TOTAL WORKFORCE INDEX™

2017 GLOBAL ANALYSIS

ManpowerGroup® Solutions

OPTIMIZING WORKFORCES IN A DYNAMIC ENVIRONMENT:

Workforce planning is an increasingly essential component of business strategy. The Total Workforce Index™ allows companies to gain deeper insight into talent trends and workforce composition data to enhance workforce planning decisions.

WHY TOTAL WORKFORCE INDEX™?

Employers are increasingly seeking to implement global workforce strategies that are sustainable. However, comprehensive data is required to enable those decisions. Workforce policy is ever-changing, therefore, factors like wages, benefits, leave and visa legislation must be continuously considered. Type of work, generational differences, diversity initiatives and gender parity also have an impact on local hiring practices and labor costs. The extensive amount of information available at the local market level can define the shape and mix of a workforce and support sourcing strategies, compensation levels and productivity measurements. While this data is becoming more readily available, it only provides value when paired with context and deeper insight.

Standalone indices and reports in the marketplace are insufficient to support an organization's unique global employment perspective. Geographic limitations, as well as employee classifications, create only fragmented viewpoints. The Total Workforce Index™ has evolved from this traditional segmentation to include both permanent and contingent workforces, providing a detailed view of how legislation and local culture impact cost-benefit analyses. The Total Workforce Index™ also yields comparative hiring models and location strategy based on skills availability, cost, regulation and productivity.

Which market operations have greater access to informal (Gig) workers?

What markets have higher rates of female participation in the workforce?

Which locations support expansion to a 24/7 shift operation with minimal overtime premiums?

These are the types of questions that the Total Workforce Index™ is designed to answer.

The Total Workforce Index™ is not a replication of available information. It is a resource designed to address the dynamic challenges of workforce planning today. Monthly data collection and updates to the market factors inform common priorities and requirements across our client base to develop a comprehensive view of the global hiring landscape. And, by assembling data in a meaningful way, the Index helps organizations make capital investments and business decisions based on revenue objectives, competitive insights, workforce enablement, risk factors and economics.

We invite you to explore how different markets and priorities impact each component of the workforce in the 2017 Total Workforce Index™ Report and the whitepapers and articles that will follow.

Kate Donovan

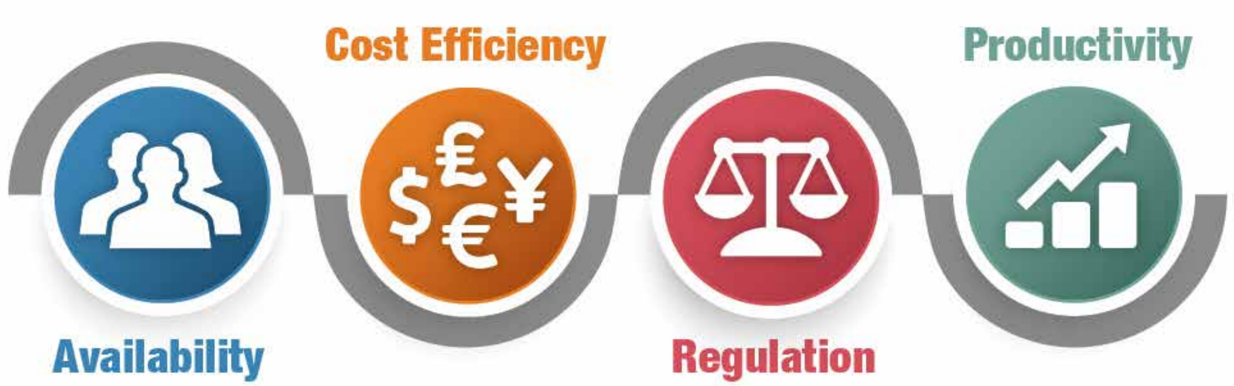
Kate Donovan
Senior Vice President, ManpowerGroup Solutions and Global RPO President

About the Total Workforce Index™

The Total Workforce Index™ measures the relative ease of sourcing, hiring and retaining a workforce in competing labor markets around the world. The Total Workforce Index™ compiles more than 90 key factors that relate to the Availability, Cost Efficiency, Regulation and Productivity of the workforce of each market. Unlike any other workforce index, the ManpowerGroup Solutions Total Workforce Index™ considers each aspect of the workforce and its unique dynamics, rather than inaccurately clustering contingent and permanent workers into a broad demographic analysis. The inclusive segmentation of the entire workforce introduces a new level of visibility and enables the review and analysis of all contingent and permanent workforce considerations, in addition to the sum of these two workforce segments.

Also setting the Total Workforce Index™ apart from other reports of a similar nature is the use of a proprietary ManpowerGroup formula. This formula assigns a numerical value to each market, comparing the relative opportunities and potentially negative impacts of entering one labor market versus another.

In this global Total Workforce Index™ analysis, an equal weight is attributed to each of the four categories: Availability, Cost Efficiency, Regulation and Productivity. A higher Total Workforce Index™ ranking indicates that a market is likely to support higher volumes of hiring – whether contingent, permanent or a combination of both – based on workforce quality and productivity.



Just as the Gross Domestic Product (GDP) of a market is used as an economic indicator; the Total Workforce Index™ may be used as an indicator of workforce potential. Total Workforce Index™ rankings provide important perspectives and insights that can influence both short- and long-term strategies involving workforce procurement, including:

- Capacity Planning
- Cost Savings
- Market Investments
- Merger and Acquisition
- Organizational Restructuring
- Workforce Mix

2017 Methodology

The Total Workforce Index™ scores each market on more than 90 unique factors. Each of these statistical factors is carefully weighted and grouped under one of the four categories: Availability, Cost Efficiency, Regulation, and Productivity. For the purposes of this report, each of the four categories received an equal weighting and therefore an equal share of influence when determining the final score and subsequent ranking of each market. In a consultative engagement, the weighting of each category would be adjusted so that the resulting rankings better reflect the strategic priorities of the organization.

