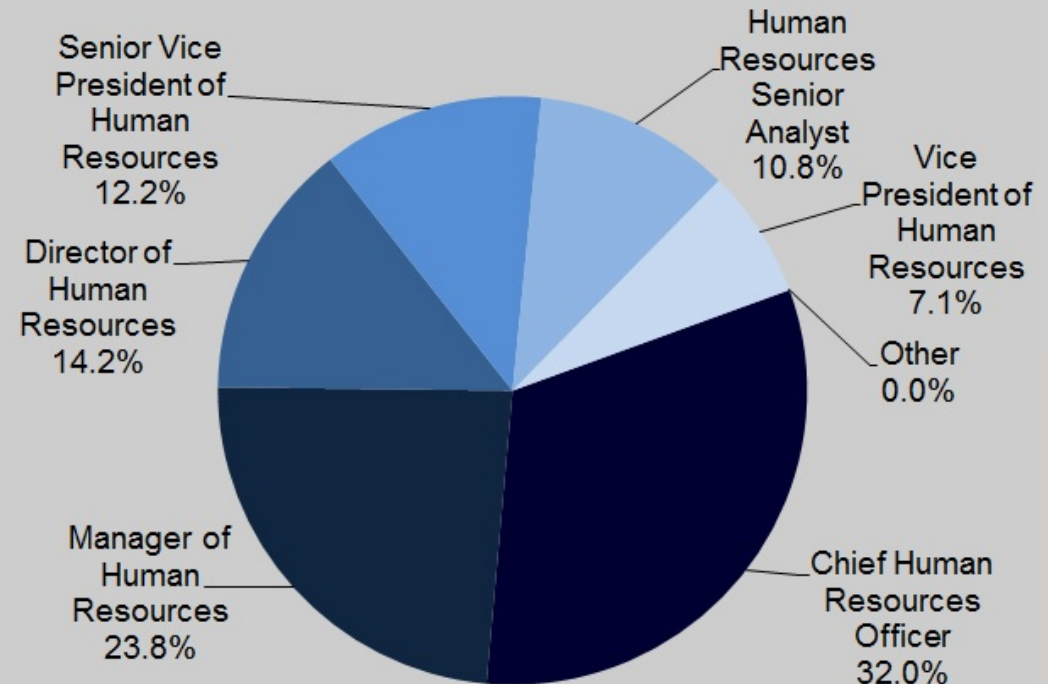
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Program components

• A global survey of 352 HR professionals to examine how rapid globalization and the transformation of the business environment will affect workforce needs in the future, and the implications of these shifts for senior business and HR executives.

• An extensive modeling exercise of 46 countries and 18 industry sectors to understand where the shifts in the supply of talent will occur over the next decade, using Oxford Economics' extensive databank containing 25-year forecasts and 30 years of historical data on 190 countries and 100 industrial sectors. We also drew upon national census and annual labor force surveys.

• A series of in-depth personal interviews and panel discussions with over 30 senior executives, consultants and policy-makers involved in setting talent strategies and initiatives.

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Survey demographics

This survey was conducted in January and February 2012, reaching a total of 352 human resources professionals around the world. Of them:

•Roughly one-third of the respondents were CHROs

•Another third were SVPs, VPs or Directors of HR

•The rest were managers and other HR analysts

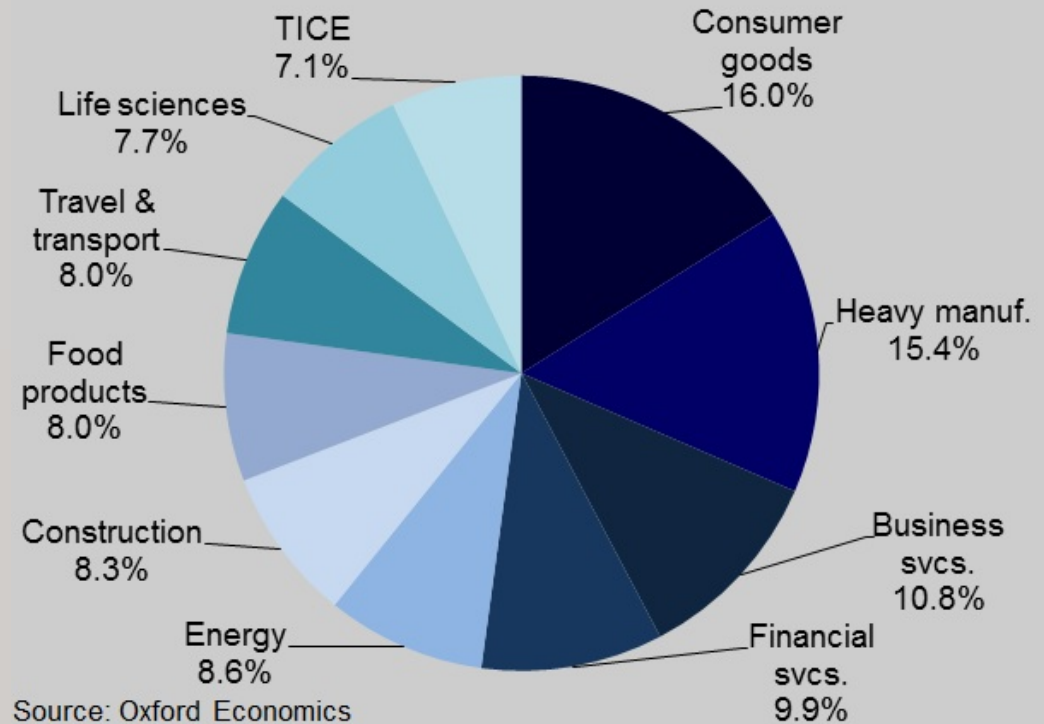## What best describes your role in your firm?

