



**UNDER STRICT EMBARGO UNTIL 00:01 CET, THURSDAY 8 DECEMBER 2022**

**As talent migration patterns remain unpredictable, governments and businesses attract local and foreign talent by boosting overall appeal of their economies**

**8 December, 2022**

Global economies are reassessing the balance between cultivating domestic and international talent, in a bid to compensate for skilled labor losses as a result of travel constraints and lockdowns during the pandemic.

Data from the [2022 IMD World Talent Ranking \(WTR\)](#), produced by the [World Competitiveness Center \(WCC\)](#), part of the International Institute for Management Development (IMD), shows that pre- and post-pandemic patterns with respect to brain drain have not been as damaging to the talent competitiveness of those countries that have strengthened their appeal.

**Saudi Arabia** (up eight places since 2021, at 30<sup>th</sup>) was the economy that improved its appeal to talent most between 2019 and 2022 among the 63 studied, the researchers found. They signaled a decrease in the cost of living, an increase in quality-of-life scores, and ambitious investment plans as the reasons why. The **Czech Republic**, **Croatia**, the **Slovak Republic**, and **Mongolia** also improved.

Conversely, **the US** (down two places at 16<sup>th</sup>), **Canada, the UAE, Denmark, New Zealand, Hong Kong, Indonesia, South Africa,** and **Venezuela** display the largest declines in their appeal to talent.

An economy's appeal to skilled labor was measured by the researchers via factors including but not limited to remuneration, taxes, cost of living, and the education system, as well as the economy's position on environmental issues and a fair judicial system.

"In the future, national education systems will become less important to determine the quality of the talent pool. This is the result of talent globalization, but also of countries borrowing successful educational policies from others and the resulting race to the top in education. Indirectly, quality of life and economic sustainability will indeed determine the quality of the talent pool as well. There will be winners and losers," said [Professor Arturo Bris, Director of the WCC](#).

The WTR studies 63 economies by quantifying 31 criteria (a mixture of hard data and survey responses from executives) in order to assess these countries' ripeness for fostering long-term value creation for their enterprises and the economy at large, via their workforce.

Overall, **Switzerland** remains the leader in attracting and retaining talent for the sixth consecutive year, followed by **Sweden, Iceland, Norway,** then **Denmark**. Since 2018, **Iceland** has leapt from 16<sup>th</sup> to third.

"Talent competitiveness in the post-COVID period hinges greatly on the motivation level of the workforce which, in turn, relies on remuneration but also quality of life and organizational leadership of the economy," said [Christos Cabolis, Chief Economist at the WCC](#).

**Switzerland** ranks first in Investment & Development and in Appeal, and second in Readiness. At the indicator level, there are strengths across the board. It is first in the effective implementation of apprenticeships, attracting foreign highly skilled personnel and the availability of finance skills and of managers with international experience. It ranks second in the prioritization of employee training by the private sector, the level of motivation of the labor force and the availability of language skills.

There is, however, room for improvement in quality of education as measured by pupil-teacher ratio which was low, the female labor force (as a percentage of

the total labor force), graduates in science, and (despite excellent quality of life performance) exposure to particle pollution, which forms part of the Appeal factor.

**Sweden** remains in second spot by performing strongly in Appeal (second) and to a lesser extent in Readiness (sixth) and Investment & Development (seventh). It reaches its highest rank at the criteria level in the impact of brain drain and in the exposure to particle pollution, placing second in both.

**Iceland** moves up to third position (from seventh) mainly due to its performance in the Investment & Development (fourth) and in Appeal (eighth). It ranks 13<sup>th</sup> in the Readiness factor. Iceland's strengths include total public expenditure on education (fourth) and expenditure per student (third), as well as the availability of skilled labor and finance skills (third in both) and quality of life (third).

**Norway** remains in fourth position overall, ranking fifth in Investment & Development, ninth in Appeal and 14<sup>th</sup> in Readiness. At the indicator level, it ranks first in the availability of skilled labor, second in the availability of finance skills, fourth in the impact of brain drain and fifth in both the total public expenditure on education per student and the pupil-teacher ratio (primary education).

