



ManpowerGroup™

# The Borderless Workforce 2011

Australia and New Zealand  
Research Results



## Introduction

Given the fact that neither Australia or New Zealand are facing problems, like high unemployment rates during the labour market recovery to the same extent than most other countries worldwide, employers are experiencing an even higher talent shortage across most of their industries.

Many employers in both countries say that they are having difficulty finding the right people with the right skills due to lack of available talent in their respective markets. In fact in both Australia and New Zealand about one in two employers indicate that this is a problem they face.\* One strategy for closing these skill gaps is for organisations to recruit non-national workers to fill holes in their domestic workforce. To make sure that Australia and New Zealand stay competitive in the Human Age, both countries need to attract talent across borders and effectively manage what is rapidly becoming a borderless workforce. This will be a key to maintaining a competitive business edge.

To shed light on how organisations are using foreign talent to help ease the talent crunch, ManpowerGroup conducted research among nearly 2,300 Australian and over 650 New Zealand employers. The research explores the extent to which employers rely on workers from abroad, where those workers are most likely to come from, and the job categories where the domestic talent pool is most likely to fall short of meeting demand. Findings also highlight obstacles to the sourcing of foreign talent, the level of employer concern about talent drain away from the domestic market, and opinions on how government and business are responding to this challenge. Finally ManpowerGroup also asked employers to identify the countries which pose the biggest threat to their ability to compete economically.



### ANZ Research Highlights:

- About one in three employers in both Australia and New Zealand seek solutions to skills shortages by looking at foreign talent in particular job categories. In Australia Engineers, Skilled Manual Trades and Sales Representatives and in New Zealand Engineers, Technicians and IT software experts are the scarce roles most often filled by foreign talent.
- Employers are largely competing for the same skilled talent in the same region or “talent corridor” if needed talent becomes scarce, recruiting efforts become more global.
- Apart from each other, the United Kingdom, South Africa, India and China are the four countries employers most associate with talent supply.
- Employers can encounter obstacles in recruiting abroad – typically with understanding visa and legal requirements and/or overcoming language barriers.
- A major difference when comparing both countries can be seen when looking at the rate of employers concerned of talent leaving the country. While about one in seven Australian employers is concerned about the impact of talent leaving their home market, one in two New Zealand organisations is worried about talent leaving their shores.
- But when asking those who report this concern if government and business are doing enough to slow the outward migration of talent, the rate of Australian employers saying that they need to do more is considerably higher compared to New Zealand’s response.
- Today, expatriates still play an important role at the management level, with New Zealand being more likely than Australia to have expat leaders.

\* 2011 Talent Shortage Survey, ManpowerGroup, 2011

# Using Foreign Talent to Help Ease the Talent Crunch

## Global

Almost one in four employers (24%) worldwide looks outside its borders to meet skills shortages in particular job categories. The majority of employers (76%) globally say there is no particular job category where foreign talent is important to help them tackle skills shortages, and instead are finding the talent they need in the domestic workforce.

## Asia Pacific

When looking at the Asia Pacific region it shows that three in four of employers in the region don't look outside the local labour market to address any specific skills shortages.

## Australia

Australia is one of the countries in the Asia Pacific region with an above average need of expatriate workers, about one in three employers (35%) answered yes when asked about the need to look beyond the domestic labour market.

The industry with the most pronounced need is the Services Industry where 40% are looking for talent abroad.

Other industries where a high proportion of employers rely on foreign talent are Public Administration and Education (38%) and Mining and Construction (37%).

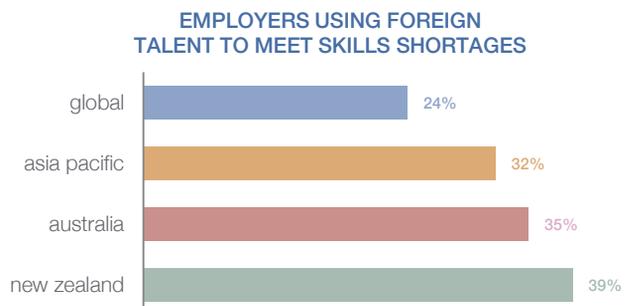
Looking at regional country information, Western Australian employers (47%) and employers in the Northern Territory (42%) are most likely to name a category where foreign talent is important for addressing skills shortages.

Meanwhile, sourcing talent outside the domestic labour supply to tackle skills gaps is least prevalent in Tasmania (13%), where the already tight labour market does not result in any need from sourcing talent outside the domestic market.