Senior Vice President of Human Resources
12.2%

Human Resources Senior Analyst
10.8%

Vice President of Human Resources
7.1%

Director of Human Resources
14.2%

Other
0.0%

Manager of Human Resources
23.8%

Chief Human Resources Officer
32.0%

Source: Oxford Economics

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Survey demographics

- About 22% of the respondents came from companies with between $1 bn and $5 bn in annual revenues; roughly 22% work at firms with revenues between $5 bn and $50 bn.

- The survey reached executives in all regions around the world and represents more than 25 industry sectors.

Count of responses by sector

- TICE 7.1%
- Life sciences 7.7%
- Travel & transport 8.0%
- Food products 8.0%
- Construction 8.3%
- Energy 8.6%
- Consumer goods 16.0%
- Heavy manuf. 15.4%
- Business svcs. 10.8%
- Financial svcs. 9.9%

Source: Oxford Economics

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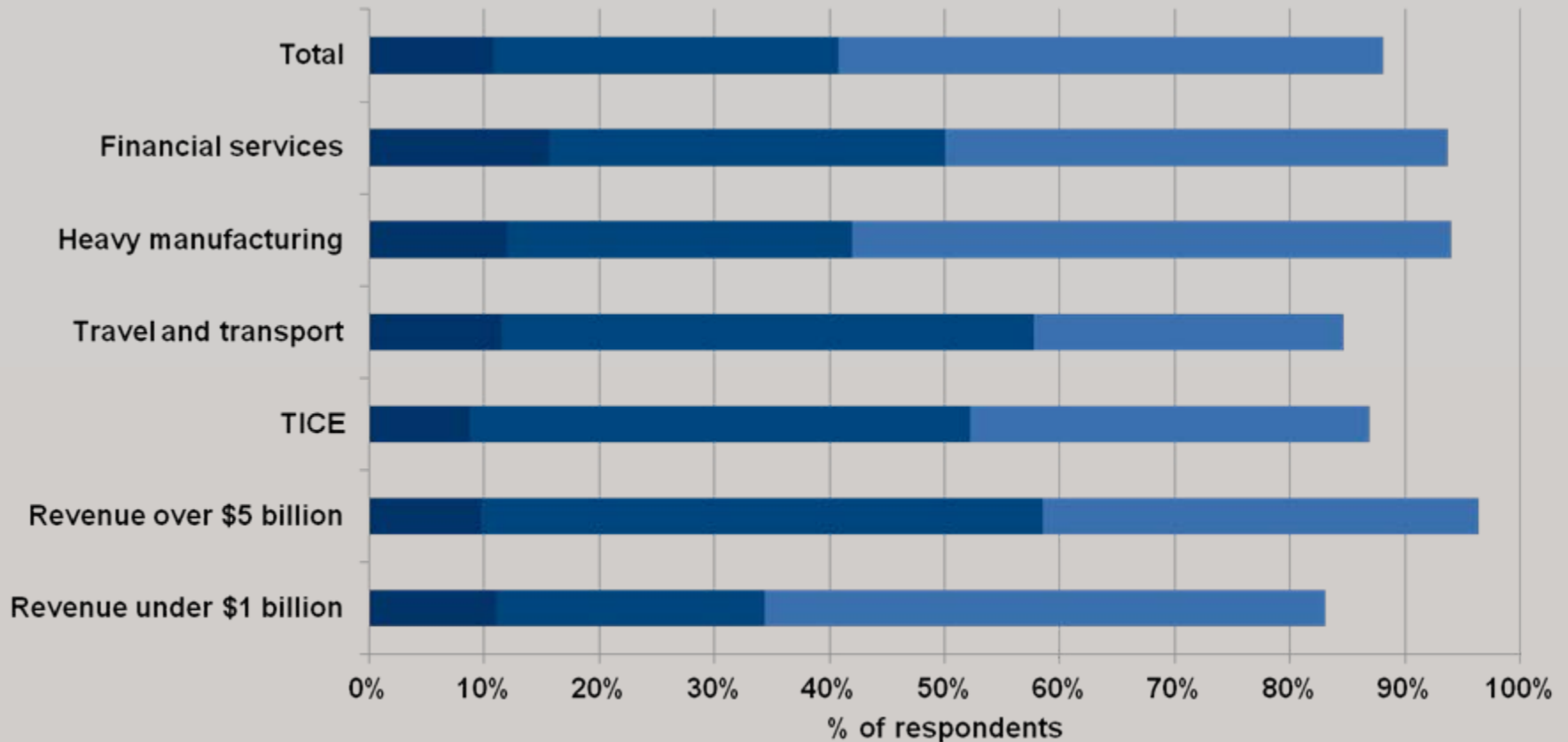# Key findings

