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# The Global Talent Competitiveness Index 2017

*Talent and Technology*

EXECUTIVE SUMMARY



Bruno Lanvin and Paul Evans, Editors



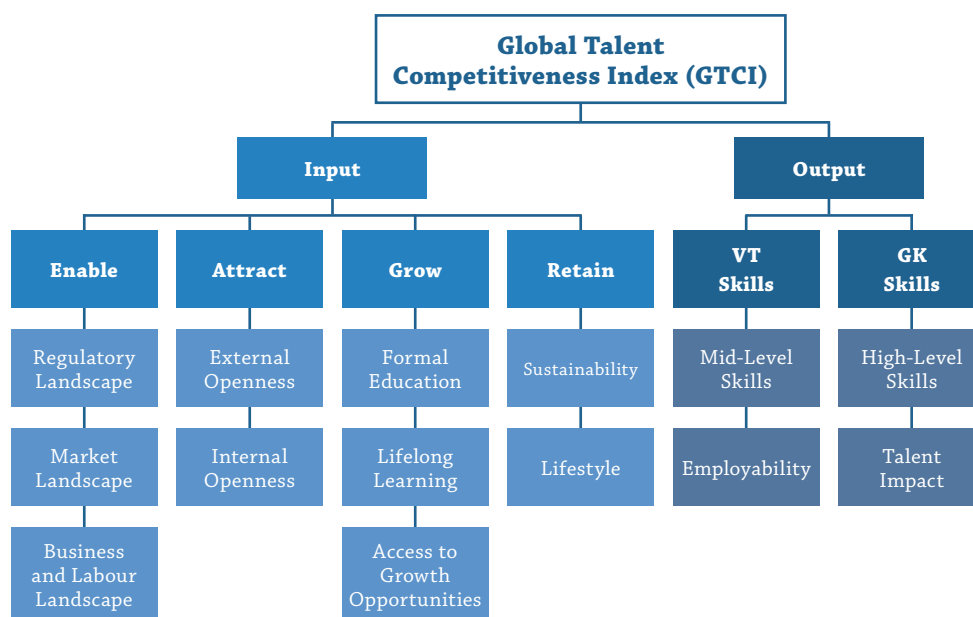
# Introducing the *Global Talent Competitiveness Index*

The first edition of the **Global Talent Competitiveness Index (GTCI)** was published in November 2013, capitalizing on INSEAD's successful experience in developing two other major Global Indices on Innovation (GII) and Global Information Technology (GITR). Given the vital importance of talent for prosperity, the ambition of GTCI is to be an action tool for continuous improvement in linking talent to economic development, and an instrument to stimulate dialogue between governments, business, academia, professionals and their associations, and citizens.

With this fourth edition, GTCI addresses the theme of **Talent and Technology**. While the digital revolution has been unfolding for decades, its impact on business and society has been visibly accelerating since the start of the new millennium. The resulting changes will have massive consequences in all types of economies as two kinds of effects combine in unprecedented ways. On one hand, automation and digitalisation will continue to offer ways to reduce costs, enhance productivity, and stimulate innovation. On the other hand, new combinations of information technologies, global networks, and powerful algorithms will generate new business models and social models. The first trend will continue to have dramatic effects on low- and medium-skilled jobs. The second will have even more profound consequences, affecting not only higher-skilled workers (experts and professionals such as lawyers, journalists, accountants, and bankers) but transforming entire sectors of activity as well as the nature of work itself.

