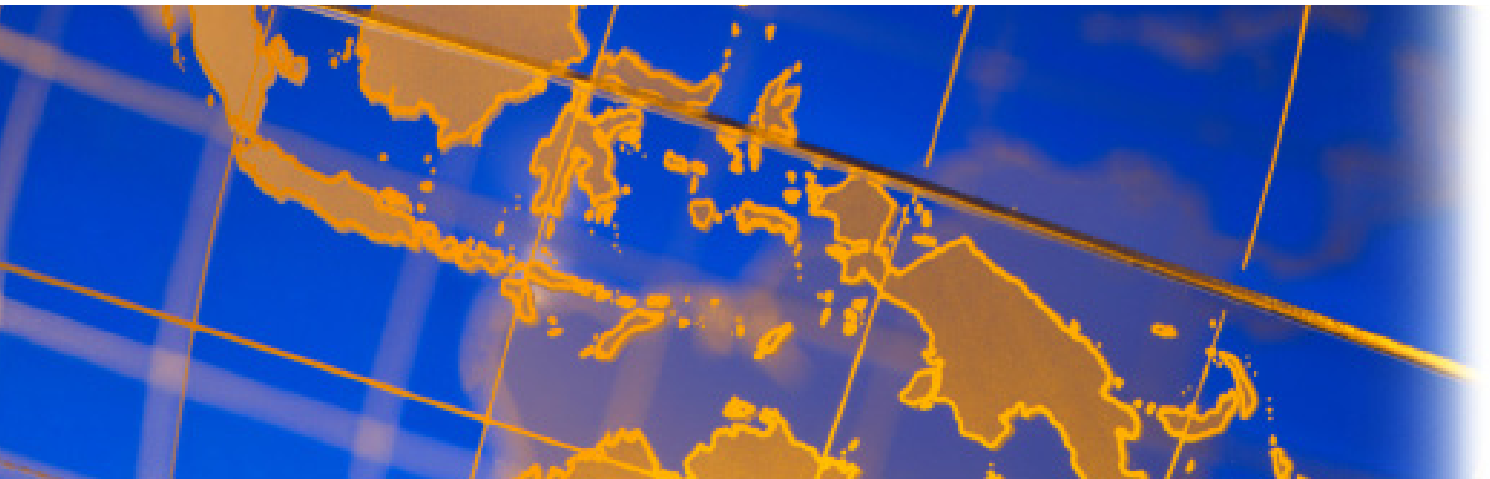


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INTERNATIONAL RECRUITMENT RALLY



Introduction

Thomas Friedman's book 'The world is flat' (2005) argued that globalization requires us to move faster to keep up with the competition. The fall of the Berlin wall, the growing influence of the Internet and the rise of China and India, mean that developing nations have a larger stake in a more competitive or 'flat' world. Therefore, the global labor market will and must become 'flat'. Yet, it is argued that the international labor market functions the same as it did at the beginning of the century, as described in The International Recruitment Manual (2006).

In times of economic crisis domestic labor markets change rapidly. During the 2001-2004 downturn, job seekers embraced the Internet. Increasingly, candidates used the Internet to find new jobs and online job boards became an important resource for job-hunters. Employees within national labor markets readily adapted, but not so easily to the international landscape. Candidates looking for jobs abroad had to access national labor markets of the country of their preference and used, traditional job-hunting methods; for example national newspapers, personal networks and international recruitment agencies.

Then came a new crisis. The 2008 financial crisis is still affecting global economies and with the developments in new media further change is inevitable. These changes will impact the activity and dynamics of the global labor market, increasing the mobility and globalization of local labor markets.

This paper discusses global labor market trends and provides recommendations for those with global recruitment strategies. It uses data from the Global Talent Mobility Research, drawn from 66,019 respondents from over 40 countries. A questionnaire addressed topics such as: behavior on international labor markets, international pull factors and willingness to work abroad.

Three major trends

Three major trends characterize the future of the global labor market. These are: a willingness to be internationally mobile, the globalization of labor markets and the impact of 'Generation Y'. Each are discussed below.