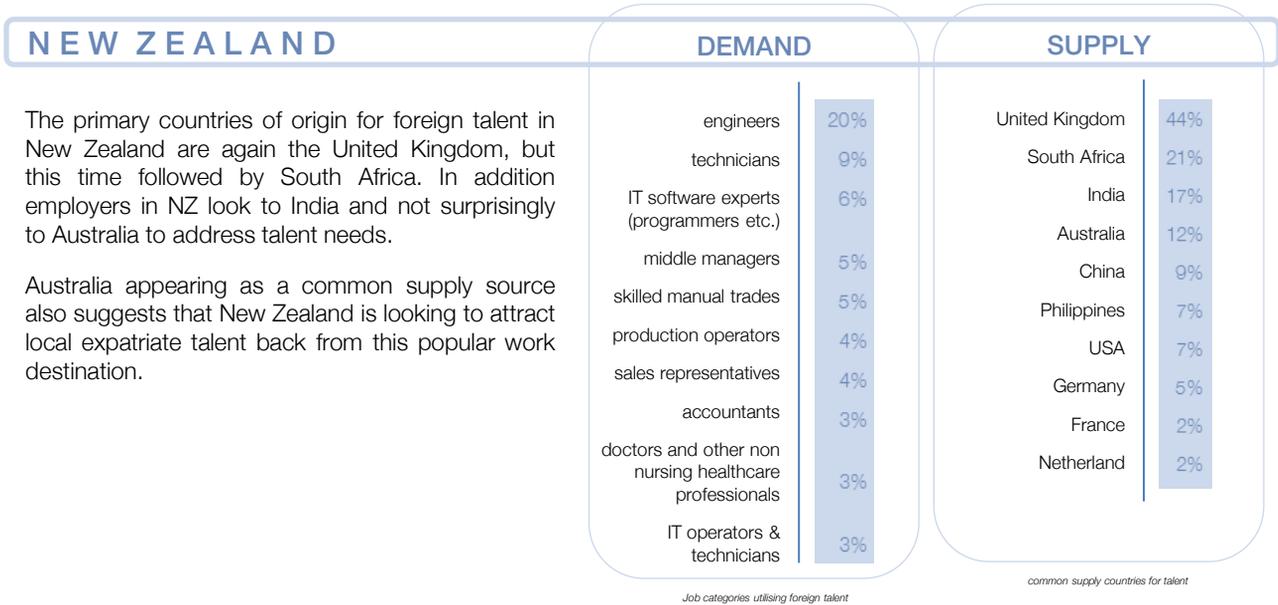
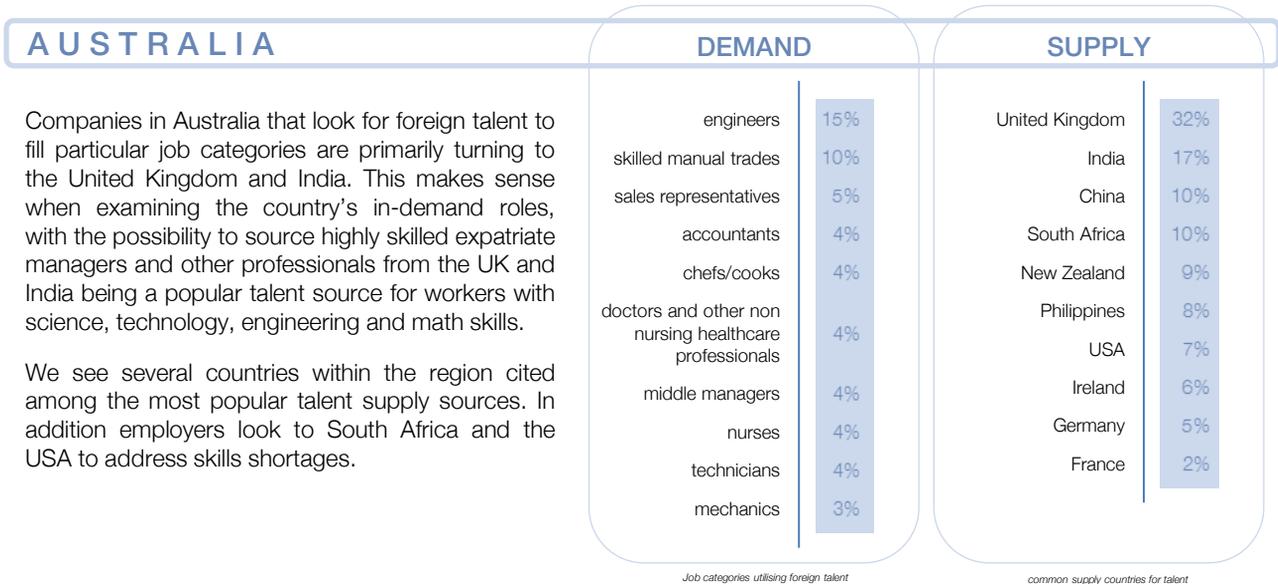
## New Zealand