Explanation of Markets Included

The 75 markets included in the Total Workforce Index™ are considered the best representation of the majority of the global markets that offer employers both contingent and permanent workforce engagement opportunities.

Country	Score
Argentina	2.01
Australia	2.60
Austria	2.36
Bahrain	2.41
Belarus	2.17
Belgium	2.41
Bolivia	1.59
Brazil	1.94
Bulgaria	2.25
Canada	2.84
Chile	2.57
China	2.22
Colombia	2.21
Costa Rica	2.24
Croatia	2.34
Czech Republic	2.43
Denmark	2.62
Dominican Republic	2.22
Ecuador	2.19
El Salvador	2.25
Estonia	2.59
Finland	2.37
France	2.07
Germany	2.39
Greece	2.31

Country	Score
Guatemala	2.04
Honduras	1.71
Hong Kong	2.97
Hungary	2.28
India	2.32
Ireland	2.81
Israel	2.69
Italy	2.18
Japan	2.34
Kazakhstan	2.20
Latvia	2.46
Lithuania	2.27
Luxembourg	2.35
Macau	2.50
Malaysia	2.46
Mexico	2.37
Morocco	2.07
Netherlands	2.58
New Zealand	2.99
Nicaragua	2.02
Norway	2.55
Panama	2.26
Paraguay	1.95
Peru	2.19
Philippines	2.52

Country	Score
Poland	2.25
Portugal	2.39
Puerto Rico	2.34
Romania	2.27
Russia	1.98
Serbia	2.19
Singapore	2.96
Slovakia	2.23
Slovenia	2.19
South Africa	2.42
South Korea	2.22
Spain	2.36
Sweden	2.55
Switzerland	2.56
Taiwan	2.27
Thailand	2.44
Tunisia	2.07
Turkey	2.27
Ukraine	2.10
United Arab Emirates	2.71
United Kingdom	2.73
United States	2.88
Uruguay	2.37
Venezuela	0.75
Vietnam	2.14

2017 Methodology (cont'd)

Definition of Total Workforce

Combines people in the contingent workforce and permanent workforce as defined below

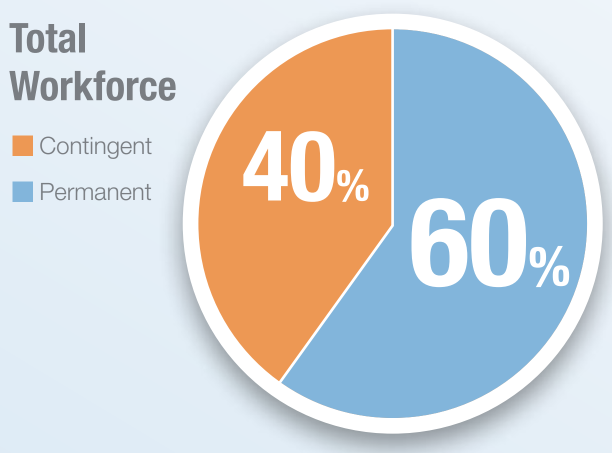
Definition of Contingent Workforce

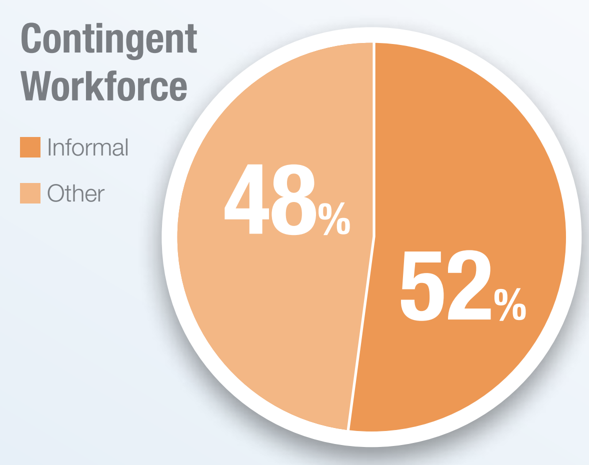
All non-traditional worker categories, including informal, contract, part-time and temporary labor

Definition of Permanent Workforce

Individuals considered to be full-time or staff employees

Total vs. Contingent & Permanent Workforces





The total workforce is comprised of both the permanent and contingent workforces. Furthermore, the contingent workforce includes informal workers together with all other types of contingent worker populations. This report includes rankings in all four categories for each market in all three of the primary workforce subsets: Total, Contingent and Permanent.

Total Workforce Index = Contingent Workforce Index + Permanent Workforce Index

While this report focuses on the Total Workforce Index,™ the full volume of data, rankings and information are also available for both contingent and permanent workforces. These are delivered through consulting engagements from ManpowerGroup Solutions with custom reporting that can deliver rankings that reflect the unique business strategies and workforce priorities of any global organization.

Categories

Over 90 unique factors are divided into four major categories that comprise the four evenly weighted metrics that determine the Total Workforce Index™ ranking for each market. ManpowerGroup Solutions uses a proprietary formula to determine the ranking of each factor within each of the following categories.

Availability

A relative comparison of the current skilled workforce in each market and the likely sustainability of that workforce based on emerging and aging workforce trends

Workforce availability is an essential consideration when evaluating potential markets. Consider this: If the labor pool in the market you are considering cannot meet the volume of talent required, does it matter that the market may be more cost efficient, have more flexible regulations or a higher production capacity?

