

Navigating new talent pools

The sink-or-swim imperative of a global talent strategy



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INTRODUCTION

A global talent strategy

that opens up new international talent pools can help you build a dynamic team to future-proof your organization from hiring shortages and accelerate your growth

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Driven by an increasingly competitive battle for top talent, more and more companies are breaking out of geographical barriers for recruiting and hiring. Fewer workers plan to job hunt in the coming year, and despite economic twists like rising interest rates and inflation, workers continue to negotiate from a position of strength. With the global talent chasm projected to hit a staggering 85 million unfilled jobs by 2030, forward-thinking organizations are scouting new talent pools all over the world to fill open jobs.¹

To effectively recruit and retain international workers, your company must devote energy and resources to a robust global talent strategy.

Crafting a global talent strategy isn't just a matter of success—it's a matter of survival.

But what components are critical to a well-crafted global talent strategy? Besides locking in future-forward skills, what other advantages does it provide? What could derail you? Which strategic partners and tools will amplify your success?

In this ebook, we'll share our insights based on working with companies like yours in 170+ countries so you can align your global talent strategy with your organization's largest ambitions.

1 Korn Ferry

Where did everybody go?

A 2022 study shows that 75% of companies worldwide struggle to recruit effectively, and one in five organizations has an average of 1,000 unfilled jobs. Some of that comes down to a sudden demand for specialized skill sets in fields like artificial intelligence, data science and other newer digital technologies. Businesses are also eager to hire individuals proficient in software development, web design, SEO and graphic design.

But a lack of niche skills doesn't tell the whole story. McKinsey & Company attributes the mismatch to a fundamental shift in how people want to work and what they expect from their careers. What attracts workers to new companies goes well beyond salary and total compensation. A lack of career development, uninspiring leaders, corporate cultures that don't emphasize purpose, and a crackdown on flexible work options have driven people into new jobs, new industries or even nontraditional gigs. Globally, given how many people favor remote work, many organizations are looking to international markets to fill positions and sustain growth, and as a result, global hiring is up 145%.



Global hiring by the numbers

In 2023, 42% of organizations recruited outside their borders

<u>Source</u>

To seal talent gaps, 52% of C-suite execs think they have to train existing employees to be internationally savvy (vs. 16% who plan to recruit locally)

<u>Source</u>



42%

<u>Source</u>

- 2 PR Newswire
- 3, 4 Indee
- 5 McKinsey & Company
- 6 Unleash





Digital nomads

The flexibility of remote work has made it more viable for organizations to tap into global talent pools and reap the rewards of a mobile workforce. In 2023, there are over 40 million people digital nomads. In fact, so many are embracing the ability to work from anywhere that programs have bubbled up to help people with remote gigs find places to stay while traveling, including co-working space and opportunities to socialize with fellow expats. This cultural shift creates opportunities for businesses and workers alike in our increasingly connected world.



Remote work isn't new, but despite more companies asking employees back to the office full-time, it isn't going away, either

40+ million

Digital nomads worldwide

Source

17.3 million

U.S.-based digital nomads

<u>Source</u>



\$122,859

Average annual earnings of a Millennial digital nomad

Source

Going global is a virtuous circle. A more diverse workforce helps you attract more talent—55% of job seekers say it is very or extremely important to work somewhere that prioritizes diversity and inclusion. You'll also keep them around longer since diverse teams have higher morale and lower turnover. So, where do you start?

7 <u>Pumble</u>

8,9 Indeed

5 _____

Where in the world?

If you're not sure where to point your talent search, lean into these Dos and Don'ts from Jenny Truax, Head of Global Talent Acquisition for Safeguard Global, who has nearly 30 years of recruiting experience

DON'T

recruit everywhere

"I once got 4,000 applicants within 48 hours, and that's overwhelming." Even if you're open to hiring from anywhere, Truax recommends working in just a handful of markets at any given time, starting with solid research to hone your targeting.

DO

tailor your approach by locale

Japan is particularly challenging, Truax notes. Employer loyalty remains widespread and workers are often reluctant to speak to recruiters. Her team learns and course corrects as they go; consulting local experts is a smart option.

