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PRESS RELEASE

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SKILLED MIGRANTS HELP TO EASE GLOBAL LABOUR PRESSURES

- *Global labour market pressures have eased slightly compared to last year*
- *There are more migrants than ever before and they are increasingly well-educated*
- *Workers are also adopting more innovative working patterns thanks to technological developments*

A modestly improved global economy has seen labour market pressures ease slightly since 2016, as growing numbers of well-educated migrants provide a flow of skilled labour across countries. However, despite the slight easing in pressure, skill shortages remain as businesses continue to struggle to find skilled professionals in a number of specialist roles and sectors.

These are the key findings of the sixth edition of the **Hays Global Skills Index**, a report published today by recruiting experts Hays in collaboration with Oxford Economics. The report, **'Regional dynamics of the global labour market: skills in demand and tomorrow's workforce'** is based on an analysis of professional employment markets across 33 global economies, assessing the dynamics at play in each local labour market.

The flow of skilled migrants has contributed to a slight decrease in the average overall Index for this year. The score has dropped marginally from 5.4 to 5.3 this year – the first time there has been a reduction in the Overall Index score year-on-year since its conception in 2012.

UN data estimates that 244 million people, or 3.3% of the world's population, are currently living in a country other than that of their birth. Index data has also showed that in the European Union in 2016, the proportion of all people born in another country who were university educated was 29% – up 3 percentage points from 2011.

This flow of workers appears to be counterbalancing the issue many countries face of an ageing population. Excluding India, the working age population across all countries in the Index* is set to decline by nearly one million people in 2017 as populations' age. However, because of rising participation rates in 25 of the countries in the Index and the number of migrants being higher and more skilled than ever before, the supply of workers will actually increase by 1.1 million.

The proliferation of connectivity and new technology has led to more and more workers adopting flexible working patterns. In the US, over the last decade, the number of freelance, contract, temporary or on-call jobs has risen 5 percentage points to account for 15% of all workers. In Europe, freelance roles have grown four times faster than total employment in the last five years. In the Asia Pacific region, Singapore and Australia are among the biggest freelance employers, and total freelancer earnings in the Philippines, Bangladesh, India and Pakistan are among the highest in the world. Digitalisation also has a role to play in helping to combat skill shortages, as it allows skilled workers to be able to work flexibly, efficiently and remotely, and there is growing demand for new roles within this evolving landscape.

As the supply of skilled workers remains steady, businesses will find themselves able to focus more on adapting their workforce in the face of a rapidly developing technological landscape. The rise of technology and automation in the workplace will facilitate greater communication and flexible working, as well as demand for new jobs, but will also take the place of some existing roles. Employers should prioritise training and education to ensure their workers are well placed to work around the changes technology will bring and ensure their skills remain relevant.

The report also revealed that easing wage pressures in European and Middle Eastern markets means that employers may find it slightly easier to attract and retain top talent relative to last year. This should be reflected in boosted learning and development programmes in order to secure their talent pipeline for the future.

Commenting on the findings of the Index, Alistair Cox, Chief Executive, Hays plc said:

"After a period of global uncertainty impacted last year's Index, there are signs emerging of a more positive backdrop for businesses around the world. This year there is cause for optimism as evidence in our report points to a slight easing in some of the key pressures and drivers impacting labour markets. However, despite this slight easing of pressure, skill shortages remain a persistent issue and one that requires the immediate attention of businesses, governments and educational institutes.

"Technology and digitisation has also had a significant influence on workers, with a growing trend towards a more digital economy. Businesses must engage with technology to reap the benefits rather than fear any fundamental change, helping to ensure they stay competitive - constantly innovating is essential to success.

"With the working age population across all countries forecast to decline by nearly a million as the workforce ages, it is vital that governments embrace skilled migration. Prosperity and growth depends on people, and without the right skills, businesses and therefore societies can flounder rather than flourish – skilled migration provides an important and necessary resolution to the global skills gap."

***Countries include;** Australia, Austria, Belgium, Brazil, Canada, Colombia, Chile, China, the Czech Republic, Denmark, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, Japan, Luxembourg, Malaysia, Mexico, the Netherlands, New Zealand, Poland, Portugal, Russia, Singapore, Spain, Sweden, Switzerland, UAE, the UK and the USA

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Notes on methodology
The Hays Global Skills Index provides a score for each country of between 0 and 10 which measures the pressures present in its labour market. The score is calculated through an analysis of seven equally weighted indicators, each covering different dynamics of the labour market, such as education levels, labour market flexibility and wage pressures.

An overall score of above 5.0 indicates that the labour market is 'tighter' than normal. A score below 5.0 indicates the market is 'looser' than normal. Within these overall scores, however, the scores attributed to each of the seven indicators can vary significantly, highlighting the different dynamics and pressures faced by each country.

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About Hays

Hays plc (the "Group") is a leading global professional recruiting group. The Group is the expert at recruiting qualified, professional and skilled people worldwide, being the market leader in the UK and Asia Pacific and one of the market leaders in Continental Europe and Latin America. The Group operates across the private and public sectors, dealing in permanent positions, contract roles and temporary assignments. As at 30 June 2017 the Group employed 10,000 staff operating from 250 offices in 33 countries across 20 specialisms. For the year ended 30 June 2017:

– the Group reported net fees of £954.6 million and operating profit (pre-exceptional items) of £211.5 million;
– the Group placed around 70,000 candidates into permanent jobs and around 240,000 people into temporary assignments;
– 24% of Group net fees were generated in Asia Pacific, 49% in Continental Europe & RoW (CERoW) and 27% in the United Kingdom & Ireland;
– the temporary placement business represented 59% of net fees and the permanent placement business represented 41% of net fees;
– Hays operates in the following countries: Australia, Austria, Belgium, Brazil, Canada, Colombia, Chile, China, the Czech Republic, Denmark, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, Japan, Luxembourg, Malaysia, Mexico, the Netherlands, New Zealand, Poland, Portugal, Russia, Singapore, Spain, Sweden, Switzerland, UAE, the UK and the USA

About Oxford Economics

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, Oxford Economics has become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. The company's best-of-class global economic and industry models and analytical tools provide an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Headquartered in Oxford, England, with regional centres in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC. The company employs over 300 full-time people, including more than 200 professional economists, industry experts and business editors – one of the largest teams of macroeconomists and thought leadership specialists. The global team is highly skilled in a full range of research techniques and thought leadership capabilities, from econometric modelling, scenario framing, and economic impact analysis to market surveys, case studies, expert panels, and web analytics. Underpinning Oxford Economics' in-house expertise is a contributor network of over 500 economists, analysts and journalists around the world.

Oxford Economics is a key adviser to corporate, financial and government decision-makers and thought leaders. The company's worldwide client base now comprises over 1000 international organisations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.