Productivity

A relative comparison of the potential productivity of a workforce based on the number of hours an employer can compensate a worker at base pay

The balance between productivity and cost is a delicate one to strike in any market. Consider this: In many cases, the market with lower wages may, in reality, become more expensive, based on the length of the work day and number of days in the week, as well as the associated overtime costs.

Cost Efficiency

A relative comparison of wage, benefits, tax and operations metrics to suggest potential cost efficiency

Cost is a factor many organizations focus on when evaluating the hiring of additional skills. Workforce Cost Efficiency provides insight into the total cost of labor beyond simple wage and bill rate calculations, inclusive of statutory burdens.

Regulation

A relative comparison of how restricted the terms and practices of workforce engagement are based on a standard set of regulations

Regulatory factors influence the potential of a market to yield productivity and cost efficiency expectations. When a market is heavily regulated but highly cost effective with regards to wage amounts, it may still become more expensive than markets with more flexible regulatory factors due, among other factors, to loss of productivity.

Total Workforce Index™ Rankings

Top 10 Markets for Total Workforce Engagement

The top 10 markets, based on the rankings of the Total Workforce Index,™ are led by three APAC region markets: New Zealand, Hong Kong and Singapore. Rounding out the top five are the United States and Canada, both in the Americas region.

Worth noting is the fact that the overall rankings are influenced equally by the scores for each market in all four categories. If a global market were to perform 'very good' to 'excellent' in two or more of the four categories, the result would be that this market rises to one of the top ranked positions.

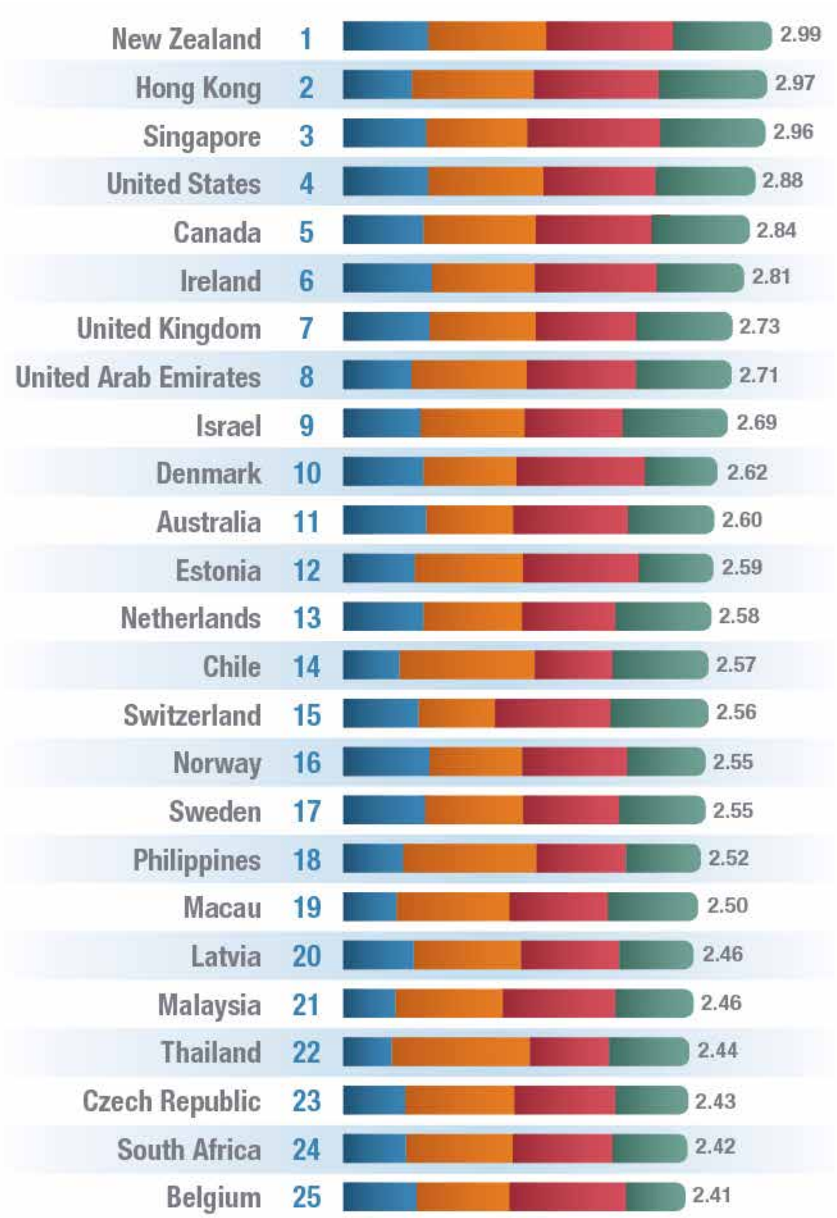
Markets with more variation in scoring and performance across all four categories typically fall in the middle of the spread and will not score as well overall when categories are evenly weighted. That said, the weighting of the Total Workforce Index™ categories is fully customizable in a consultative setting. For example, if an organization chooses to weigh cost efficiency and regulation influencers lower than availability and productivity, the top 10 would instead reveal a unique top 10 better suited for that organization's workforce strategy.

TWI Top 10 Countries with Score by Category

Top 25 Markets for Total Workforce Engagement

The majority of the markets in the top 25, but not the top 10, are in Europe, which continues to have many of the world's more mature workforces. Surprisingly, there are both similarities and differences among top-ranking markets. Some boast mature workforces in addition to more flexible regulations, such as the United States, United Kingdom, Canada, Australia and Belgium. Others offer flexible regulation yet have less mature workforces, including New Zealand, Denmark, the Philippines and Israel. Regardless, each of these markets have secured a top-25 ranking based on above-average performance in two or more categories.