DO

research where the talent is

"When we're looking for software developers, we research where the greatest density of developer talent is. You can learn a lot with search and there are tools that do market analysis. There may be skilled talent in one locale, but if there are only a dozen people with the specialty you need it's going to be hard to recruit." In India, for example, the cities of Mysuru, Madurai and Nagpur are rich with talent skilled in blockchain and cybersecurity. ¹⁰

DO

be mindful of cultural differences

"It's important to understand local employment legislation, customs and culture, like how candidates communicate. In some countries we use telephone calls or email, in others we rely on WhatsApp," Truax explains. Her teams rely on LinkedIn in most geographies, but switch to local job boards in places like India, Mexico and certain Middle East countries.



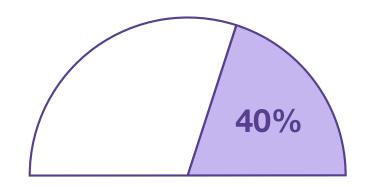
10 Deloitte

How to grow when the talent pool is shrinking

A company is its people, and an increasingly competitive market is making them harder and harder to find. Globally, 40% of companies have embraced hybrid work policies and an additional 16% have gone fully remote. That means more companies are competing for the same talent the world over. As a result, spelling out how your organization will attract, retain and develop the workforce you need to meet short- and long-term business goals is more critical than ever. A global talent strategy rallies your organization, from leadership to management, to work toward a common goal. Here are the key components to include in yours.

The real competitive advantage in any business is one word only, which is people,

asserts Kamil Toume, author of Separating Grain from Chaff: Redefining Leadership About its
True Meaning and other insightful works on business leadership, including his upcoming book,
Chief Purpose Officer



Sync up

Whether you're recruiting beyond borders because you do business in international markets, or you're hunting for new talent pools to fill employment gaps, a successful global talent strategy must align with business goals. HR's job is to identify the talent needed to achieve them. Which positions need to be added or backfilled? What skills are required? What attitudes and behaviors fit the culture you have or want to build? What is your budget? To succeed, the entire management team -C-suite, HR, finance and department heads-must all believe in and commit to your talent strategy.

Game-changing leaders not only excel at articulating the vital importance of talent management but also are heavily engaged in their companies' actual practices.

They demand that their line leaders be accountable for spotting, developing, and retaining the next generation of leaders.

Harvard Business Review

11 Not

The total experience

Define the processes and programs you'll need for each phase of the employee lifecycle. Taking a holistic view will help you balance the needs of individuals, departments and the organization at large. Here are the questions your global talent strategy should answer.

A global talent strategy lets you tap into diverse perspectives and experiences, overcome skill shortages and enhance workforce productivity

Acquisition

- Which positions do you need to fill?
- Where will you search (which markets)?
- Who in your existing talent pipeline is a qualified match?
- Are any of your current employees a potential fit?
- Is your interviewing process able to comfortably handle different time zones, cultures and languages?
- What are salary benchmarks, by job and by locality?
- Which benefits are required by law, by job and by locality, and which would you like to add?

Onboarding

- Does your process cover the basics (job duties, benefits, technology) as well as soft skills and culture?
- Do you need to adapt any processes to different languages, time zones or locations, and if so, how?
- How will you tailor onboarding to different audiences (fully remote, hybrid and onsite)?
- How will you offer language support, cultural training and workspace (if needed)?
- Does your technology support your processes?
- Have you addressed both the new hires and the team they are joining?

Retention and engagement

- How do you encourage and facilitate cross-cultural and cross-geographical collaboration?
- What kind of ongoing education and upskilling do you offer?
- Are there additional courses tailored for remote international workers?
- Do you have or need a mentorship or buddy program?
- How will you provide feedback and recognition?
- How will you gather feedback from employees about what's working and what's not?
- How do you motivate people?
- What kind of extracurricular activities, clubs or opportunities are available?

Your value proposition

To attract and retain the best people in any country, you have to go beyond basics. Sure, salary matters, but other things, such as culture, diversity and career development, are important enough that candidates will reject or leave a job over them. That's where an Employee Value Proposition (EVP) comes in.

An Employee Value Proposition is what you, as an employer, offer your team members. A great EVP covers all compensation, benefits, career development and any other perks. It should also touch on company culture including work-life balance and remote work opportunities. Not only does an EVP help you attract and retain talent better, but it also benefits the organization by decreasing turnover by nearly 70% and increasing new hire commitments by almost 30%. Conversely, 65% of candidates have walked away from a job prospect because of an unattractive EVP.