# The GTCI model

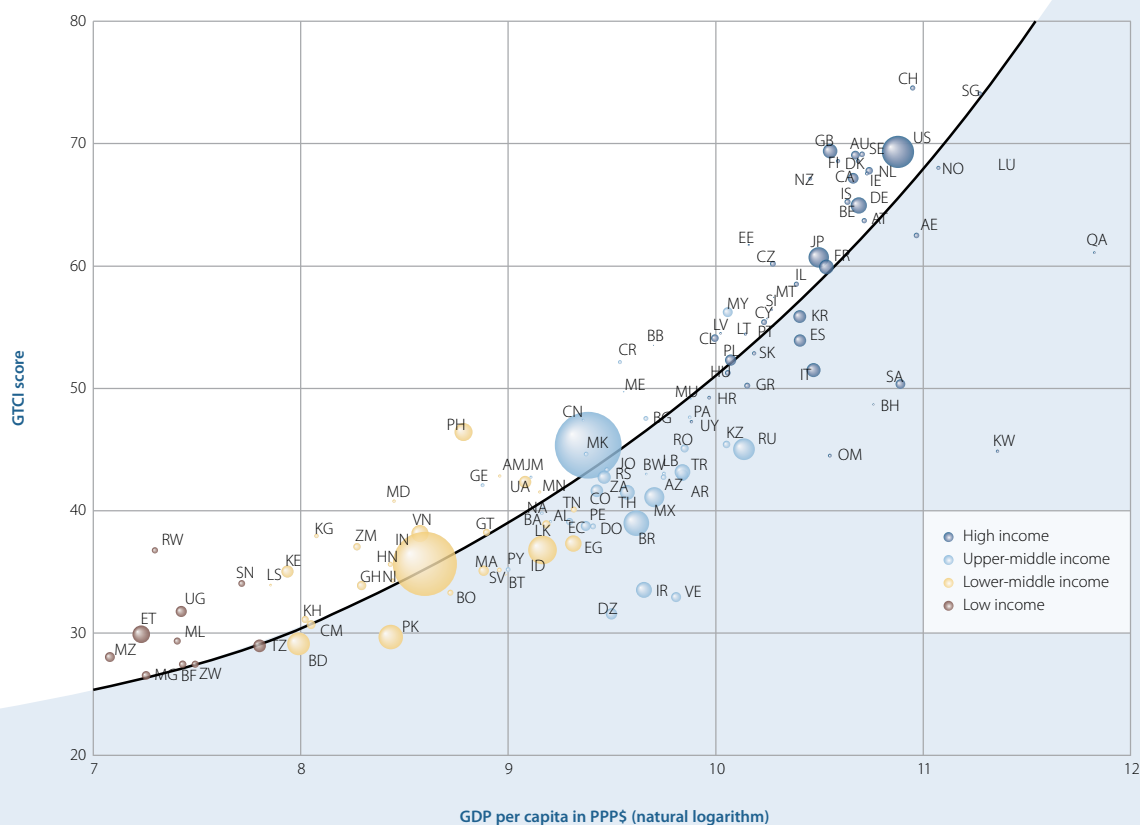
GTCI covers national and organizational parameters and generates insights to inspire action. Based on feedback and further analyses following the release of previous editions of the report, this year's index includes 65 variables (from 61 last year). It covers 118 national economies (up from 109 last year), across all groups of income and levels of development, and has (1) four pillars on the input side - Enable, Attract, Grow and Retain – focusing on actions for policymakers and business leaders, and (2) two output pillars, benchmarking national performances in Vocational/Technical and Global Knowledge skills, respectively.



Note: GK Skills = Global Knowledge Skills; VT Skills = Vocational and Technical Skills.

# Competitiveness through talent – in organisations and nations

GTCI 2017 confirms the strong correlation (already observed in previous editions) between economic performance on one hand and the combination of vocational and global knowledge skills available locally on the other. Across all income groups and levels of development, countries that focus systematically on talent competitiveness tend to do better. Yet, there is no ‘one-size-fits-all’ approach to talent strategies, and each national context requires its own ways of attaining the right mix and levels of vocational and global knowledge skills.



Note: GDP per capita in PPP\$ and population data (represented by the size of the bubbles) are drawn from the World Bank's World Development Indicators database. The trend line is a polynomial of degree two ( $R^2 = 0.77$ ).

# Highlights from the GTCI 2017 edition

**National strategies have started to reflect such changes, but too slowly.**

**Technology is changing the nature of work.**

Organisations in the new economy need to manage talent differently.

**Successful transformational change is most likely to occur where there are strong ecosystems.**

**Cities and regions are showing the way.**

In the near future, some of the best and most innovative talent competitiveness practices will come from cities.

**Thinking beyond automation is key.**

Profound changes are affecting skills, jobs and the definition of work.