Top 25 Countries by Total Workforce Index™ Score



For example, Estonia performs very well in both cost efficiency and regulation while receiving relatively neutral scores in availability and productivity. In a hypothetical top 25 where a higher weighting was attributed to cost and regulatory factors, Estonia would have the potential to rank in the top 10 and possibly even the top five based on organizational priorities.

Workforce engagement priorities and strategies differ widely between organizations, and business priorities have a substantial impact on the development of workforce planning. While the Total Workforce Index™ rankings are standardized for this report, fully customizable reporting based on the Total Workforce Index™ can be created in a consultative engagement to determine the markets that best meet organizational priorities.

Complete Total Workforce Index™ Rankings

The complete rankings for each market relative to the Total, Permanent and Contingent indices show why segmentation of the workforce is so vital to workforce engagement strategy. Considerations for permanent and contingent workers vary greatly across the four categories, and some markets perform far better in one subset of the workforce than in another. In fact, only five of the 75 markets in the Total Workforce Index™ rank among the top six in the Total, Permanent, and Contingent Workforce Indices, namely Canada, Ireland, New Zealand, Singapore and the United States.

Country	TWI	PWI	CWI
	Ranking		
Argentina	69	62	70
Australia	11	20	15
Austria	32	26	27
Bahrain	26	53	39
Belarus	61	56	63
Belgium	25	34	32
Bolivia	74	74	74
Brazil	72	64	72
Bulgaria	48	45	57
Canada	**5**	**5**	**5**
Chile	14	24	13
China	52	58	30
Colombia	54	49	46
Costa Rica	49	30	38
Croatia	35	35	45
Czech Republic	23	31	33
Denmark	10	8	14
Dominican Republic	51	69	48
Ecuador	56	70	58
El Salvador	47	55	36
Estonia	12	13	11
Finland	29	17	24
France	66	36	59
Germany	27	14	23
Greece	39	48	53
Guatemala	67	68	61
Honduras	73	73	73
Hong Kong	2	11	2
Hungary	40	47	56
India	38	65	17
Ireland	**6**	**4**	**6**
Israel	9	15	7
Italy	60	44	62
Japan	36	32	31
Kazakhstan	55	52	51
Latvia	20	16	29
Lithuania	43	18	42
Luxembourg	34	19	37
Macau	19	28	28
Malaysia	21	38	22
Mexico	31	54	25
Morocco	65	71	68
Netherlands	13	7	16
New Zealand	**1**	**3**	**1**
Nicaragua	68	66	64
Norway	16	9	18
Panama	45	33	35
Paraguay	71	72	71
Peru	57	41	47
Philippines	18	40	19
Poland	46	27	54
Portugal	28	21	34
Puerto Rico	37	39	26
Romania	44	37	43
Russia	70	57	69
Serbia	59	42	50
Singapore	**3**	**1**	**3**
Slovakia	50	46	49
Slovenia	58	23	52
South Africa	24	22	21
South Korea	53	60	60
Spain	33	29	40
Sweden	17	12	12
Switzerland	15	6	10
Taiwan	41	51	55
Thailand	22	43	20
Tunisia	64	67	66
Turkey	42	59	44
Ukraine	63	61	65
United Arab Emirates	8	25	8
United Kingdom	7	10	9
United States	**4**	**2**	**4**
Uruguay	30	50	41
Venezuela*	75	75	75
Vietnam	62	63	67

*There is no consistent valuation of Venezuelan labor costs due to current geopolitical and economic considerations in Venezuela that have resulted in extreme currency fluctuation.

Rankings by Category

Availability Overview

Workforce availability is an essential consideration when evaluating potential markets. As a category, it is comprised of factors that measure the size of the total workforce, as well as contingent and permanent segments, and supported by an array of metrics that are measured annually. These factors include but are not limited to workforce skill, education, gender parity and the generational breakdowns of the total labor force.

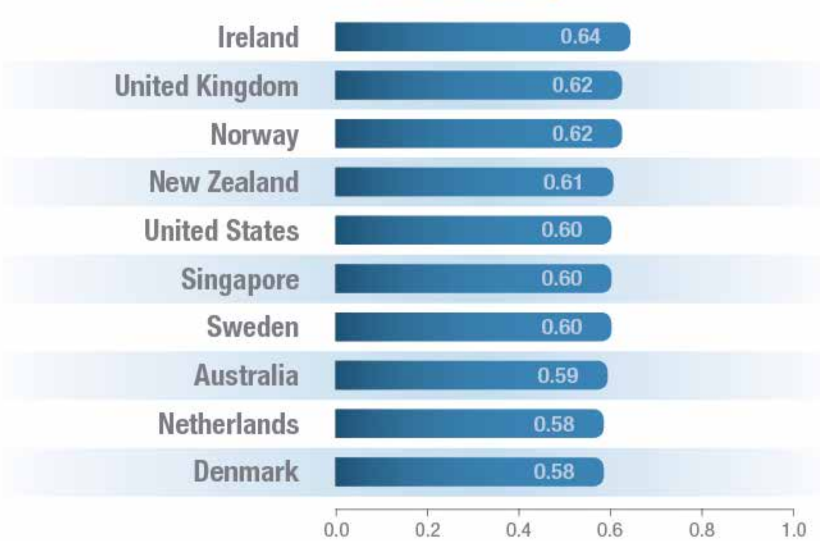
The top markets in workforce availability reflect a weighted preference for English proficiency, education and emerging workers based on current employer sourcing preferences.