Employer branding goes hand in glove with an EVP. It should be rooted in your vision, mission and value statements. When you're hiring abroad, especially in a market where potential employees may not know your brand well, if at all, investing in who you are and what you believe can make a big difference in recruitment efforts. A LinkedIn study from 2023 found that a strong employer brand can cut your cost per hire in half and shorten your hiring timetable.¹⁵

12, 13 Gartner

seriously.14

14 Gartner

15 LinkedIn

16 ESF

17 HR Dive

As Head of Global Talent Acquisition at Safeguard Global, Jenny Truax recently led the company's employer branding efforts. "Our employer brand intentionally looks different from the customer-facing brand you'll see on our website. The focus is people-centric: What does a potential employee get in exchange for joining our company?"

And they've seen results. "We're getting more and more feedback from our team that candidates have heard of us or know of us as an employer of record. We've taken steps to ingrain it in every stage of the employee lifecycle, starting with our careers site and talent acquisition content on social media. We created an EVP-specific tagline, *A job that works for you*, to reinforce what we offer."

If you build it...

In a survey conducted in December 2023, 90% of hiring managers had trouble finding skilled candidates for open jobs, and 58% noted that it was taking longer to fill jobs than it had the year prior. Another study learned that only 36% of workers plan to look for a new job during the first half of 2024, a figure that's down from 49% in July 2023. All to say, it's not getting any easier to find the best people. That's why you need to create and nurture a global community of potential candidates — not just for the jobs you need to fill now, but to build relationships for future positions.

Populate your international talent pool with well-qualified candidates who apply or interview for a job but aren't hired. Freelancers and other short-term workers should also be included. To recruit passive candidates who aren't currently looking for work, maintain a strong social media presence on LinkedIn as well as local or niche platforms where applicable. More traditional ways of meeting candidates like job fairs and networking events are options if you have people on the ground where you plan to hire. Otherwise, employee referrals and recruiting databases can also beef up your community. Segment your database into pipelines so you can keep prospects warm and engaged with relevant messaging; some HR teams create skill-based personas, while others segment based on geographical location or career stage.

GO WHERE OTHERS DON'T

The issues that plagued companies trying to fill open reqs in 2023 are poised to remain a problem throughout 2024

49%

can't find candidates who fit the company culture

48%

aren't able to meet salary

42%

don't get enough people applying for open roles

Luckily, sourcing people from new markets is only one way to tap into additional talent pools. Here are a few more potential employees to target, no matter where you're hiring.

Existing employees

Not only does recruiting internally fill open positions, but it also changes your company for the better. Companies with a growth culture are 3.7 times more likely to benefit from improved innovation and almost five times more likely to be considered a great work environment.¹⁸

Amazon, for example, has invested \$1.2 billion in educating and reskilling 300,000 employees,¹⁹ and created the Amazon Technical Academy to prep non-technical team members for roles in software engineering.²⁰

People returning to the workforce

The Mom Project found that roughly 43% of highly skilled women leave their jobs behind when they welcome a child.²¹ (In countries with liberal parental leave policies, this isn't limited to moms.) As children age, many parents return to paid work. Flexible schedules, remote or hybrid work, help with childcare costs, backup childcare options for emergencies and private spaces for nursing moms go a long way to wooing this worker segment. Companies including Goldman Sachs and IBM offer so-called returnships that provide training and networking opportunities to anyone who's been out of the workforce for a long time.

Underemployed populations

Only 8% of businesses recruit from underrepresented groups.²² That includes single parents, expats returning home from abroad, people with disabilities and caretakers; in some places it also includes racial or ethnic minorities. The prevalence of remote work means it's easier than ever to accommodate diverse needs, and internal upskilling/reskilling programs can bridge the gap between someone's experience and their potential.

THE AGILITY PRESCRIPTION

According to Gartner, adopting agile recruiting processes can increase your productivity by 31%. HR agility is characterized by flexibility and collaboration, which help you quickly ramp up recruiting, hiring and onboarding anywhere, at any time. An agile approach to HR is also human-centered, which can increase the likelihood of having a deep talent pipeline fivefold. Agile performance improves not only efficiency, but also innovation, and it empowers teams to work more independently to accomplish their goals.