**Technical skills PLUS social/project competence is the new talent profile.**

**Educational and employment policies must adapt to the transformational changes of the fourth industrial revolution.**



## GTCI 2017 – Top 20

As in previous years, the top of GTCI rankings is dominated by European countries, with only 6 non-European countries in the top 20: Singapore (2), the United States (4), Australia (6), Canada (13), New-Zealand (14) and the United Arab Emirates (19).

GTCI 2017 champions include a significant number of small high-income economies, many of them being either landlocked, island or quasi-island economies: Switzerland (1), Singapore (2), Luxembourg (7), Iceland (15), Austria (18). Faced with specific challenges (including a scarcity of raw materials), such economies developed socio-economic policies in which talent growth and management are central priorities.

Larger economies figuring in this 'top 20' include countries with a strong immigration tradition and/or a longstanding reputation in higher education: the United Kingdom (3), the United States (4), Australia (6), and Canada (13).

Nordic countries can also be found in this high performance group, reflecting a continuous priority to education: Sweden (5), Denmark (8), Finland (9) Norway (10), and Iceland (15). Exemplary management practices continue to making them attractive, as does their attachment to mobility and talent exchange.

COUNTRY	SCORE	OVERALL RANK
Switzerland	74.55	1
Singapore	74.09	2
United Kingdom	69.40	3
United States of America	69.34	4
Sweden	69.14	5
Australia	69.06	6
Luxembourg	68.66	7
Denmark	68.59	8
Finland	68.56	9
Norway	68.01	10
Netherlands	67.80	11
Ireland	67.58	12
Canada	67.16	13
New Zealand	67.15	14
Iceland	65.79	15
Belgium	65.24	16
Germany	64.94	17
Austria	63.70	18
United Arab Emirates	62.49	19
Estonia	61.72	20



# Beyond the Rankings

While the index rankings are at the core of the GTCI report, the analytic chapters contribute important context and insights by exploring critical aspects of talent competitiveness. The introductory chapter, written by the GTCI team at INSEAD (consisting of the directors Professor Paul Evans and Dr Bruno Lanvin with Eduardo Rodriguez-Montemayor), provides the background to this year's report, also outlining its key messages. It also includes an annex on the talent competitiveness performance of each of the income groups and regions of the 118 national economies covered by GTCI 2017.

Five additional chapters, authored respectively by the Adecco Group, McKinsey Global Institute, this fluid world & INSEAD, the Human Capital Leadership Institute (HCLI) in Singapore, and the INSEAD research team consider various aspects of talent growth, and the challenges of specific sectors or regions. This year, GTCI includes a major innovation, namely a **special section on the talent competitiveness of cities and regions**.

The Joint Research Council of the EU, as the recognized world authority on Composite Models, has performed an in-depth audit of the GTCI model and methodology. As in previous years, the JRC chapter summarises the results of that audit (which confirms the robustness of the GTCI approach), and offers insights for possible further research in the area of talent competitiveness.

Detailed country tables and data tables are also offered as part of the report, providing additional possibilities for researchers, policy makers and decision makers to deepen their own reading and analyses of GTCI data. The full report and its tables can be freely downloaded from the GTCI website at <https://global-indices.insead.edu/gtci>.

# Partners, Contributors and Advisory Board

The GTCI Report is the result of a partnership between education, government and business: between INSEAD, Singapore's Human Capital Leadership Institute (HCLI) and the Adecco Group. Beyond these faithful partners, our gratitude goes to the individuals and institutions who contributed chapters to this fourth edition, as well as to our Advisory Board, composed of prominent personalities representing academia, government and business. Their continuous support remains a key component of GTCI's global success.



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# Opportunities for Future Partnerships

INSEAD and its existing partners welcome future partners. The GTCI's partners believe in the role of talent in increasing the competitiveness of countries.

All partners would be invited to contribute analytical chapters or case studies to the GTCI Report, and to participate in the discussion and dissemination of results. They are acknowledged by the inclusion of their logo on the cover and all relevant documents produced.

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The full report can be downloaded at <http://global-indices.insead.edu/gtci/>

Printed by INSEAD 01/17 on 100% recycled paper