1. Increasing international mobility

Workers are becoming increasingly mobile. Recruitment research encompassing Belgium, Denmark, Germany, Italy, the Netherlands and Sweden was published in The International Recruitment Manual (2006). This noted a 3 percent point increase in the amount of people willing to be mobile in the international labor market, rising from 61 to 64 percent in the preceding 3 years. So, for the period between 2006 and 2009 there was an increase of 5 percent, indicating people are keener to move around and influence international labor markets.

Willingness to work abroad depends on whether people want to live and work in a new environment and whether they are tired of their home country. Working abroad can also be driven by the need to get closer to relatives or learn a new language or culture.

Another reason for working overseas is the economic situation at home. This isn't the actual state of the economy of the home country, but its perceived state. This perception can be a result of a short-term financial crisis or a slow rate of growth. As will be discussed later in this paper, there is a notable gap between perception and reality.

The research has uncovered a positive relationship between economic performance and willingness to work abroad (see figure 1). Where one might expect poor economic performance to push more people to look overseas for work, in reality the opposite is the case. While GDP growth across the countries surveyed averaged at -3.88 percent, and

If there was no global financial crisis, the percentage of people interested in international mobility would be even higher.

64 percent of respondents had a positive attitude to overseas work, respondents from individual countries at either end of the performance scale show how pronounced this trend can be. In Canada, the pace of the slowdown has been relatively moderate (GDP decline of 2.48 percent), with four fifths (80 percent) of respondents open to working abroad. In Ukraine, which has experienced a far more severe decline in GDP (14 percent), around half (53 percent) of respondents are prepared to work overseas. In other words, Canada, which has been faced with less negative economic change, shows more residents willing to consider working abroad (both compared to the global average), whereas in the Ukraine where there has been more negative economic change people are less willing to work abroad compared to the average global scores. This indicates that the higher the economic growth (or the less negative), the higher the propensity for people to consider work in another country.

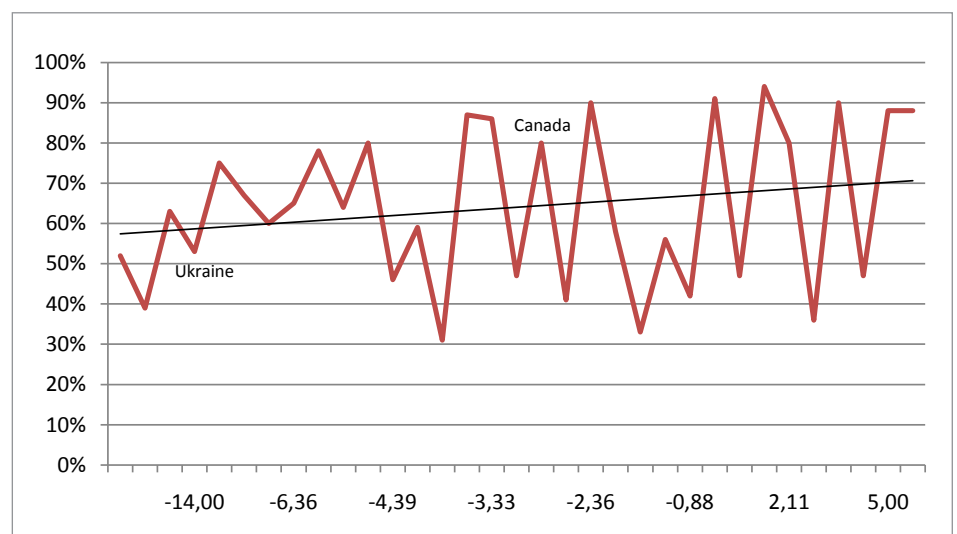


Figure 1 – Relationship between change in GDP and the amount of people willing to work abroad

Looking at the overall trend of increased mobility and the fact that a positive change in GDP positively affects the willingness to work abroad, it can be stated that if there was no global financial crisis, the percentage of people interested in international mobility would be even higher.