Learn more about <u>how agile HR processes</u> can help your company grow

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Hiring internationally isn't just good for hiring

Working with a global talent pool might be a game-changer when it comes to closing job regs, but building an international team offers other benefits as well. When you expand your talent search across borders, you open up opportunities to people of different cultures, beliefs and life experiences. This ushers in a diversity of perspectives, which is proven to increase business innovation. Fresh thinking challenges long-held assumptions and leads to the development of products and services that meet a wider range of customer needs. When your customers win, you win.

Kindle innovation

39% Research from McKinsey & Company found that 39% of people will turn down a job offer or drop out of a hiring funnel if a company lacks diversity, emphasizing the importance of embracing international talent to create an inclusive work environment.²⁶ But the benefits of a global workforce go well beyond fulfilling DE&I initiatives. Geographic expansion inherently creates more equitable access to job opportunities. Rather than staying localized and homogeneous, widening your search internationally draws in talent you may have otherwise overlooked.

Understanding and respecting cultural differences is how businesses develop cultural competence, which in turn enhances customer satisfaction and creates strong internal bonds that enhance employee retention. Culturally competent organizations are better positioned to navigate cross-cultural interactions with ease, which is invaluable for negotiations, relationship-building with global business partners, and collaboration within and outside teams. Moreover, a culturally competent workforce can provide unique market insights and in-depth knowledge that can help you make informed decisions and adapt to market trends more effectively.

Culture does not make people. People make culture,

proclaims Chimamanda Ngozi Adichie in her novel *Americanah*

Adichie is a celebrated Nigerian author known for her insightful commentary on social issues and identity including Half of a Yellow Sun and Purple Hibiscus

Diversity and decision-making

The less homogenous your organization, the better you function. Diversity of gender, age, geography, culture and experience among your workforce leads to decisions made twice as fast, with fewer meetings.²⁷

Your organization will also make better decisions 87% of the time that yield better results 60% of the time. And, since effective decision-making is 95% correlated to financial results, these decision-making advantages also show up in your bottom line.²⁸

Smarter wallets

Global hiring also offers cost-cutting opportunities. By establishing operations or hiring in countries with lower labor or production costs, companies can achieve significant savings without compromising on skill levels. One example: The average salary for a software developer in the U.S. is USD\$110,140, while the same role in Japan carries an average wage of just USD\$36,024 and in Nigeria, it's as low as USD\$7,255 annually—a significant difference for one employee but even more so when multiplied by an entire department. Hiring in India can yield additional financial incentives via tax breaks, special economic zones or support for training. Recruiting globally can also improve operational efficiency by enabling round-the-clock operations in different time zones, enhancing customer satisfaction and opening up new markets. By recruiting globally, HR leaders can tap into cost-efficient talent pools that support the strategic goals of the business.

Future-proof your talent pipeline

A bigger, more affordable talent pool is particularly crucial in today's competitive landscape, where the unemployment rate remains low and talent is at a premium. A global talent strategy ensures a diverse range of skills and perspectives, crucial for innovation and adaptability. By looking beyond local or national borders, companies can find more qualified candidates, often at a significantly reduced cost. This approach not only fills immediate skill gaps but also sets

you up for longer-term security by ensuring a steady influx of top hires.

THE DIVERSITY-INNOVATION LINK

Employing people from different cultures and backgrounds makes your company more competitive and more successful

more likely to capture new markets

more likely to gain market share

more likely to be more productive

26 McKinsey & Company

27 Cloverpop 28 Forbes

30 India Briefing

31 Forbes

Roadblocks to uniting a global workforce

Building an international workforce can address your talent deficit as well as boost business innovation and growth, but it isn't without challenges. When you operate in more than one country, you have to work harder to maintain company culture across geographical and experiential divides. Some teams will have to learn unfamiliar social norms and work customs, and you must be sure you're following all employment laws and regulations in every single locale.

Global give and take

Growth requires evolution. You have to adapt work processes and policies to account for more people, new roles and changing business objectives. When your team is dispersed across time zones, countries or continents, the task becomes more complex. Not only must you effectively communicate what your existing culture is to new hires, you also need to incorporate their needs and norms into how you operate.