**Denmark** remains stable in fifth position. It ranks second in Investment & Development and eighth in Readiness but its performance in Appeal is relatively weaker at 17<sup>th</sup>. It comes first in the prioritization of employee training, the prioritization of talent attraction and retention, worker motivation, brain drain, and the availability of competent senior managers.

**Finland** improves to the sixth spot from eighth, ranking 11<sup>th</sup> in Investment & Development, 11<sup>th</sup> in Appeal, and moving up from fifth to fourth in the Readiness factor. Its overall improvement is due largely to its stronger performance in indicators including in worker motivation (fourth, up from 10<sup>th</sup>),

**Luxembourg** declines four places to seventh position dropping across all talent factors. In Investment & Development, it falls to third (from second), in Appeal to fifth (from second) and in Readiness to 25<sup>th</sup> (from 23<sup>rd</sup>). Under Investment & Development, Luxembourg experiences a sharp drop in the implementation of apprenticeships (26<sup>th</sup> from 15<sup>th</sup>) and the prioritization of employee training (29<sup>th</sup> from 11<sup>th</sup>).

**Austria** drops to eighth position (from sixth) while remaining in sixth spot in Investment & Development, but slightly declining in Appeal to 10<sup>th</sup> (from eighth) and reading to 15<sup>th</sup> (from 14<sup>th</sup>). In Appeal, Austria drops in the prioritization of talent attraction and retention indicator from sixth to 13<sup>th</sup>, in worker motivation from third to ninth, in attracting overseas highly skilled staff from 18<sup>th</sup> to 22<sup>nd</sup> and in the fair implementation of justice from 17<sup>th</sup> to 23<sup>rd</sup>.

**The Netherlands** ranks ninth overall, remaining in the same position as last year. It slightly advances one spot in the Investment & Development factor to 16<sup>th</sup> and two places in Appeal to third.

**Germany** also remains in the same position (10<sup>th</sup>). It drops one place in Investment & Development and two spots in Readiness ranking 12<sup>th</sup> in both factors. In Appeal, conversely, Germany improves increasing from ninth to the seventh. In Investment & Development, despite ranking second in the implementation of apprenticeships, Germany's performance in other criteria in the factor is relatively deficient. It ranks 39<sup>th</sup> in total public expenditure on education, 32<sup>nd</sup> in pupil-teacher ratio (primary education), 38<sup>th</sup> pupil-teacher ratio (secondary education) and to a lesser extent in female labor force (28<sup>th</sup>).

Regional patterns show **Western Europe** leading across the three factors. Eastern Asian economies perform especially well (second regionally) in the Investment & Development and Readiness factors, testament to the importance that these economies place on education and the development of local talent. **North America** takes second place in the Appeal factor, outlining the attractiveness of the US and Canada for the international talent pool of highly skilled professionals that the region manages to retain.

**South America and Ex-CIS & Central Europe** show the lowest performances overall and across the three factors. The former struggles with local talent development and the readiness of its talent pool (Investment & Development, eight; Readiness, eighth) while the latter fails to attract overseas talent to support its economies (Appeal, eighth).

### **Notes to editors:**

This is the ninth edition of the WTR.

The 31 criteria measured are organized into three “factors”: The Investment & Development factor considers the domestic resources committed to cultivate

homegrown talent. The Appeal factor evaluates the ability to attract and retain talent from both the international and domestic markets. And the Readiness factor quantifies the quality of the available skills and competencies in the talent pool.

In 2023, the WCC will produce the IMD World Competitiveness Ranking, the IMD World Digital Competitiveness Ranking, the IMD Smart City Index and the Hinrich-IMD Sustainable Trade Index and the IMD World Talent Ranking

### **About the IMD World Competitiveness Center (WCC)**

For more than 30 years, the [WCC](#) has pioneered research on how countries and companies compete to lay the foundations for sustainable value creation.

The competitiveness of nations is probably one of the most significant developments in modern management, and IMD is committed to leading the field. The WCC conducts its mission in cooperation with a network of 58 Partner Institutes worldwide to provide the government, business, and academic communities with a range of special and prognostic reports and services on key aspects of competitiveness.