In New Zealand the strategy of sourcing in-demand talent from abroad is quite prevalent with 39% of employers stating that they need to look beyond their domestic labour market. Similar to Australia, the Services industry (48%) report the highest reliance on foreign talent, followed by Mining and Construction and Public Administration and Education (both 43%). When looking at regional information, Wellington employers are most likely to search outside the local labour market to address specific skills shortages, followed by Auckland (40%) Christchurch (31%).

***Almost one in three employers in Australia and New Zealand looks outside its borders to meet skills shortages in particular job categories.***



# Top Job Categories Where Foreign Talent is Most Important to Meeting Skills Shortages and Popular Talent Sources



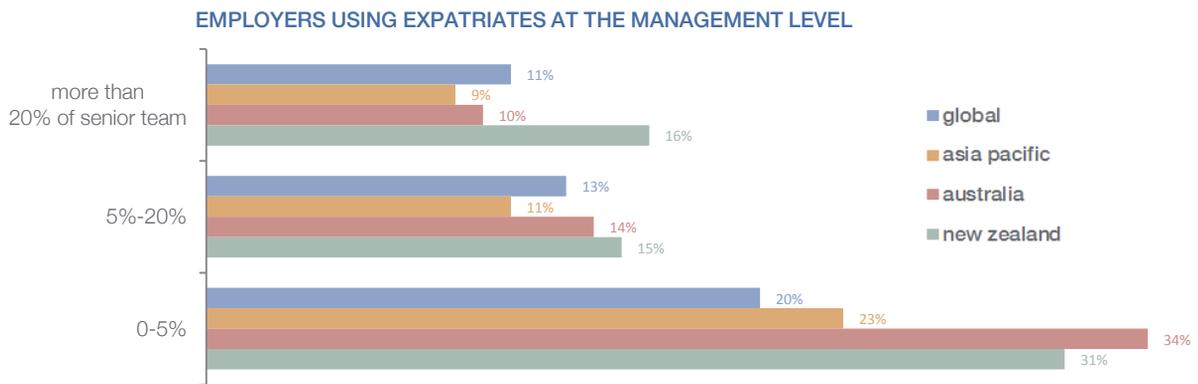
# Expatriates Still Play an Important Role at the Management Level

Over the past several years ManpowerGroup has seen a shift in the use of expatriate talent (individuals based in countries other than their home) to manage and lead operations in emerging markets. Due to some of the challenges this practice creates, such as expat managers not being able to adapt to local cultures and creating a perception that there is a “ceiling” on the promotion of local managers, some forward-thinking multinational companies are pursuing what ManpowerGroup calls a “reverse expat strategy”. A reverse expat is a local manager who is placed at the helm of a Western-based company’s emerging-market business and then rotated through some of the company’s more mature operations outside of that market. The reverse expat shadows and role-plays with local leaders; observes and absorbs protocols, processes and practices; and develops a plan for quickly adapting any relevant developed-market practices to the developing country.

When executed effectively, this approach dramatically accelerates the development of local managers and ultimately creates a more competitive and sustainable organisation. Although not yet widespread, this practice is beginning to take hold.\*

**63% of New Zealand and 58% of Australian companies surveyed have employees at management level or above who are expatriates.**

And while Western expats may be becoming less common, ManpowerGroup research found that there are still plenty of companies using this approach. In fact, of all the companies surveyed in ANZ, 63% of New Zealand and 58% of Australian companies have employees at management level or above who are expatriates.



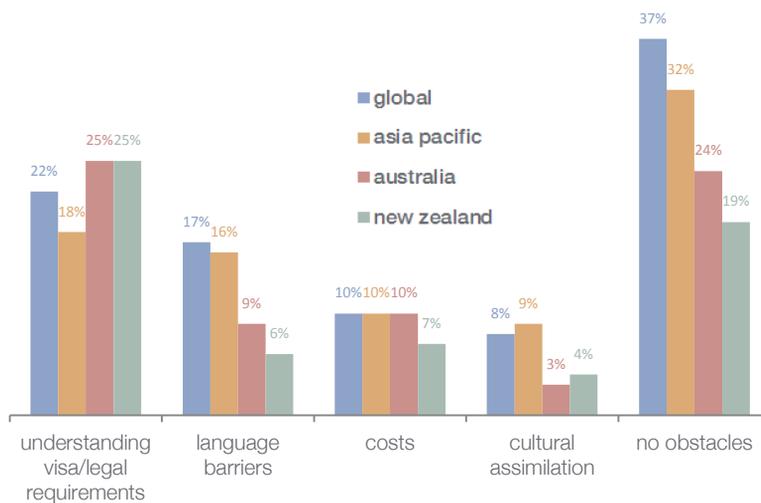
\* McKinsey Quarterly, “Beyond Expats: Better Managers for Emerging Markets”, Jeffrey A. Joerres, May 2011