A new world order

Which market shifts will have the biggest impact on your organization's talent requirements over the next five to 10 years?
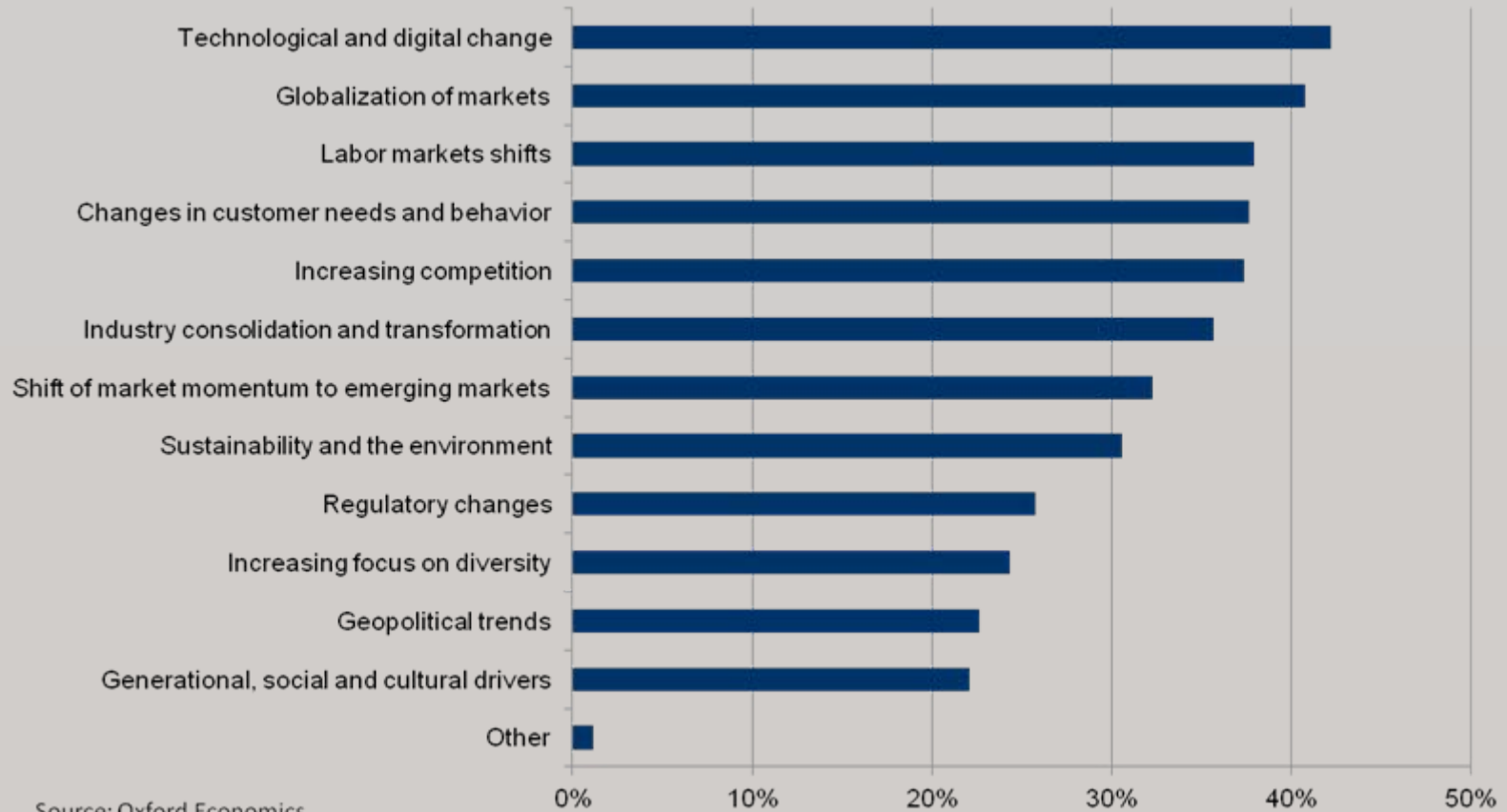
Source: Oxford Economics