As such, the markets with the highest levels of availability for targeted workers do not necessarily reflect the largest or most mature markets. However, these markets do represent competitive hiring opportunities when targeting certain dominant skills in each workforce.

Among these locations, other factors not captured by the Total Workforce Index™ can also impact workforce strategy. For instance, analysts report that nearly 40% of the Australian workforce has the potential to be replaced by automation in the next two decades and current initiatives to better align workforce skills represent opportunities for improved workforce strategies.

On the other hand, the nearly 20% of self-employed skilled labor in the Netherlands is fueling the momentum of the gig economy in Northern Europe. Despite higher labor costs, the Netherlands has one of the most skilled, highly educated and multilingual workforces in Europe. Languages found in the labor force include Dutch and English along with high proficiencies in German and French. These and similar market specific features affect the favorability of one market over another when matching markets to workforce priorities and skills needed.

Top Ten Markets for Total Workforce Availability



Cost Efficiency Overview

Cost efficiency is the relative comparison of various wages, benefits, taxes and operating metrics to suggest potential cost efficiency. Cost is a factor many organizations focus on when evaluating the hiring of additional skills. Workforce cost efficiency provides insight into the total cost of labor beyond compensation and is inclusive of statutory burdens and other costs.

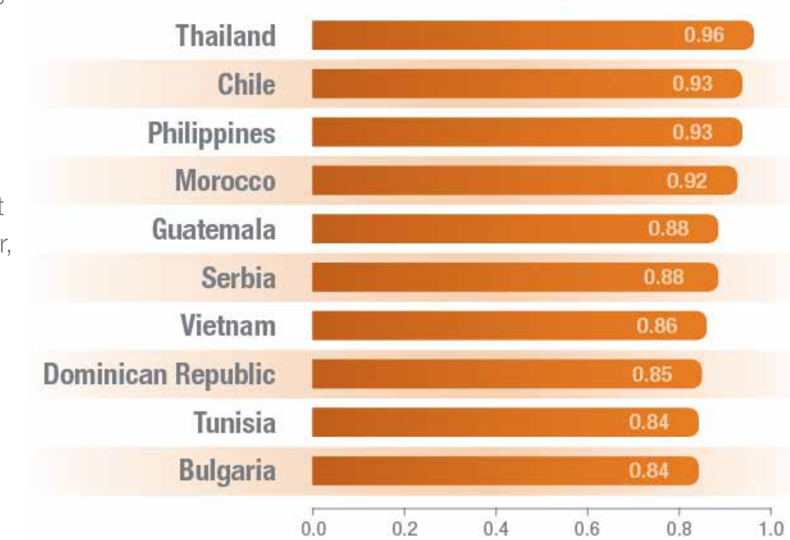
In line with shifting offshore/nearshore trends in the market, the APAC region no longer has a stronghold on the most cost-efficient global labor markets. In fact, when total labor costs are considered, rather than simply considering wages there are some Latin American and European markets that become unexpectedly more cost effective. In particular, overtime premiums and statutory burdens dramatically shift cost comparisons across these markets, when these costs are added to worker's wages to equal the actual cost of the engagement of workers in a particular market.

Because the focus is exclusively on cost efficiency, these markets may not support the aggressive hiring of a comprehensive set of job skills, but instead each can be leveraged for certain types of skills. It is also worth noting that these lower-cost markets tend to have less defined labor regulations related to workforce categories, statutory burdens and compensation. In the coming year, a number of regulatory changes can be expected that may impact some of these cost considerations.

For example, while being one of the more cost-efficient global markets, Morocco has contract labor restrictions such as fixed terms for permanent tasks and twelve-month tenure limitations. However, overtime benefits are minimal with only a 25% premium and no additional night or holiday work premiums, maintaining the cost benefits of local hiring opportunities.

On the other hand, Thailand has more relaxed regulatory measures regarding work visas for foreign workers. These more relaxed measures have allowed a 14% increase in skilled workers in the workforce in this market. This increase has been positive for local employers as Thailand has not invested in updating educational systems which is credited with general workforce efficiency but also a widening skills gap. A standard retirement age and severance policies that could affect employer policies in the future are currently being discussed by government representatives.

Top Ten Markets for Total Workforce Cost Efficiency



Rankings by Category (cont'd)

Regulation Overview

Regulatory overview is a relative comparison of how restrictive the legislation is for hiring practices in the selected workforce. Regulatory factors influence both sourcing and hiring practices as well as the potential of a market to yield productivity and cost efficiency. When a market is heavily regulated but highly cost efficient with respect to wage levels, it may become more expensive than markets with less regulation due to loss of productivity. The most common examples of regulatory factors that can raise costs by reducing productivity are in the defined length of a work week and overtime requirements. Each regulation will have a ripple effect on the hiring process.

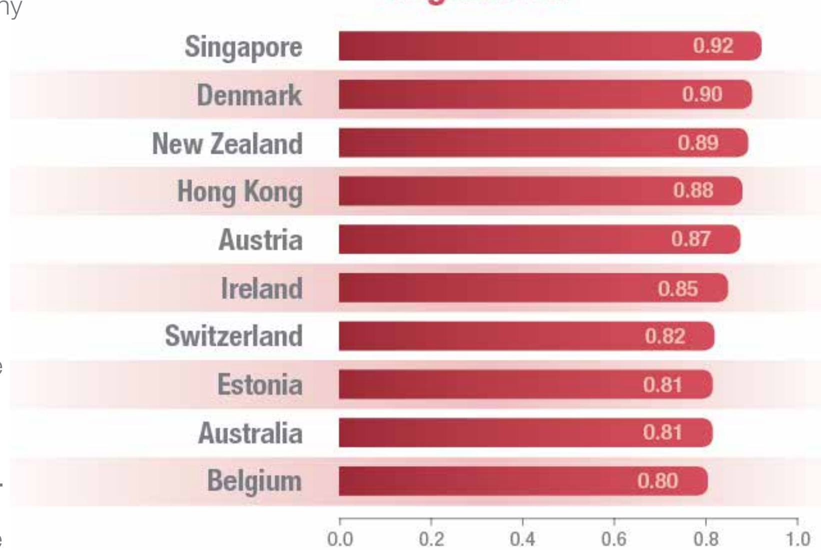
While each of the category rankings looks at a single aspect of the labor force, the regulatory framework of a labor market is potentially the most influential overall as it impacts each of the other categories to some degree.