### **About the International Institute for Management Development (IMD)**

[IMD](#) is an independent academic institution with Swiss roots and global reach, founded over 75 years ago by business leaders for business leaders. Since its creation, IMD has been a pioneering force in developing leaders who transform organizations and contribute to society.

Based in Lausanne and Singapore, IMD has been ranked in the Top three of the annual FT's Executive Education Global Ranking worldwide for executive education (combined ranking for open & custom programs) since 2012 and in the top five for more than 15 consecutive years.

This consistency at the forefront of its industry is grounded in IMD's unique approach to creating "Real Learning. Real Impact". Led by an expert and diverse faculty, IMD strives to be the trusted learning partner of choice for ambitious individuals and organizations worldwide. Challenging what is and inspiring what could be.

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### Rank 1-63

OVERALL	1 YEAR CHANGE			INVESTMENT & DEVELOPMENT	APPEAL	READINESS
1	—	Switzerland		1	1	2
2	—	Sweden		7	2	6
3	▲ 4	Iceland		4	8	13
4	—	Norway		5	9	14
5	—	Denmark		2	17	8
6	▲ 2	Finland		11	11	4
7	▼ 4	Luxembourg		3	5	25
8	▼ 2	Austria		6	10	15
9	—	Netherlands		16	3	9
10	—	Germany		12	7	12
11	▲ 4	Canada		20	12	10
12	—	Singapore		27	13	1
13	—	Belgium		9	18	16
14	▼ 3	Hong Kong SAR		13	32	3
15	▲ 2	Ireland		38	6	5
16	▼ 2	USA		15	4	26
17	▲ 2	Estonia		10	19	31
18	▲ 2	Australia		21	14	17
19	▼ 3	Taiwan, China		23	25	11
20	▲ 2	Israel		8	33	27
21	▲ 2	UAE		45	15	7
22	▲ 2	Cyprus		17	29	23
23	▲ 2	France		24	21	32
24	▲ 2	Portugal		22	40	19
25	▲ 2	Slovenia		19	39	29
26	▲ 3	Lithuania		18	31	37
27	▲ 3	Latvia		14	46	36
28	▼ 7	United Kingdom		40	24	24
29	▲ 8	Czech Republic		34	30	28
30	▲ 8	Saudi Arabia		32	20	41

OVERALL	1 YEAR CHANGE			INVESTMENT & DEVELOPMENT	APPEAL	READINESS
31	▼ 13	New Zealand		33	23	39
32	—	Spain		26	26	42
33	▼ 5	Malaysia		39	35	20
34	▼ 3	Qatar		44	22	30
35	NEW	Bahrain		48	16	33
36	▼ 1	Italy		28	38	43
37	▼ 4	Greece		29	42	40
38	▼ 4	Korea Rep.		31	49	38
39	▲ 2	Kazakhstan		30	41	44
40	▼ 4	China		42	52	21
41	▼ 2	Japan		37	27	54
42	▲ 7	Croatia		25	54	46
43	▲ 1	Botswana		35	36	56
44	▼ 2	Hungary		36	53	51
45	▼ 2	Thailand		47	34	49
46	▲ 16	Peru		52	51	34
47	▲ 1	Chile		50	28	47
48	▲ 4	Slovak Republic		43	50	48
49	▼ 9	Jordan		57	48	22
50	▼ 5	Poland		41	55	53
51	▼ 1	Indonesia		53	37	52
52	▲ 4	India		61	56	18
53	—	Turkey		51	57	50
54	▲ 3	Philippines		62	43	35
55	▼ 4	Romania		54	58	55
56	▼ 2	Argentina		49	60	59
57	▲ 3	Brazil		55	44	63
58	▲ 1	Mexico		63	45	45
59	▼ 1	Bulgaria		46	61	61
60	▲ 3	South Africa		56	59	57
61	▼ 6	Colombia		58	47	62
62	▼ 1	Mongolia		60	62	60
63	▲ 1	Venezuela		59	63	58