The Harvard Business Review recommends translating company values into specific behaviors to avoid misunderstandings. Take "respect" as an example. Netflix's corporate culture is characterized by frank, direct criticism, a style that Americans have embraced as a powerful motivator. But in Japan, Netflix employees weren't comfortable giving or receiving such candid feedback in front of others.³³

Expectations around work commitments differ significantly by country. Americans work more than their European counterparts, averaging more than 1,767 work hours a year, whereas in France, where the typical workweek is 35 hours long, the average number of hours worked annually is 1,402.³⁴ By law, lunches are also employer-subsidized and can easily last two hours and include alcohol, which is typically offered in office cafeterias. Decide where to let local preferences reign and when you need people to conform to corporate expectations.

Foreign exchange

Cultural training is a two-way street.
You want to export your existing culture to new employees, but a multicultural organization must also educate the existing team about social norms and expectations in the regions where they regularly interact with workers. How do managers share performance feedback with direct reports? How much time is spent discussing personal life in meetings before they begin? How important is timeliness? How do you celebrate employee achievements? All of these things are dictated by culture.

Japanese companies require asking a manager for input on decisions as a sign of respect, whereas Swedish companies typically enjoy flat hierarchies that empower employees to make decisions more autonomously. Colleagues in Sweden also enjoy an afternoon break, called a *fika*, with coffee and a snack, whereas French workers may socialize over lunch

but their personal lives are not traditional conversational fodder. To understand and accommodate different work styles, you'll need to add cross-cultural training to employee development.

- 36 Inverse
- 37 Safeguard Global
- 38 Littler
- 39 Fair Work Ombudsman
- 40 SF Tax Counsel

From culture to compliance

Just as work norms and cultural expectations change by geography, so do employment laws. What's considered an optional bonus in one country is a mandatory 13th-month paycheck in another. Someone you pay as a freelancer in Spain might be considered a full-time employee by Spanish law, putting you at risk of fines and other noncompliance penalties. As an employer, it's your responsibility to know all the applicable labor laws and regulations in any country where you engage workers—and they're always changing. India, for example, has roughly 165 labor laws and the government recently consolidated all federal employment laws into four codes: the Code on Wages; the Industrial Relations Code; the Occupational Safety, Health and Working Conditions Code; and the Code on Social Security. Similarly, the United Arab Emirates (UAE) recently overhauled overtime regulations, extending limits to all employees, even managers and supervisors, to improve employee well-being.

Failure to follow the law can result in a range of penalties, some quite serious. Worker classification—meaning whether you compensate someone as a full-time employee with benefits, or a freelance contractor paid by the project—can be particularly perilous. In Australia, you can be fined AU\$93,900 for misclassifying a worker's employment status; ³⁹ in Mexico, the same crime can cost you up to 5,000 times the minimum wage.⁴⁰

Employing people in countries where you don't have an HR and/or legal department or expertise in the local regulations can jeopardize your corporate reputation and finances, even your ability to continue doing business. Finding an on-the-ground partner who can stay on top of ever changing legal requirements ensures you don't run into trouble.

A firm's culture is strongly related not only to its performance and value, but, importantly, to the way it handles change, fosters workplace well-being, and espouses ethical practices.

Harvard Business Review

17 ______

³³ California Review Management

³⁴ The Barrett Group

³⁵ Am I French Yet?

Global employment, local expertise

Understanding how to navigate a new market comes from employing and trusting people on the ground, and it can be the difference between failure and success. Cultural gaffes tanked Airbnb in China because the company couldn't overcome local travelers' discomfort with staying in a stranger's home. Few organizations have sufficient inhouse knowledge to add new countries to their employment roster without considerable time to ramp up on legal and cultural matters. A number of resources will make executing your global talent strategy easier.

GEO is the employer of record from Safeguard Global. It acts as the local legal employer, hiring employees on your behalf, managing payroll and benefits, and keeping up with ever changing local laws and tax requirements so you don't have to.

Don't go it alone

Keeping up with ever changing legal requirements in multiple countries typically can't be done well by outsiders who lack the necessary institutional knowledge. Penalties vary by country, but in both the UAE and France, certain violations can include jail time for managers. Contracting with legal ⁴² and HR specialists wherever you employ workers is the best way to ensure that you aren't violating any laws. Hiring internationally with an organization called an employer of record (EOR) gives you access to in-country experts who understand local employment regulations, from HR to payroll, no matter how complex.