The top markets for regulatory ease are certainly not the largest workforce economies, and the maturity of their regulations does not allow for any overlap among the most cost efficient markets. However, there is something greater to consider regarding these workforces.

Australia, Denmark, Ireland, New Zealand and Singapore all rank among the top 10 for both workforce availability and regulation, with New Zealand and Singapore also ranking among the top 10 markets for productivity. Again, while not necessarily among the world's largest workforce economies, each of these represents an above average opportunity for organizations looking to drive workforce strategy through labor arbitrage.

Among the four categories, Regulation might be the most volatile consideration in today's global workforce, and legislative nuances are usually in flux. For example, Belgium's Workable & Flexible Work Act removes working-hours restrictions and increases productivity, while Switzerland is considering new immigration restrictions and costs associated with contingent workers that could impact local workforce efficiency in 2018 and beyond.

Top Ten Markets for Total Workforce Regulation



Productivity Overview

Productivity is the relative comparison of the potential productivity of a workforce based on the length of a work day, the length of a work week and the number of work weeks within a year. Standard working hours, access to overtime work, and infrastructural efficiencies all have a bearing on the relative productivity from one market to the next and should be of prime consideration when conducting a cost-benefit analysis of one market over another.

Workforce markets with longer work days or more hours in work weeks offer higher opportunities for increased productivity without the added cost of overtime premiums. These markets are ranked not just for those workforce considerations but also due to more stable labor markets, and higher levels of infrastructural and technological efficiency. In some cases, this productivity is directly driven by labor-market growth.

While labor-market growth or evolution is not the primary factor in all cases, it is increasingly at the forefront in workforce evaluation across the Middle East and Latin America. Israel is a prime example with its workforce participation rate increasing by 4.5% since 2003. Labor force growth, that is, the growth of the population that is both employed and unemployed but able to work, is predominantly driven by women as well as by older workers following the increase of the retirement age in this market. In fact, Israel is the only Middle Eastern job market in which women account for more than 35% of the labor force and currently represent 47.3% of the total workforce, or people who are actively employed.

Likewise in Chile, economic growth is spurring hiring activity. Lowered taxes and programs geared towards the expansion of the skills base in the labor market, particularly in mining and construction, are creating a positive environment for future investment. The primary hiring strategy in this market is currently the use of foreign workers who now make up 15% of the workforce.

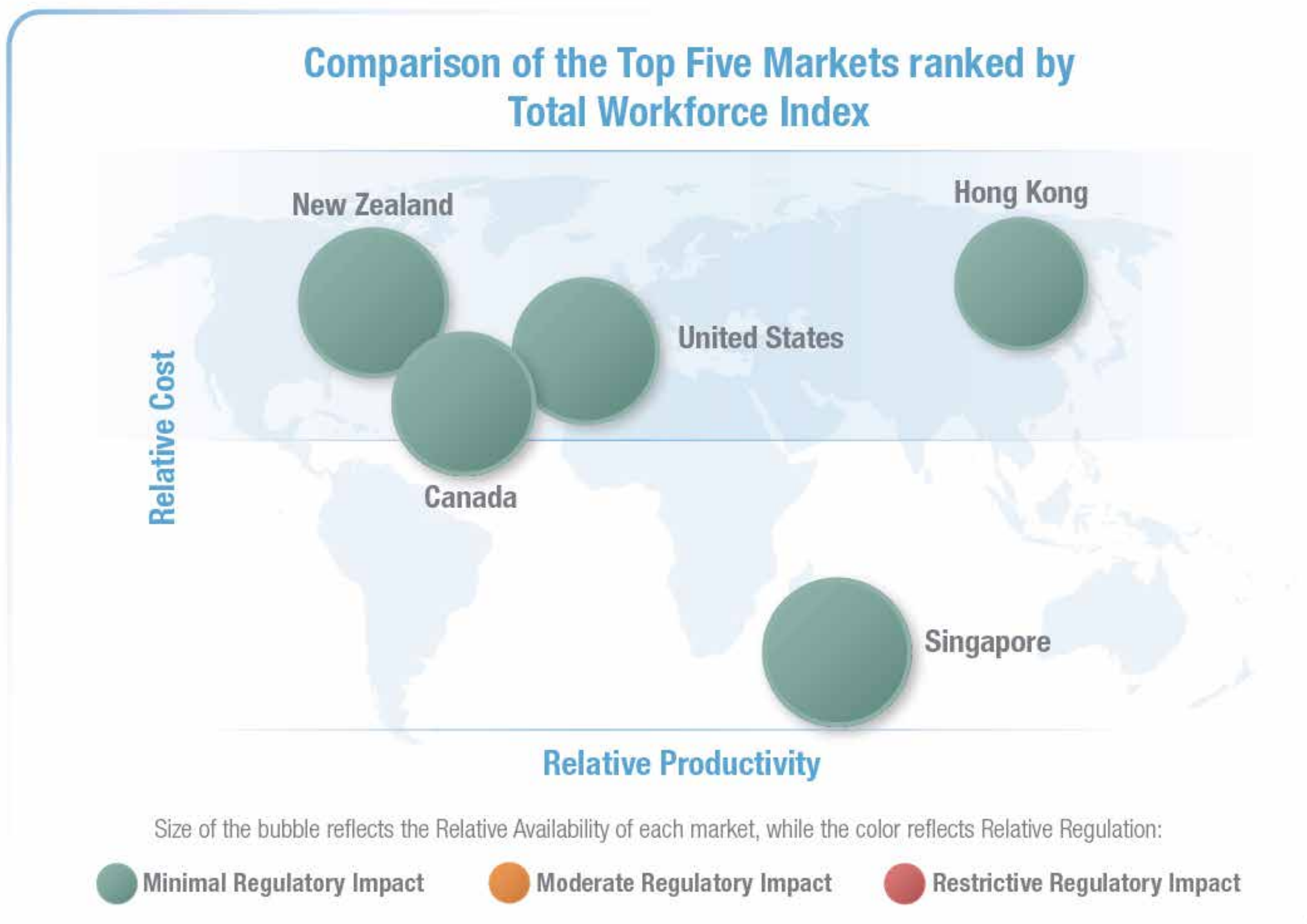
Top Ten Markets for Total Workforce Productivity