Figure 1 shows peaks around the trend line. Willingness to work overseas increases as an economy grows. This is influenced by external factors, resulting in peaks in the graph. Some peaks, for instance, in the case of Estonia and Egypt, can be related to the overall 'happiness' in the country, as measured by the New Economics Foundation. Estonia and Egypt respectively score very low and very high on this index, explaining their relative higher and lower willingness to engage in international mobility. Another factor affecting working overseas could be that a home country is one of the richest in the world, resulting in lower levels of people willing to work abroad. For example, this is the case in Austria, Denmark and Norway. But these indexes can't relate to each of the peaks. Three of the external factors resulting in peaks will be discussed in the next paragraph.

The Global Talent Mobility Research shows that the willingness to work abroad is high amongst people living in developing economies. The amount of people willing to work abroad in South America is 93 percent. 91 percent of Asians are willing to be internationally mobile and in the Middle East the figure is 70 percent. This, in combination with globalization, results in a higher willingness to move, and actual higher mobility too.

Aside from economic reasons, mobility of people on the labor market can be described as a cultural phenomenon.

Another factor leading to high numbers of people willing to be mobile are major cities with nearby international airports. Earlier studies executed by McKinsey, show that people living close to these international hubs exhibit higher levels of mobility, compared to those located farther away. This also affects the availability of talent abroad, since universities located near urban conurbations deliver more talent compared to universities located elsewhere.

A third factor influencing mobility is culture. Some countries experience economic downturn, but still show high levels of people willing to work overseas. Others show economic growth accompanied by low numbers of overseas workers. In the third quarter of 2009 Poland experienced an average growth of 0.98 percent (an above average figure), but only 47 percent of Poles considered working abroad. This is contrary to the general trend whereby a healthy GDP helps people feel more positive about international mobility. Other factors affected attitudes in Poland: even though Polish employees claimed to be willing to work abroad, this was a lower than expected number. Therefore, aside from economic reasons, like a change in GDP and the emergence of upcoming economies, mobility of people on the labor market can be described as a cultural phenomenon.

A perceived bad economy means people doubt the economic health of their home country. The home country's economy might still be growing, but when the growth rate slows, this makes the actual economy look worse than it is. Perceptions of a bad home economy instigating an interest in overseas work should not be linked to changes in a countries' GDP.

Figure 2 shows that a decreased GDP results in more people feeling that the perceived economic situation in their country is a reason to work abroad. Although economic growth stimulates international labor mobility, the reasons underlying the willingness to work abroad can be affected by a decreased growth of GDP.

This can be further explained as follows: Assume all countries experience economic growth, which positively affects job mobility. In countries where the growth is lower (compared to previous years or other countries), people may hold a negative perception of their country, which could lead to a greater willingness to work abroad, even if their country is still experiencing growth.

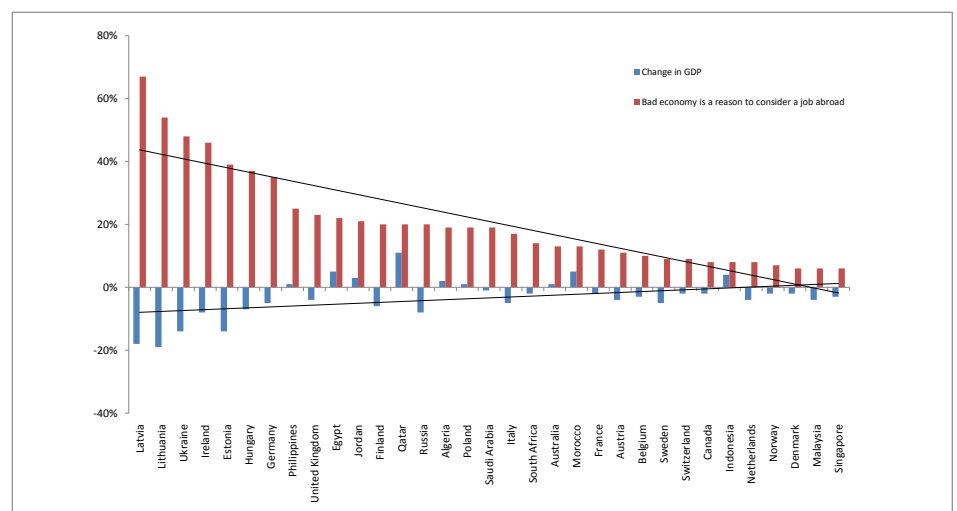


Figure 2 – Relationship between change in GDP and the amount of people who feel that the difficult economic situation in their country is a reason to consider working abroad