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Sparks business transformation…

Transformation is pervasive across industries

...and creates a new landscape for talent

How will the landscape for talent change over 3 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%
Industrialized countries	-0.5%	-2.4%	11.4%	2.4%	28.7%	17.1%	37.7%
Emerging countries	26.1%	38.3%	8.4%	19.8%	6.3%	10.2%	13.3%
Heavy manufacturing	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
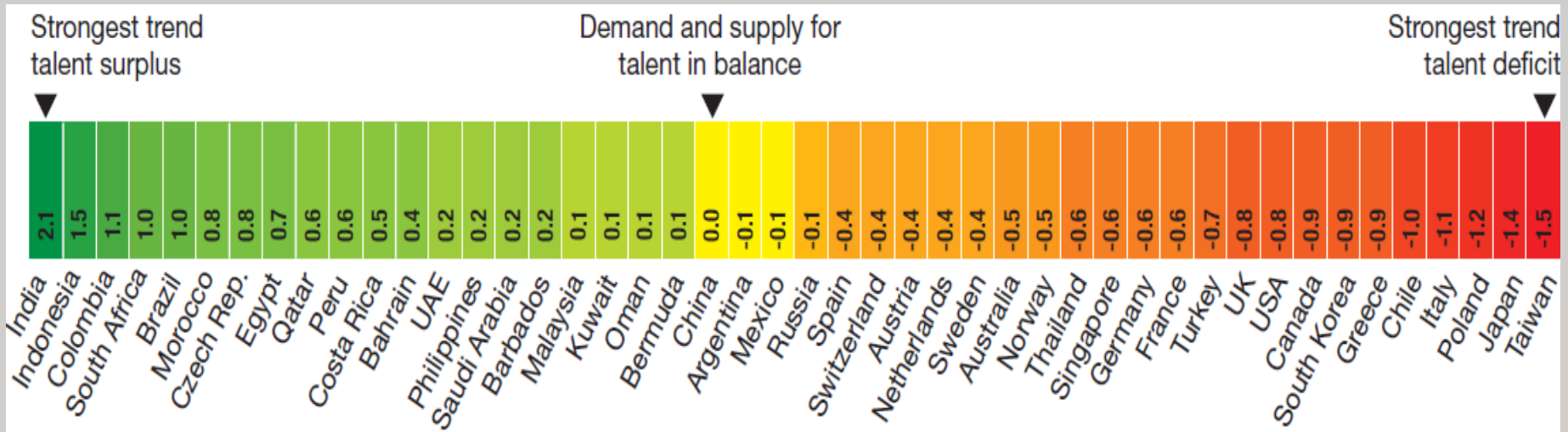
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The macroeconomic context