Top Five Markets Comparison

Top Five – Overall

The highest ranked markets in the Total Workforce Index™ are those with the highest relative performance across all four categories. When all four categories were weighted equally, and the ManpowerGroup Solutions' proprietary formula was applied to the more than 90 unique factors considered by the Total Workforce Index,™ New Zealand, Hong Kong, Singapore, the United States and Canada rose to the top of the rankings.

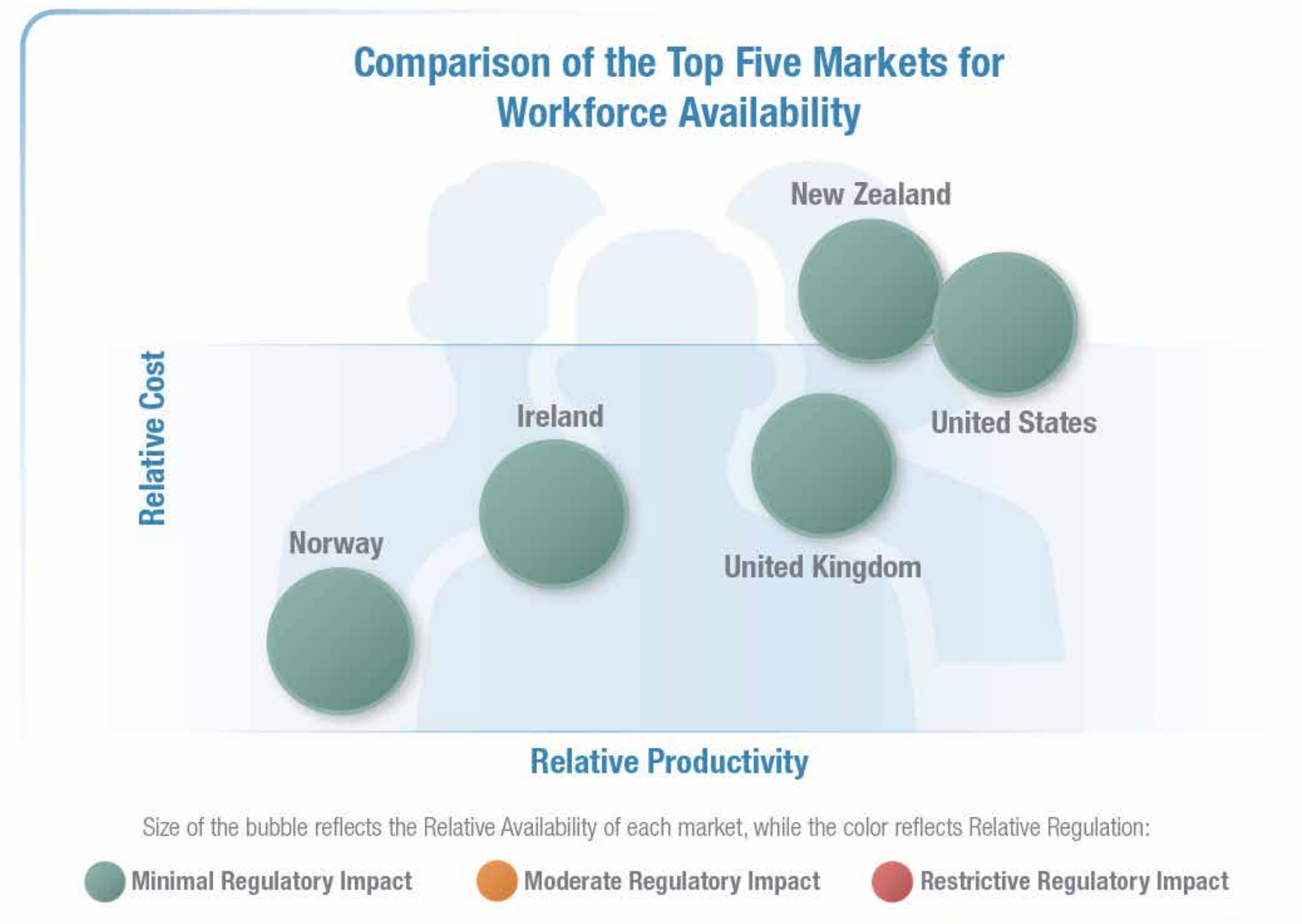
These top five markets as ranked by the Total Workforce Index™ rank higher than other top markets considered in the Total Workforce Index™ because of their ability to perform well across two or more of the four main categories of weighted factors, in addition to their having minimal regulatory impact and large workforce availability. Furthermore, these markets are the only ones to rank among the top 10 in all three workforce indices – performing well across all categories.