2. Globalization of labor markets

A second major trend affecting the international labor market is the globalization of labor markets. Again, three aspects of globalization can be identified. In 2006 barely anybody used search engines like Google for job-hunting. By 2009 this method was used by over 40 percent of job seekers. When looking for jobs in local markets, 41 percent of respondents in the Global Talent Mobility Research study said they would use search engines. When job-hunting internationally, this number rose to 49 percent. Search engines make it possible to search for jobs all over the world, providing access to individual local labor markets. Besides the use of search engines, important developments have emerged with job boards, affecting the effectiveness of international job-hunting. As in the case of search engines, this made it easier to search for jobs in the global labor market. Three types of job boards can be identified:

a. Local job boards

Local job boards are a perfect means to search for jobs within one's home country, and within a local labor market. Local job boards also rely on multinationals and their corporate websites, giving access to the global market on a local scale.

b. Job boards abroad

Job boards abroad are job boards for a variety of local markets. These job boards can be used to become familiar with a job in a specific country by searching their local labor market. This helps international job searches, but since these searches are restricted to one country, candidates should have a good understanding of the country of their preference. In addition, many of these job boards aren't user friendly. For instance, most job boards abroad don't allow you to select a different language. But over time expect to see further development of international search capabilities on local and overseas job boards.

c. International job boards

International job boards combine local job boards into one search. International job boards don't all provide the same service, but they all allow a job-hunter to search for similar jobs across multiple countries simultaneously. International job boards therefore express individual labor markets around the world as one global labor market.

A third factor leading to the globalization of labor markets is social media. In 2009, 26 percent of respondents reported using social media like Facebook and LinkedIn to job-hunt in their current, local market. People looking for a job abroad reported making even greater use of social media. 35 percent of respondents in the Global Talent Mobility Research said they would use social media when searching for jobs. Just three years ago, this wasn't the case: respondents to the 2006 study didn't mention social media at all.

Social media use varies considerably between countries. In the Philippines 55 percent said they would use social media to search for a job abroad, compared to 13 percent of candidates living in Morocco. Although the differences between countries are less in the case of local job searches, social media use still varies. In Germany, where the percentage of people saying they would use social media to search for jobs in local markets is the highest at 37 percent, where again only 15 percent of Moroccans would do so.

In conclusion; social media, search engines and job boards have developed enormously over the last few years. It's now easier to contact recruiters, and the global labor market is just one mouse click away.

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Not only willingness to work abroad changes when people get older, but the reasons for doing so also change.

3. Generation Y

Western economies have aging workforces due to the baby-boom generation. These workers will soon retire. The next generation, Generation Y (Gen Y for short), is anybody born between 1980 and the early 1990s. Gen Y will form a bigger part of the active workforce in the coming years, affecting attitudes towards employment in general. The entry of Gen Y into the workforce and the simultaneous decline of the baby-boomers will have a notable impact on the global labor market.

Three characteristics are true for Gen Y:

1. They were raised using computers and other digital devices, resulting in a greater use of digital job-hunting methods. Gen Y are more technically literate, and more comfortable with using new tools to research jobs, such as online job boards, search engines and social media.
2. Because of the Bachelor-Master structure (BaMa) of higher education, Gen Y are more predisposed to studying abroad, resulting in students leaving their home country. International mobility has become more widespread but the downside is it can result in "brain-drain". Although the opposite is also happening, where overseas students are compensating for a country's talent shortage.
3. Gen Y are globetrotters. After high school or university, it's common for them to go backpacking, aided by today's cheaper flights. Gen Y are therefore more international and more outward looking than their predecessors, impacting levels of international labor mobility.