Real GDP growth

2005=100
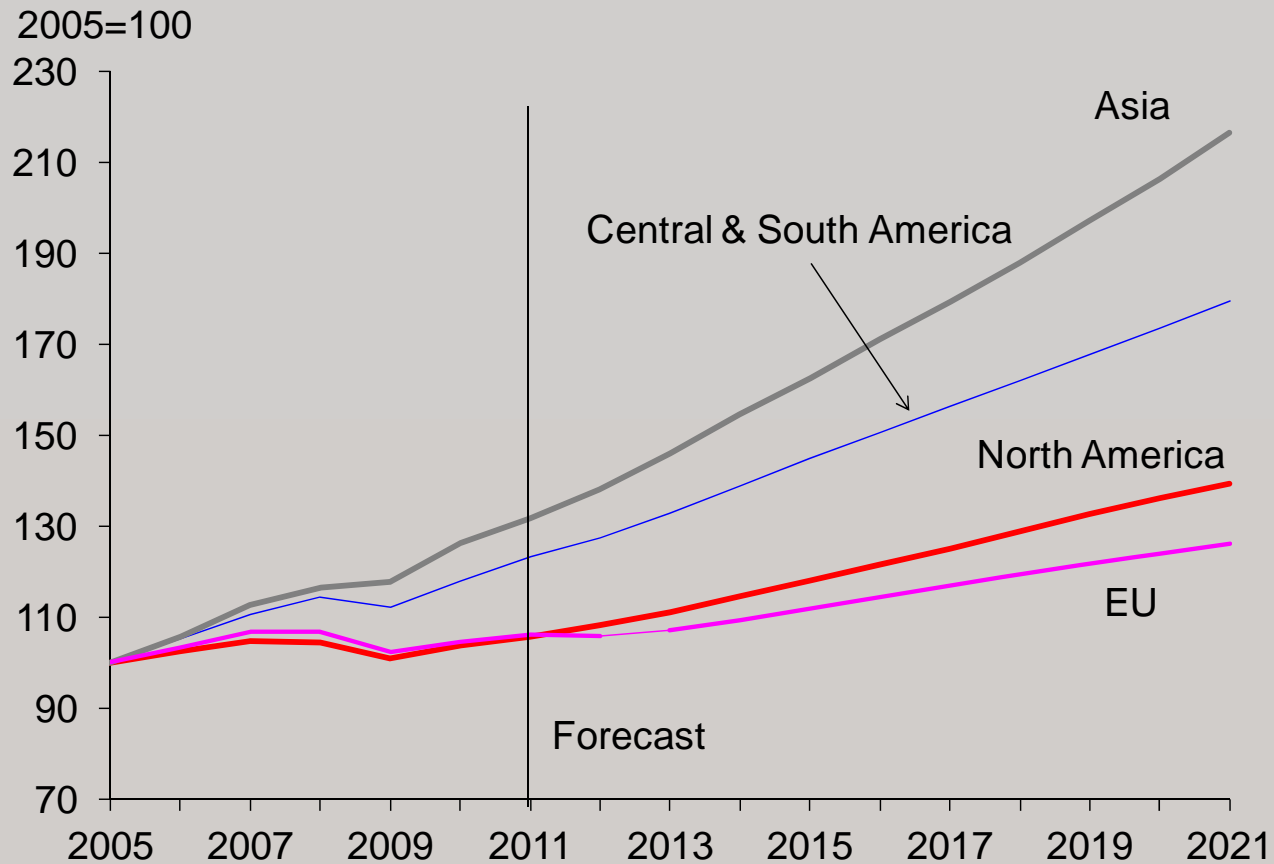
Source : Oxford Economics

The Global Talent Balance

The mismatch between supply and demand for talent in 2021

Strongest trend talent surplus		Demand and supply for talent in balance		Strongest trend talent deficit

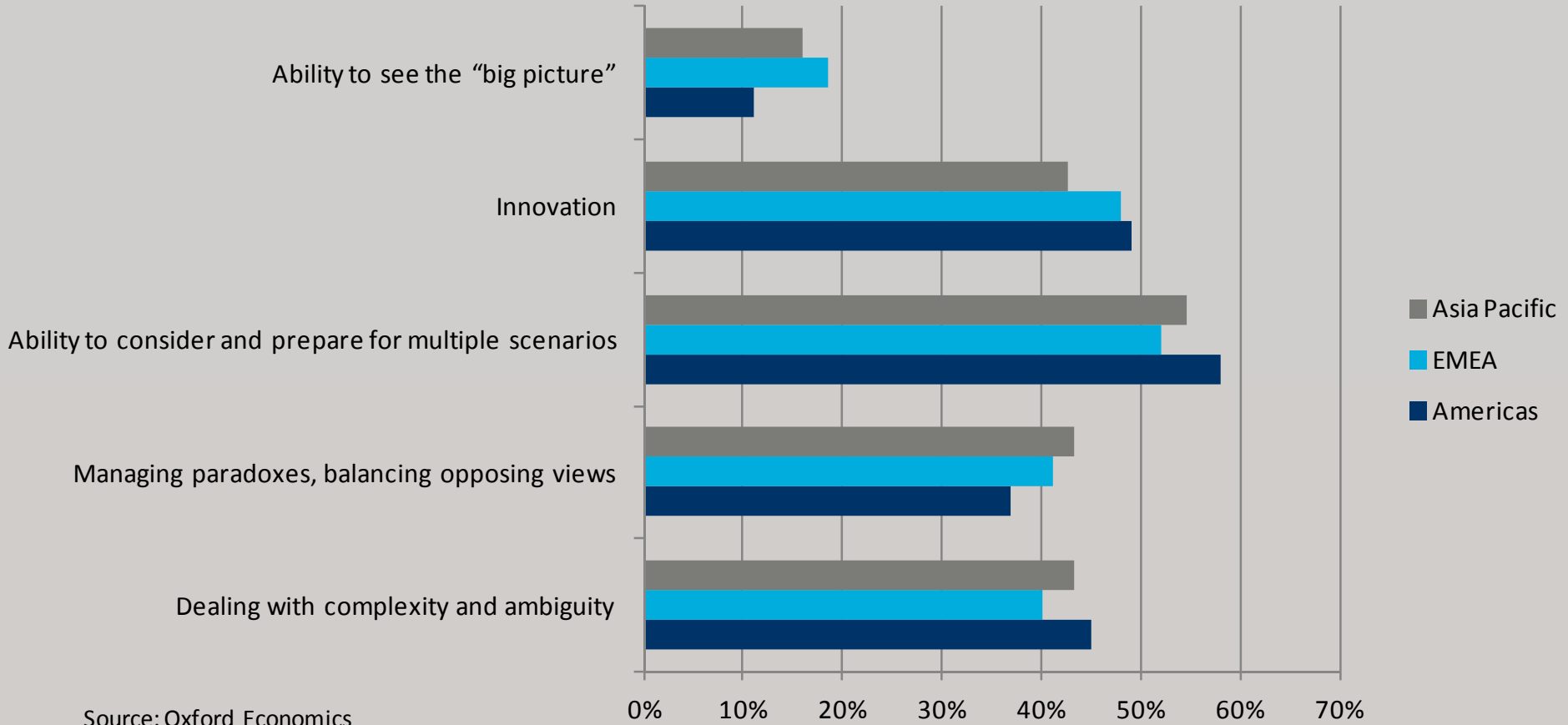| Country	Value
India	2.1
Indonesia	1.5
Colombia	1.1
South Africa	1.0
Brazil	1.0
Morocco	0.8
Czech Rep.	0.8
Egypt	0.7
Qatar	0.6
Peru	0.6
Costa Rica	0.5
Bahrain	0.4
UAE	0.2
Philippines	0.2
Saudi Arabia	0.2
Barbados	0.2
Malaysia	0.1
Kuwait	0.1
Oman	0.1
Bermuda	0.1
China	0.0
Argentina	-0.1
Mexico	-0.1
Russia	-0.1
Spain	-0.4
Switzerland	-0.4
Austria	-0.4
Netherlands	-0.4
Sweden	-0.4
Australia	-0.5
Norway	-0.5
Thailand	-0.6
Singapore	-0.6
Germany	-0.6
France	-0.6
Turkey	-0.7
UK	-0.8
USA	-0.8
Canada	-0.9
South Korea	-0.9
Greece	-0.9
Chile	-1.0
Italy	-1.1
Poland	-1.2
Japan	-1.4
Taiwan	-1.5

