



The World's Most Talent Competitive Countries, 2021

The pandemic revealed strengths and weaknesses in how nations develop and retain talent.

As Covid swept across the world, nations had very different responses to how their economies should continue to function. Some tethered workers to their employers with **furlough programmes**; others **hoped for the best**. How governments responded (or didn't) had an enormous impact on their citizens' physical and economic health. And, of course, talent competitiveness is one of many areas that felt the immediate and sudden change.

Covid generated a series of shockwaves across the global talent landscape. Naturally, the international mobility of talents has been redefined by the pandemic. New parameters emerged about when and where employees could work. Online tools opened new doors to better work-life balance and to working from anywhere, while new inequalities surfaced between those who were able to work online and essential workers, those who had to be physically present in the workplace. Individuals are now rethinking their careers, their location choices and the ways in which they prefer working.

"Talent Competitiveness in the Time of Covid" is the theme of this year's Global Talent Competitiveness Index (GTCI). Decision makers need quantitative tools to benchmark talent management and talent competitiveness efforts across different socioeconomic environments. The GTCI addresses this challenge by providing a composite view of talent competitiveness applicable to 134 countries

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this year.

While it is certainly too early to fully assess the effects of the pandemic on the global talent landscape, evidence from this year's GTCI shows that such effects have been deep and will reverberate for a decade.

Stability at the top

The top 20 countries in this year's rankings are high-income economies that perform well across both the input (like education) and output (like employability) pillars of the GTCI model. The adoption of collaborative tools had begun pre-Covid in these leading nations.

| COUNTRY | GTCI RANKING |
|----------------|--------------|
| Switzerland | 1 |
| Singapore | 2 |
| United States | 3 |
| Denmark | 4 |
| Sweden | 5 |
| Netherlands | 6 |
| Finland | 7 |
| Luxembourg | 8 |
| Norway | 9 |
| Iceland | 10 |
| Australia | 11 |
| United Kingdom | 12 |
| Canada | 13 |
| Germany | 14 |
| New Zealand | 15 |
| Ireland | 16 |
| Belgium | 17 |
| Austria | 18 |
| France | 19 |
| Japan | 20 |

This year

sees stability at the top of the rankings once again. Switzerland (1) leads the pack for the eighth time, with impressive performance in nearly all aspects of talent competitiveness. It is followed by Singapore (2), excelling once again in many areas bar its ability to retain talent. The United States (3) leads the world in talent growth, especially when measuring lifelong learning.

Denmark (4) is strongest in talent impact, with a high degree of entrepreneurship and innovation. The only country that performs very well in all the GTCI pillars is Sweden (5), with its lowest performance in employability. The open labour landscape and growth opportunity access help the Netherlands (6) to enable and grow talent.

Finland (7) is outstanding in its matching of workers' education and skills with the needs of the economy. Tiny Luxembourg (8) is the global best in external openness. An impressive social welfare system and a high level of personal rights and safety boost Norway (9). Iceland (10) has the world's foremost talent pool of global knowledge skills.

Europe continues to dominate the top of the GTCI rankings, with France (19) entering the top 20 for the first time. Australia (11), Canada (13), New Zealand (15) and Japan (20) remain near the top of the list, as

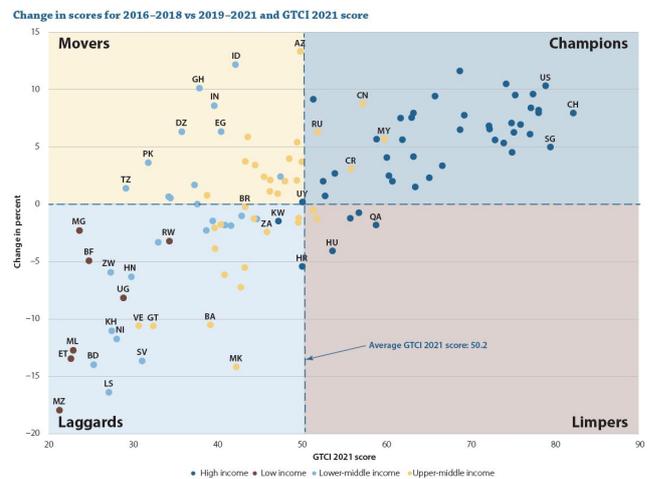
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in previous years.