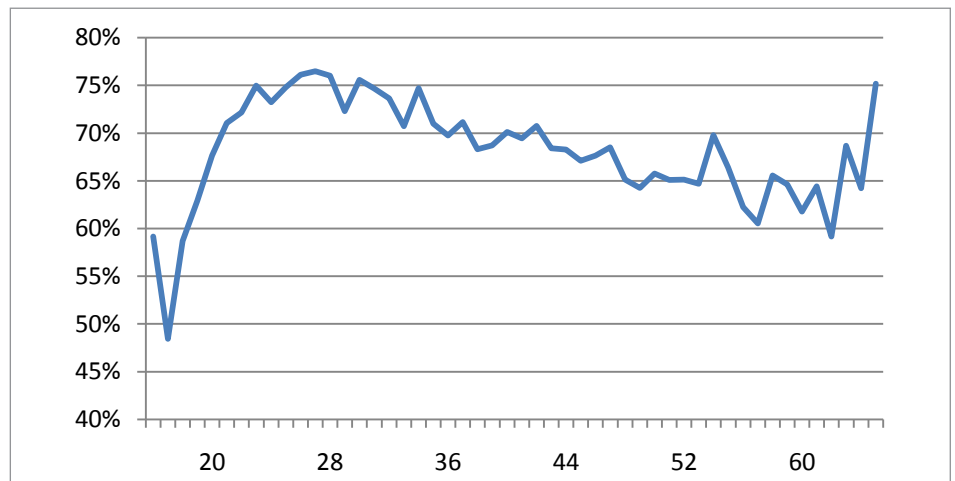


Figure 3 – Declining willingness to international mobility when age increases

The Global Talent Mobility Research shows that the younger somebody is, the more willing he or she is to be mobile in the global labor market. Figure 3 below shows this. Between the age of 25 and 62, willingness to work abroad decreases. After the age of 62, close to retirement, the willingness to work abroad increases. People of 62 and over have different reasons for moving. The desire to explore different cultures, the opportunity to meet new people, to link up with overseas family, or simply a better climate are more important reasons for this age group. Career opportunities, broadening of experience and a better standard of living are less important to this older group.

This shows that not only willingness to work abroad changes when people get older, but the reasons for doing so also change. This trend together with the growing impact of Gen Y means that the overall attitude towards international mobility will increase. Local labor markets will experience higher levels of international mobility, and a bigger percentage of people willing to move abroad.

The international recruitment rally

The increasing willingness to be mobile on the global labor market, the globalization of labor markets and the entry of Gen Y all affect the global labor market. These trends are of particular importance in times of financial crises when recruitment departments cut back on international recruitment. A reduced focus on the rapidly changing global labor market can backfire, changing winning employers into losers.

In such a situation the following should be kept in mind: know your target group and your international Employer Value Proposition, know the behavior of your target group when looking for jobs, know how to sell your country or city, and know what partners to cooperate with. Each of these objectives are discussed below.

1. Know your target group

To attract the right talent to a company, know who the talent is. More specific targeting results in a better fit for employee and employer. Next, locate the talent. Since the workforce is becoming more internationally mobile, companies should not limit their talent search solely to their domestic market. For example, think of a company located in the European Union, looking for managers working in the pharmaceutical industry, with at least 20 years of experience and a positive attitude towards international mobility. A detailed description of a target group like this will help companies to attract the right candidates. Once a precise description of the target group is made, companies can search for them. More precise targeting might lead to a specific country. The specific target group from the above example can be best found in Germany. If the target group description only stated, "people with experience, and currently working in the pharmaceutical industry", the biggest target group would be in Russia, (Germany is ranked sixth). Knowing your target group, and knowing where to find them, can help companies attract the best candidates and therefore be more successful.

2. International Employer Value Proposition

The Employer Value Proposition depends on three factors: Each company is different so it is important to develop employer value propositions that are differentiated. Companies have different pull factors for candidates. Where company A scores high on salary, company B stands out by communicating better career opportunities.

A second factor influencing Employer Value Proposition is the company's location. Companies have either 'people to work' or 'work to people' international recruitment strategies. 'Work to people' means a company moves to a location where the talent is. 'People to work' means a company tries to recruit people overseas to work in the country where the company is located. Different pull factors vary between different countries. For instance, people in France attach more importance to standard of living compared to those in Ukraine. When a company focuses on 'work to people' it is important to acknowledge and emphasize the priorities of the local population. In the case of 'people to work', a company should communicate all local differences to people living in different countries, since it is not necessarily the case that the entire target group is living in just one country. This shows the importance of knowing the location of your target group when attracting candidates for jobs.