## Obstacles to Recruiting Foreign Workers

ManpowerGroup asked employers who look abroad to help solve talent shortages to indicate the biggest obstacle they encounter when recruiting foreign workers. Navigating through the potential minefield of legal and visa requirements is most frequently mentioned as the top obstacle in both Australia and New Zealand.

The cost of hiring talent from outside the home country is the next most common barrier mentioned by Australian employers compared with knowing what country has an available talent supply mentioned by New Zealand companies surveyed. Meanwhile, over one in four employers in Australia and one in five employers in New Zealand who actively seek foreign talent feel there are no particular obstacles.

**BIGGEST OBSTACLES IN RECRUITING FOREIGN WORKERS**



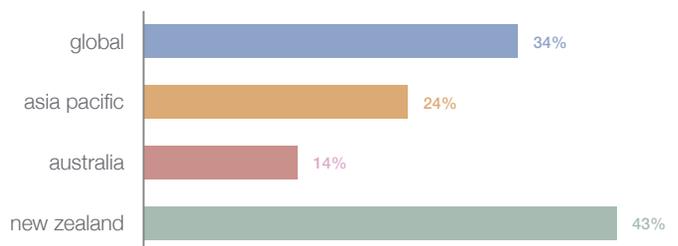
## Concerns about the Outward Migration of Talent

Only about one in seven employers in Australia is concerned about the impact on the domestic labour market as a result of talent migration away from the home country, 68% say this is not a particular worry.

New Zealand on the other hand, fears the impact of this kind of “brain drain” is notably higher with nearly one in two employers worried that people may leave.

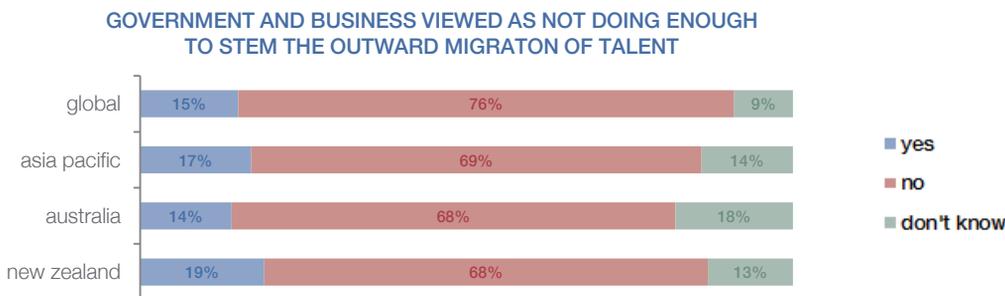
It should be no surprise that concerns in New Zealand are this high, as New Zealand’s workforce has traditionally sought work opportunities abroad, especially being so close to an attractive labour market like Australia.

**EMPLOYER CONCERN ABOUT IMPACT OF TALENT LEAVING HOME LABOUR MARKET**



# Are Government and Business Doing Enough to Slow Brain Drain?

Of over 3,000 employers surveyed in both countries, 68% of those concerned about the impact of the outward migration of talent from their labour markets felt that government and business are not doing enough to attract people back to their countries. On the other hand, about one in seven Australian employers and about one in five New Zealand employers believe these major stakeholders are doing enough.