Rising nations

Pandemic-caused **disruptions** in schooling have created a significant and worrying dent in the path of many poorer regions to escape the trap of underdevelopment. There is, however, encouraging news as some middle-income economies show significant progress and dynamism, notably China (37) and Russia (45).

Comparing two time series (2016-18 and 2019-21) unveils the continuous growth of some regions. For the first time, China, Russia, as well as Costa Rica (39) and Malaysia (34), are in the talent champion quadrant. Brazil (75), which was in the talent laggard quadrant in 2020 is now closer to becoming a talent mover.



The labour markets of emerging economies were struck harder than those of advanced economies by global lockdowns; in all countries, younger and less qualified workers were most severely affected.

Lessons from Covid

Indeed, the pandemic has been the strongest shock to the organisation of work and talent management that our generations have ever experienced. In acknowledging this, we have three central observations in this year's report:

1. Those nations that had invested in a digitally savvy workforce, by developing **entrepreneurial talent**, for example, were far better equipped when the Covid lockdowns required everyone to work remotely. More agility and speed in decision making was required. For instance, as new business models emerged and new ways of organising took shape, entrepreneurial talent was in very high demand.
2. The accelerated adoption of online collaborative tools has redefined the ways in which individuals

and teams can bring value to public and private organisations. Some organisations were faster than others in redefining hierarchies, identifying new sources of value and, sometimes, adjusting their strategic objectives.

3. A crisis is always an opportunity. Some countries, cities and firms experimented with novel ways of attracting talent (e.g. digital nomads) and tested new proofs of concept. The learnings from these experiments will prove invaluable for the development of new talent strategies.

Global Cities Talent Competitiveness Index (GCTCI)

Cities around the world proved agile and imaginative in mobilising available talent to identify and implement solutions to the unprecedented situations triggered by the pandemic. Green and digital strategies guide many post-pandemic plans, and smart cities will constitute a kind of avant-garde for the changes to come.

| RANK | CITY |
|------|-------------------------------|
| 1 | San Francisco (United States) |
| 2 | Geneva (Switzerland) |
| 3 | Boston (United States) |
| 4 | Zurich (Switzerland) |
| 5 | Luxembourg (Luxembourg) |
| 6 | Dublin (Ireland) |
| 7 | Singapore (Singapore) |
| 8 | Seattle (United States) |
| 9 | London (United Kingdom) |
| 10 | Helsinki (Finland) |

We strive to constantly improve the GTCI and its underlying methodology. This is also true for the GCTCI, our city ranking. This year, we made an important change by defining a city as its metropolitan area. Although this decision had been made before Covid, it fits neatly with lockdown measures having particularly negative effects on city-centres, as opposed to suburban areas. The rankings of some cities have been affected by this, sometimes in a significant way. New York City (17), for example, tumbles from last year's top spot.

Cities had to take on new responsibilities, especially in countries where the central government was slow or reluctant to act. This places megalopolises at the centre of the talent scene. While all types of cities demonstrated their ability to combine creativity, agility and responsiveness to meet their citizens' needs, large cities with higher levels of resources adapted better to the challenge than smaller ones.

In San Francisco (1), for example, the city's

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COVID-19 Economic Recovery Task Force designed a strategy to guide its economic recovery efforts in three main areas: jobs and business support for SMEs, vulnerable populations and economic development.

Looking forward

The talent landscape has been transformed as completely new ways of organising work emerged. Most employees want the future of work to be **hybrid** as they value their personal safety and quality of life. Organisations will need to offer flexibility and provide different working models to keep the best talent.

But hybrid work is not possible for everyone. In a post-Covid world, inequalities may grow among workers, depending on **their sector of activity** and their level of qualification. For those who are likely to remain onsite, we must reimagine onsite work.

Talent mobility within companies will also be different in the future. Multinational organisations are rethinking their relocation and expatriation strategies for **high potentials**. Overall, we believe those organisations that focus on outcomes and flexibility will attract the best and the brightest.

The **GTCI** is an annual index created in partnership with Accenture and the Portulans Institute; it aims to give governments and businesses the distilled data from 134 countries needed to inform their decisions about talent policies and strategies. The report itself has details about methodology as well as country profiles.

*All numbers in parentheses refer to the GTCI 2021 ranking.

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