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A third factor is the target group itself. Think of a company looking for people who studied engineering. As figure 4 shows, this target group rate 'a bad home economic situation', 'the need for a better standard of living', 'better career opportunities' and 'the opportunity to broaden experience' as slightly more important in their decision to look for work abroad than the global average. If a company offers 'great career opportunities', the company should focus on promoting this when communicating with their talent pools, as this could be a strong motive for some people to choose the job.

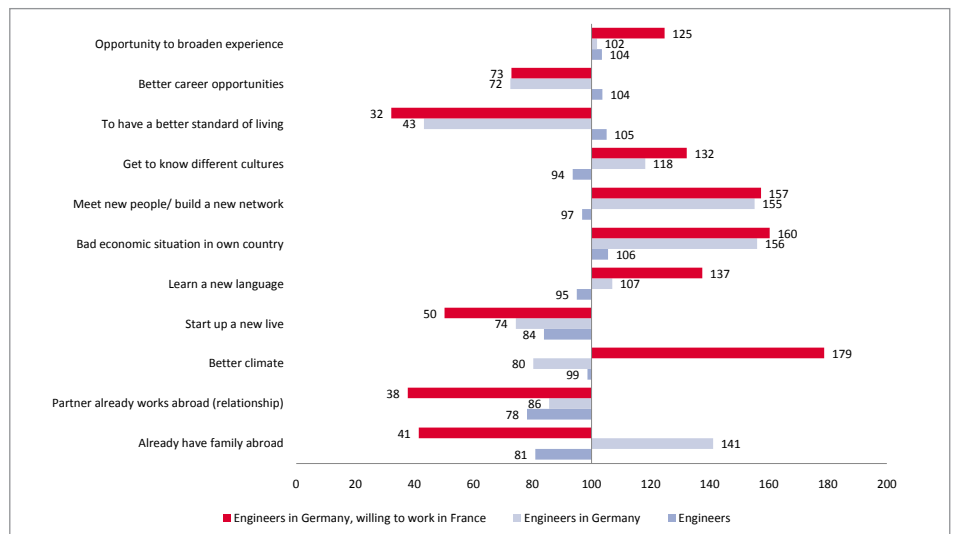


Figure 4 – Pull factors depending on the target group

The target group that studied engineering currently living in Germany exposes other pull factors. 'The bad economic situation', 'the possibility to meet new people' and the fact that the candidate 'has family abroad' now become important and specific motivations for working overseas. To this target group, 'better career opportunities' aren't as important as they are for the more general target group. When a company specifies the target group as German engineers who are willing to work in France, 'climate' and 'the possibility of meeting new people' become more important, as well as the fact that their current country is facing a 'bad economic situation'.

Therefore it can be seen that the target group highly influences the Employer Value Proposition. Again the importance of the first factor is emphasized, namely, the importance of knowing your target group, knowing where they are and knowing what they value. Better knowledge of the target group makes it possible to communicate with them, and attract them more effectively.

3. Orientation behavior of the target group

There are many ways to find jobs in the local and global labor market. The choice of medium depends on where people search - locally or globally. Differences and similarities are shown in the bar chart below.