An EOR can help you execute your global talent strategy in a number of ways. Local teams can help you craft attractive offers, ensure contracts and other hiring paperwork are done properly and, once someone is hired, oversee payroll, including tax withholdings and social entitlement contributions. Some will also take on recruiting responsibilities, freeing your team to focus on more strategic tasks.

Outsource employment

To employ full-time workers in another country, you have three options.

Hire local independent contractors
Sometimes short-term or project-based
workers are the right choice (just be sure
you're in compliance with local regulations to
avoid serious penalties)

Establish a local entity You need a legal presence anywhere you plan to hire employees directly

Partner with an EOR
An employer of record already has a local
entity and can hire workers for you, or
convert existing freelancers to employees

If you're recruiting from other countries because that's where the talent you need is located, opening a local entity likely won't be a priority, or even a possibility. If international expansion is part of your business plan, entity setup may be as well, but it can take time to clear all of the hurdles like opening a bank account, completing the necessary legal documentation, renting office space and bringing on board the right people. If you find the perfect candidate with the qualifications you need, but you're not legally ready to hire them, will they be willing to wait until you can? Or will they take another offer? Time may not be on your side.

Not only does an EOR advise you on cultural expectations, help you craft attractive compensation packages, and ensure compliance with local labor laws, but it can also hire on your behalf because it's already done the work of establishing a local entity. The EOR handles hiring, payroll and ongoing in-country support, but your workers report to you. EORs like GEO from Safeguard

to you. EORs like GEO from Safeguard
Global also employ knowledgeable
international recruiters
to help you fill your talent pipeline.

ALWAYS-ON ASSISTANTS

Indispensable tech tools, from simple scheduling apps like Calendly and Chili Piper to Al and AR, automate and optimize recruitment efforts and help HR teams navigate diverse talent markets

Data analytics

Get valuable insights into recruitment trends, hone in on successful hiring strategies, track compensation gaps, enable employee interactions, enhance DE&I initiatives and more. Examples: DreamTeam, Tableau, Visier

CRM

Customer relationship management platforms help HR professionals manage talent pipelines, proactively engaging with talent, tracking interactions, nurturing leads and building strong relationships with candidates. Examples: HubSpot, Salesforce

ΑI

Al-powered solutions have emerged as game-changers that automate mundane tasks (screen resumes, match candidates to jobs), facilitate video interviews (recommend questions, assess body language, eliminate inherent bias) and keep candidates informed. They can also help HR shift to agile practices like prioritizing skills or potential over work experience. Examples: HireVue, Mya Systems

Job boards

LinkedIn is the go-to in many parts of the world, but not all. Regional job boards cater to specific industries, offer insights into local recruitment trends and help HR pros tailor screening strategies. In certain locales, they're a must. Examples: GulfTalent in the Middle East, Naukri in India

VR and AR

Virtual Reality (VR) and Augmented Reality (AR) let organizations showcase workplace culture, facilities and day-to-day operations in a realistic environment to give candidates a glimpse into their potential future workplace. Employers can also create immersive experiences that simulate real-world scenarios, perform product demos and train on safety protocols to enhance the onboarding process. Examples: Inhance AR, TalentQuest, STRIVR

⁴¹ Chinese Tourist Agency

⁴² Qureos



GEO, your global employment partner

Safeguard Global enables global expansion without the risk. As a pioneer in global workforce enablement and Employer of Record (EOR) services, Safeguard Global helps organizations quickly and compliantly recruit, hire, pay, and manage teams in nearly 190 countries, without establishing legal entities. The company's technology platform is backed by over 400 experts working in 65+ countries who deliver human support when it matters most. With a breadth of global workforce solutions that also includes HR, benefits, accounting, legal, visa and immigration, and tax services, Safeguard Global guides customers with the expertise and support they need to scale faster and hire smartly around the globe — wherever they are in their expansion cycle. At Safeguard Global, borders become bridges.

Contact us today to get started

Safeguard Global is a future of work company that helps workers and companies thrive in the global economy. Backed by a data-rich technology platform, local expertise and industry-leading experience, Safeguard Global provides end-to-end solutions to manage people and scale operations. With Safeguard Global, organizations can recruit, hire, manage, pay and analyze anywhere in the world, no matter where they are in their growth journey.