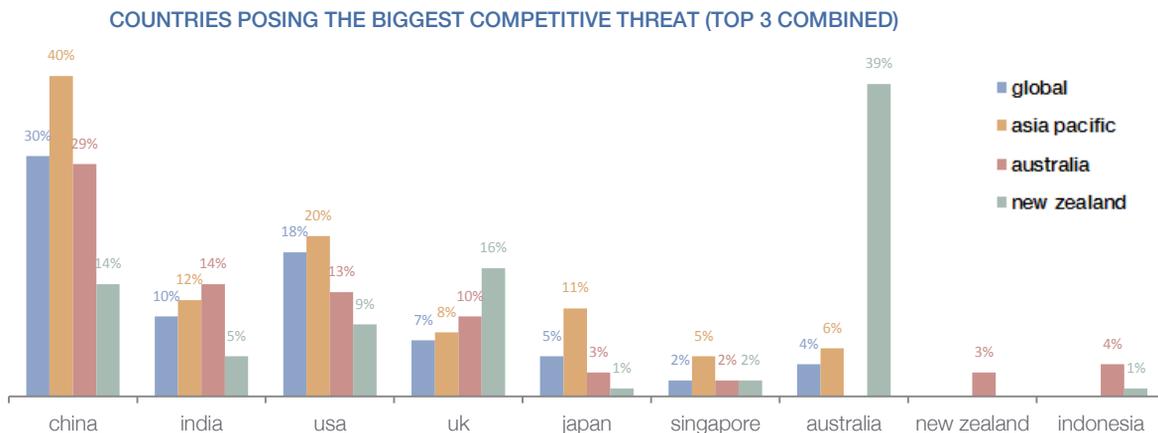
*Of over 3,000 employers surveyed in both countries, 68% of those concerned about the impact of the outward migration of talent from their labour markets, feel that government and business are doing enough to attract people back.*

# Countries Posing the Biggest Competitive Threat

ManpowerGroup asked employers to name the three largest competitive threats to their own country's ability to compete economically. For analysis, the total number of mentions in any of these top three places has been added together to produce an overview.

On an Australian level, China and India are seen as the two greatest competitive threats, followed by USA (13%) and the UK (10%).

New Zealand employers are most likely, not surprisingly, to regard Australia (39%) as the biggest competitive threats to the economic success of their own countries. The UK, China and the US are the other three countries likely to be mentioned by New Zealand companies.



## About the Research

To shed light on how organisations are using foreign talent to help ease talent shortages in their workforce, ManpowerGroup conducted research among worldwide 25,000 employers across 39 different countries and territories in July/August 2011. Research was conducted via telephone research, except in the United States, where it was conducted online.

### Countries Include:

Asia Pacific	9,666	Americas	5,820	Europe	9,946		
Australia	2,254	Argentina	404	Austria	401	Netherlands	400
China	2,593	Brazil	400	Belgium	401	Norway	400
Hong Kong	426	Canada	1,004	Bulgaria	400	Poland	408
India	1,011	Colombia	402	Czech Republic	400	Romania	400
Japan	1,004	Cost Rica	401	France	502	Slovenia	401
New Zealand	655	Guatemala	402	Germany	501	South Africa	400
Singapore	650	Mexico	1,003	Greece	400	Spain	517
Twain	1,073	Panama	400	Hungary	400	Sweden	401
		Peru	402	Ireland	401	Switzerland	405
		United States	1,002	Israel	400	Turkey	500
				Italy	506	United Kingdom	1,002

### Questions Explored:

- Which category of job is foreign talent the most important in helping your organisation meet shortages?
- From which countries are these workers primarily coming?
- What are your organisation's biggest to recruiting these workers?
- Are you concerned about the impact on the labour market from [your country] work in another country?
- Do you think government and business are doing enough to slow the outward migration of talent and attract these people back to your country?
- Which countries do you believe provide the biggest competitive threat to your own country's ability to compete economically? (list the top 3)
- Does your company have operations in multiple countries?
- Thinking about manager-level positions and above at your organisation, what any, are expatriates or individuals who are based in countries other than their home countries?

### About ManpowerGroup

ManpowerGroup® (NYSE: MAN), the world leader in innovative workforce solutions, creates and delivers high-impact solutions that enable our clients to achieve their business goals and enhance their competitiveness. With over 60 years of experience, our \$19 billion company creates unique time to value through a suite of innovative solutions that help clients win in the Human Age. These solutions cover comprehensive an entire range of talent-driven needs from recruitment and assessment, training and development, and career management, to outsourcing and workforce consulting. ManpowerGroup maintains the world's largest and industry-leading network of nearly 3,900 offices in over 80 countries and territories, generating a dynamic mix of an unmatched global footprint with valuable insight and local expertise to meet the needs of its 400,000 clients per year, across all industry sectors, small and medium-sized enterprises, local, multinational and global companies. By connecting our deep understanding of human potential to the ambitions of clients, ManpowerGroup helps the organizations and individuals we serve achieve more than they imagined – because their success leads to our success. And by creating these powerful connections, we create power that drives organizations forward, accelerates personal success and builds more sustainable communities. We help power the world of work. The ManpowerGroup suite of solutions is offered through ManpowerGroup™ Solutions, Manpower®, Experis™ and Right Management®. Learn more about how the ManpowerGroup can help you win in the Human Age at [www.manpowergroup.com.au](http://www.manpowergroup.com.au) and [www.manpowergroup.co.nz](http://www.manpowergroup.co.nz)

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