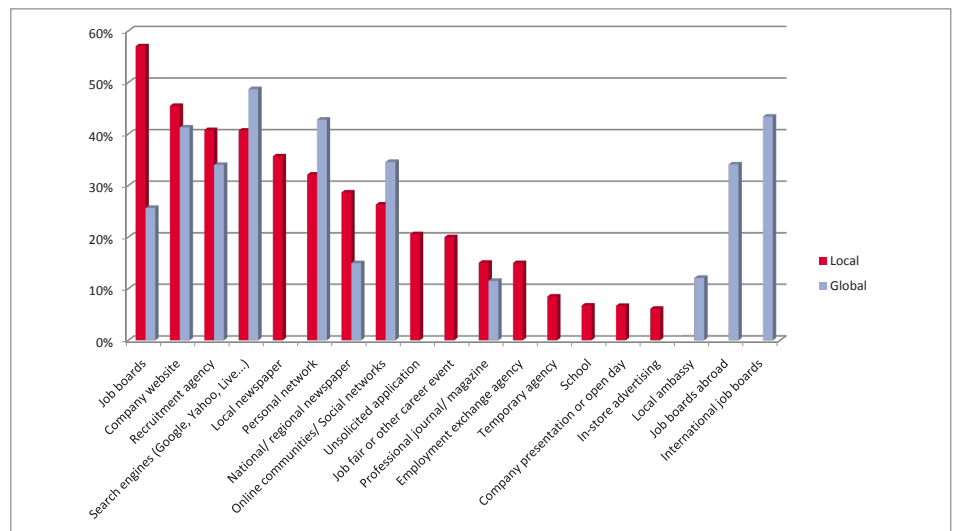


Figure 5 – Differences in search behavior on local and global labor markets

The bar chart shows there are many channels to look for a job. The corporate website features strongly on the local and the global labor markets. The same is true for job boards. Different types of job boards can be identified when candidates search for jobs both on local and global labor markets. As figure 5 shows, job boards (at a local level) are used by the majority of people when searching for jobs within their own country. To a lesser extent, people use them to search on the global labor market. Job boards abroad and international job boards are useful for searching jobs in different labor markets or on the global labor market as a whole and are used by a large number of people to search for an overseas job. Hence, both local and global job boards are a widely used source.

The figure shows major differences between local and global job searches - for instance the use of newspapers. Figure 5 shows both local and national newspapers are read by the current local labor market. In local labor markets, newspapers are used by 36 percent of people when searching for jobs. Local newspapers are not used at all when searching the global market. National newspapers are used by 29 percent of job-hunters within their current labor markets. Only 15 percent use international newspapers while searching for jobs abroad. A global pool of candidates cannot be contacted effectively via newspapers, reinforcing that employers need to know where and how to communicate with their target groups.

People exhibit different search behaviors when looking for jobs on local and the global labor markets.

Another difference is the use of personal networking. Figure 5 shows that a larger number of people searching for jobs abroad use personal contacts, compared to people searching for jobs in their current labor market. This is also the case in relation to the use of social media.

The chart above gives the global picture, and does not take candidates' home countries into consideration. Just as is the case in the Employer Value Proposition, search behavior depends on a variety of factors that vary between countries. In countries where Internet access is less widespread, digital job searching will be less compared to more connected locations. Other elements affecting search behavior can be the target group's education: the percentage of people in Germany who use international job boards when searching for a job abroad is 15 percent higher than in Poland. The same is true for social media.

34 percent consider the city to be more important than the country.

Again it is important to differentiate between the international recruitment strategies; 'people to work' and 'work to people'. People exhibit different search behaviors when looking for jobs on local and the global labor markets. Therefore companies should keep in mind whether they will move to another country or whether they want employees themselves to relocate. This shows the importance of knowing and specifically identifying your target group, since communication with them becomes more effective if a company knows the chosen target group's behavior. Companies should use job seekers' search behavior to structure their international recruitment strategy. Knowing who and where your target is and knowing their behavior, will create possibilities to effectively structure international recruitment.

4. Sell your country and your city

The Global Talent Mobility Research study found that 66 percent of people worldwide believe the country location of an overseas recruiter is more important than the specific city location. Meanwhile, 34 percent consider the city to be more important than the country. The top 10 globally preferred cities and countries are as follows.

Rank	City	Country
1	London	USA
2	New York	United Kingdom
3	Sydney	Canada
4	Paris	Australia
5	Dubai	Germany
6	Singapore	Switzerland
7	Los Angeles	France
8	Melbourne	New Zealand
9	Mexico City	Italy
10	Miami	Spain

Table 1 – Top 10 preferred cities and countries

It is important for companies to know the ranking of their location by their target group, because this might affect the effort needed to attract candidates. Focusing on aspects that potential candidates find important is also useful if the employer's country or city is not seen as desirable.