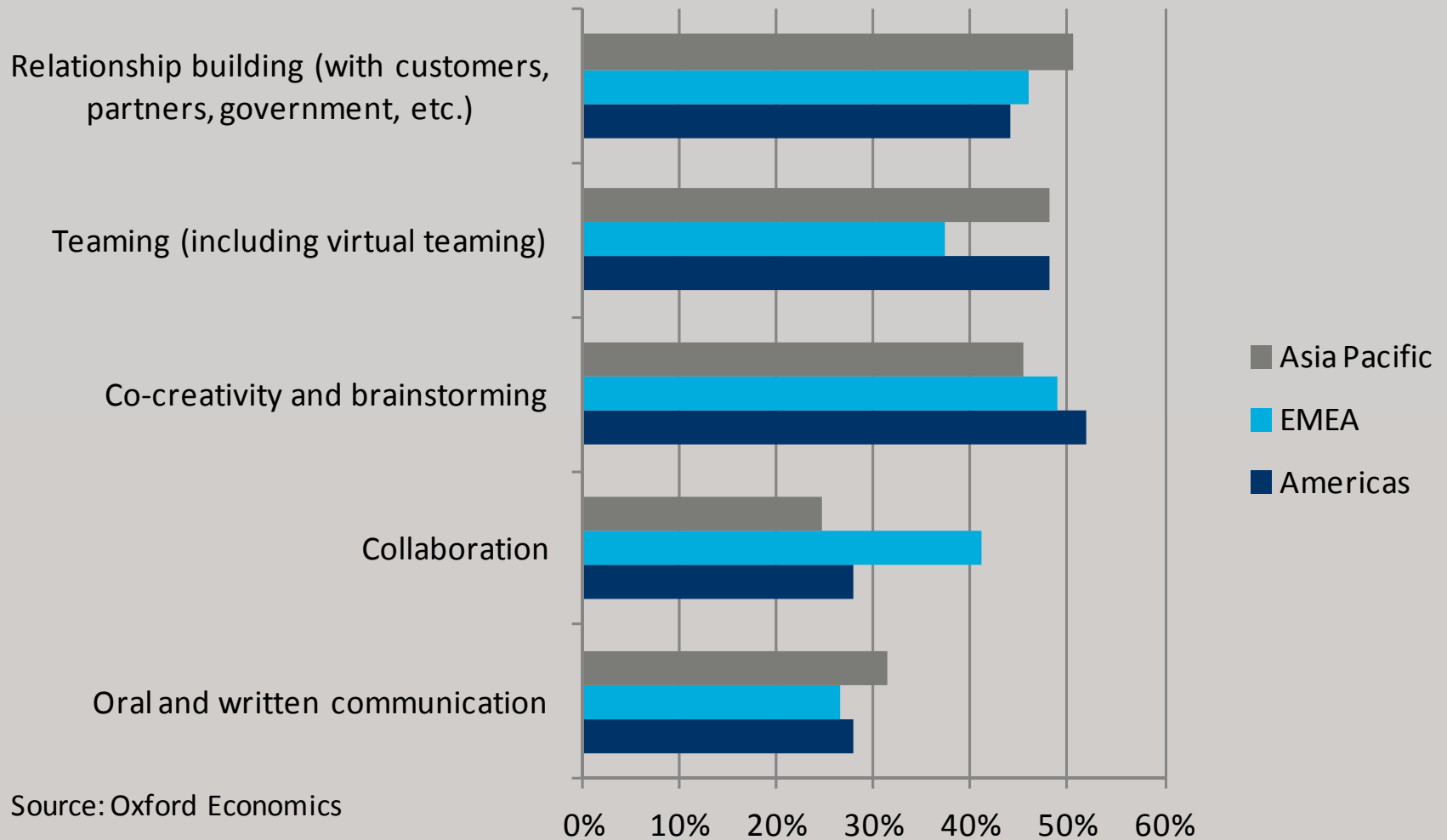# Key skills for the future

Digital skills
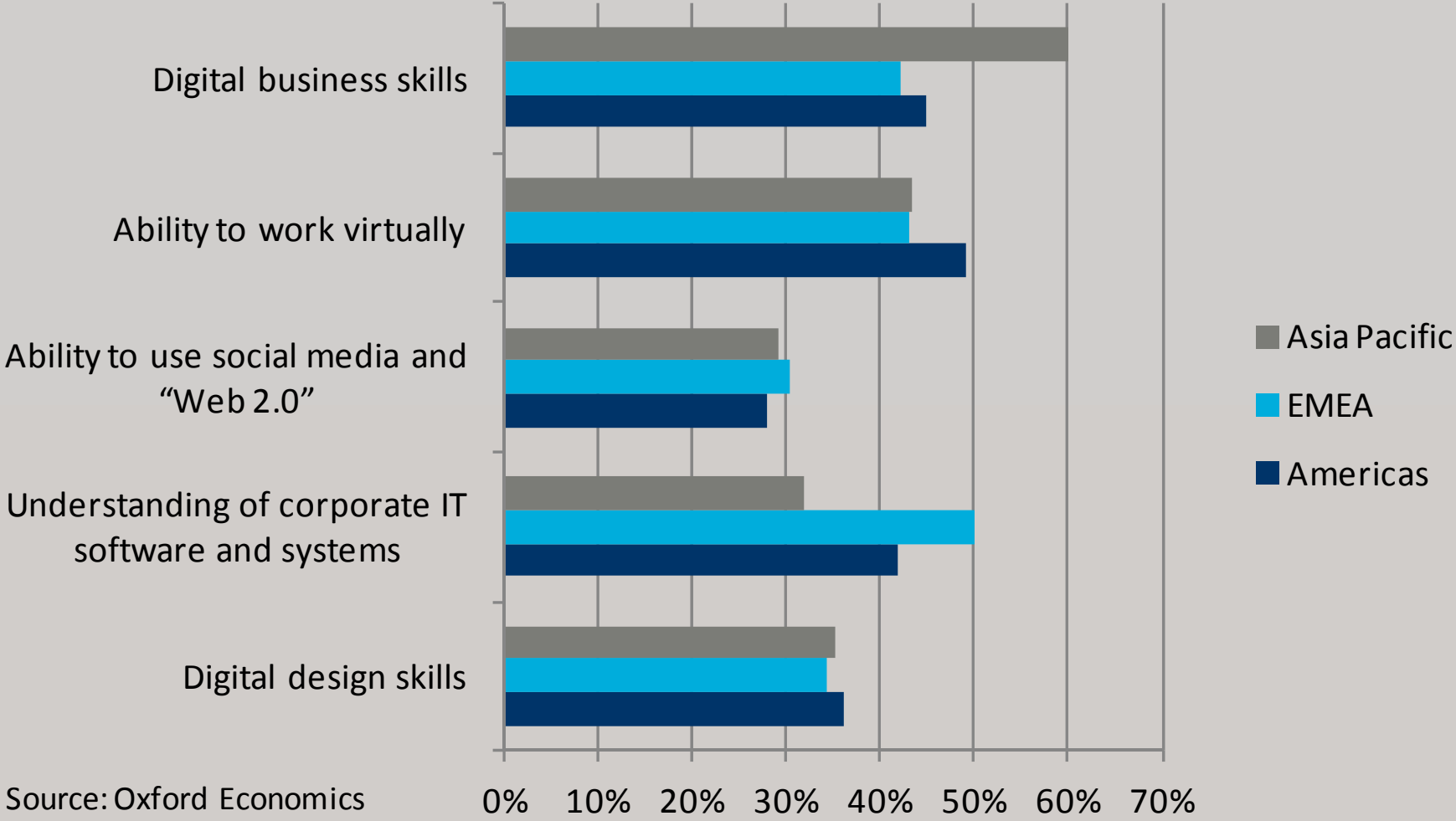
Source: Oxford Economics
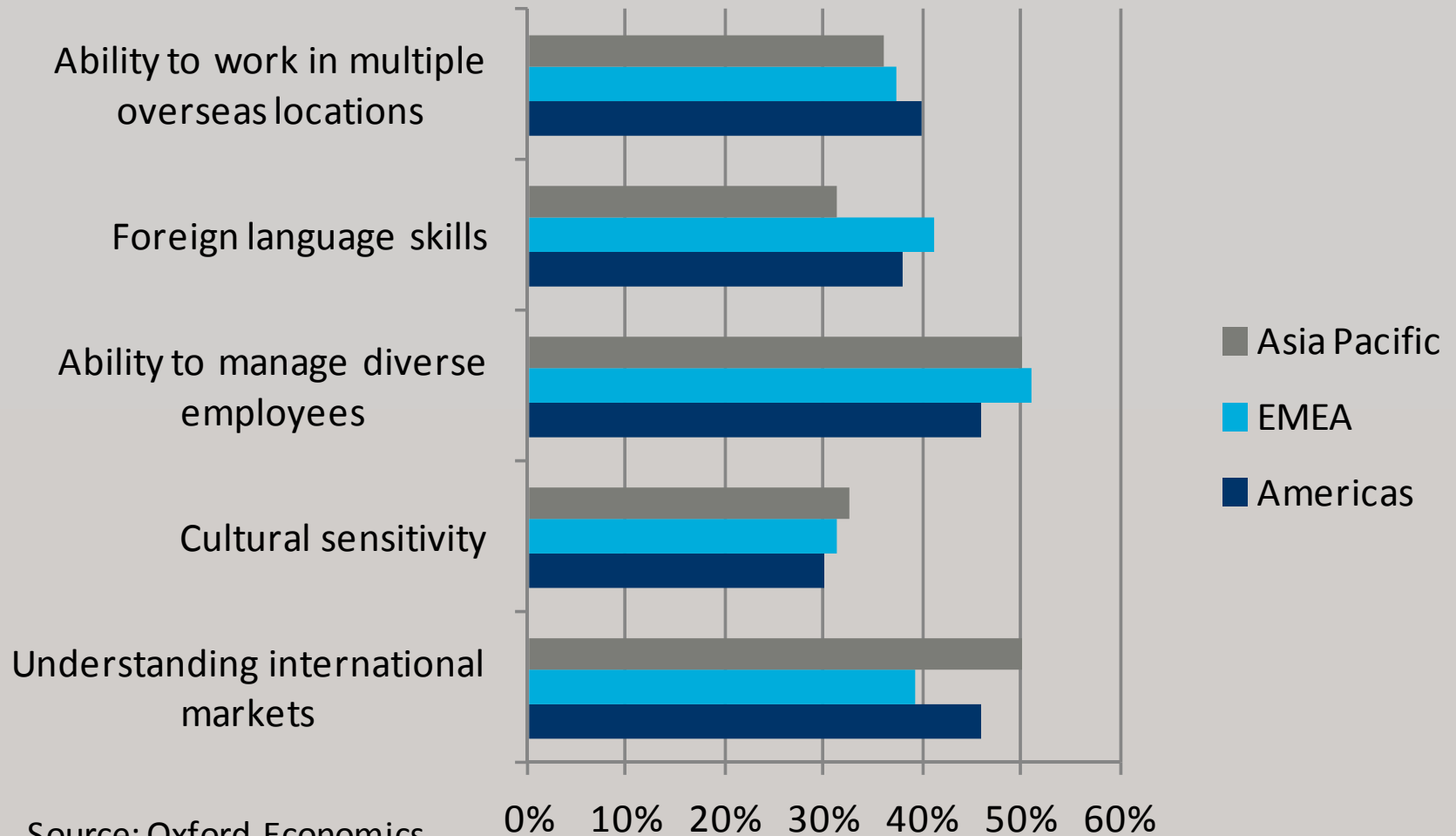
Agile thinking skills

Source: Oxford Economics

Interpersonal and communication skills

Source: Oxford Economics

Global operating skills

Source: Oxford Economics

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 (e.g., 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

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