Table 1 shows high-ranking countries, in which popular cities are located. For instance, London – United Kingdom, New York/ Los Angeles/ Miami – USA, Sydney/ Melbourne – Australia and Paris – France. Therefore people prefer these countries not just for the country but also its cities.

In addition, certain cities and countries are individually mentioned, namely Dubai, Singapore, Mexico City, Germany, Spain and Italy. Specific characteristics influence people's choice of where to work. The International Recruitment Manual (2006) showed that people willing to move to Germany are mainly career driven. The research suggested that highly educated men with a technical or engineering background are more willing to move to Germany due to the number of large companies with these specific skills required.

Besides location, candidates will consider other factors like local taxes. Figure 6 illustrates the importance of making local information available to candidates so they can make an informed choice.

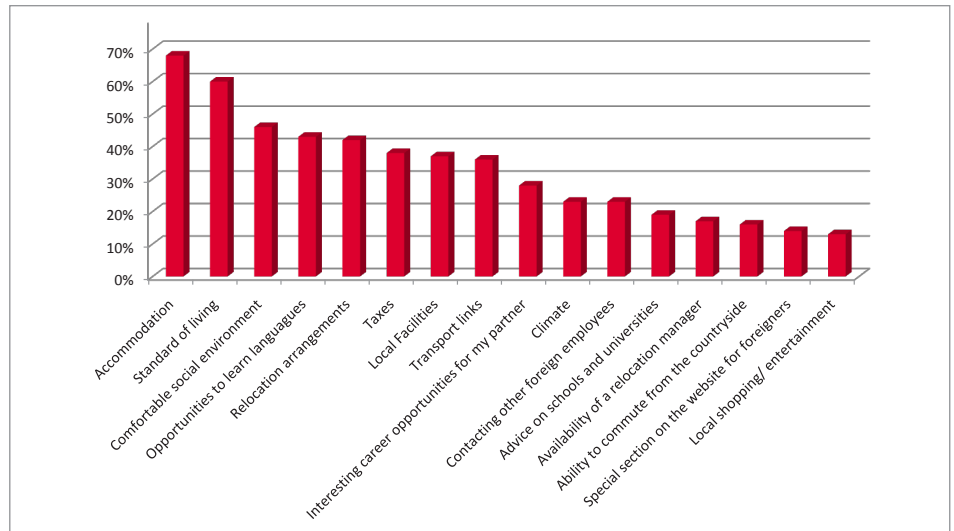


Figure 6 – Important information to candidates when deciding on a job abroad

It is important to appreciate the differing importance your target group puts on each factor, since this could help employers attracting the best employees. While the data above show the global totals, there are also country-by-country trends. People in Poland attribute more importance to accommodation and learning new languages compared to the Germans. By contrast, Germans would like to know more about taxes and relocation arrangements, compared to the Poles. Nation-sensitive targeting will influence which information companies should provide to candidates and their families.

As previously discussed, the key is familiarity with the target group. An understanding of the target group enables companies to search in the right place, via the right means and focusing on the most suitable candidates.

5. Know your partners

Lastly, know your partners. Thanks to close collaboration between The Network and Intelligence Group, the Global Talent Mobility Research was successfully completed. We hope this study will provide valuable information to target the most appropriate talent pools, via the most effective means, whilst providing the most relevant information.

Conclusion

Employers should be prepared and act appropriately to every event and trend affecting future global labor markets. Keep the five aspects discussed above in mind to successfully start, and then win the international recruitment rally.

Later this year two further international recruitment papers will be published on 'People to Work' and 'Work to People'.



Intelligence Group

Intelligence Group is a Dutch research and consultancy agency with regard to recruitment marketing and recruitment. On the basis of innovative research methods, recruitment problems are analyzed and solved. This can range from research reports and consultancy to all-encompassing solutions to recruitment, recruitment marketing and Employer Branding problems on both national and international level. Intelligence Group is a trendsetting partner of nearly all important employers and recruitment-related parties in The Netherlands and beyond the borders.

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- Global coverage in countries covering 84% of the world's population
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- The best price guaranteed
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