However, this does not exclude from consideration other top markets with emerging or smaller workforces – such as the Netherlands, Israel and Iceland – when considering prime workforce engagement markets for global expansion.

Top Five – Availability

Ireland claims the top ranking globally for Availability followed by the United Kingdom, Norway, New Zealand and the United States. Though these markets have scored most favorably in the Availability category, they are not necessarily the largest or most mature markets considered in this report. However, these markets do have the highest availability of skilled workers with a high level of English proficiency, as well as other factors favored by organizations hiring new skills in the current labor market.



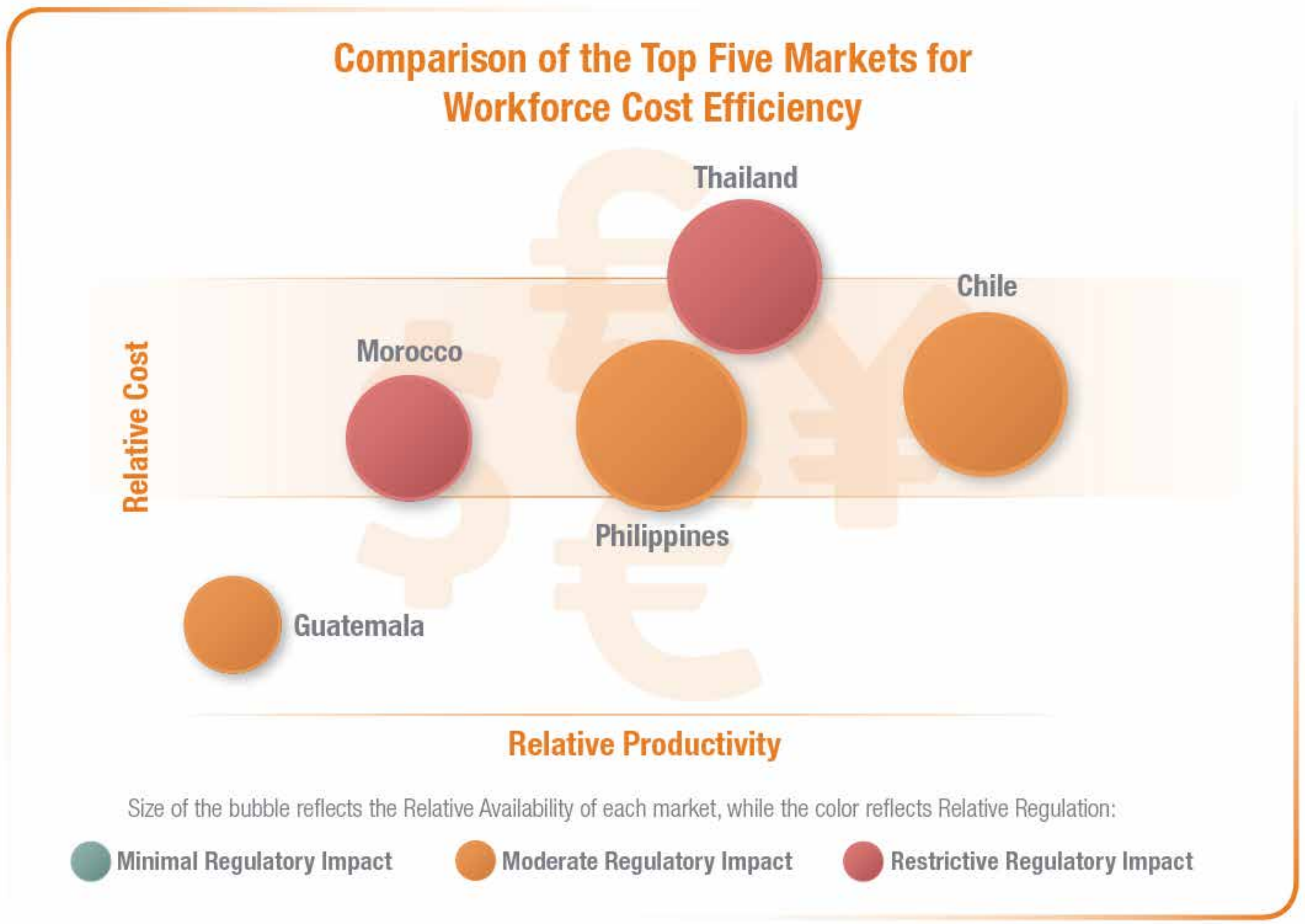
Ireland, New Zealand, and Norway, while noticeably smaller than the United States or the United Kingdom, boast above average ratios of skilled labor with highly educated and English proficient workforces. Additionally, they are boosted by emerging and informal workforce trends that substantiate the growing sustainability of their labor markets.

In Ireland, for example, a past exodus of workers in their 20s has recently been curtailed. One-third of Ireland's population is now under the age of 25, and its workforce is expanding at a rapid rate. They also have a very high level of workers with secondary and tertiary education increasing the availability of skills relevant to the job descriptions presently being filled by employers.

Top Five Markets Comparison (cont'd)

Top Five – Cost Efficiency

Thailand ranks first in Cost Efficiency, followed by Chile, the Philippines, Morocco and Guatemala. However, these markets present other potential challenges with regulatory constraints and low availability of skilled and English proficient workers, most notably in Guatemala and Morocco.



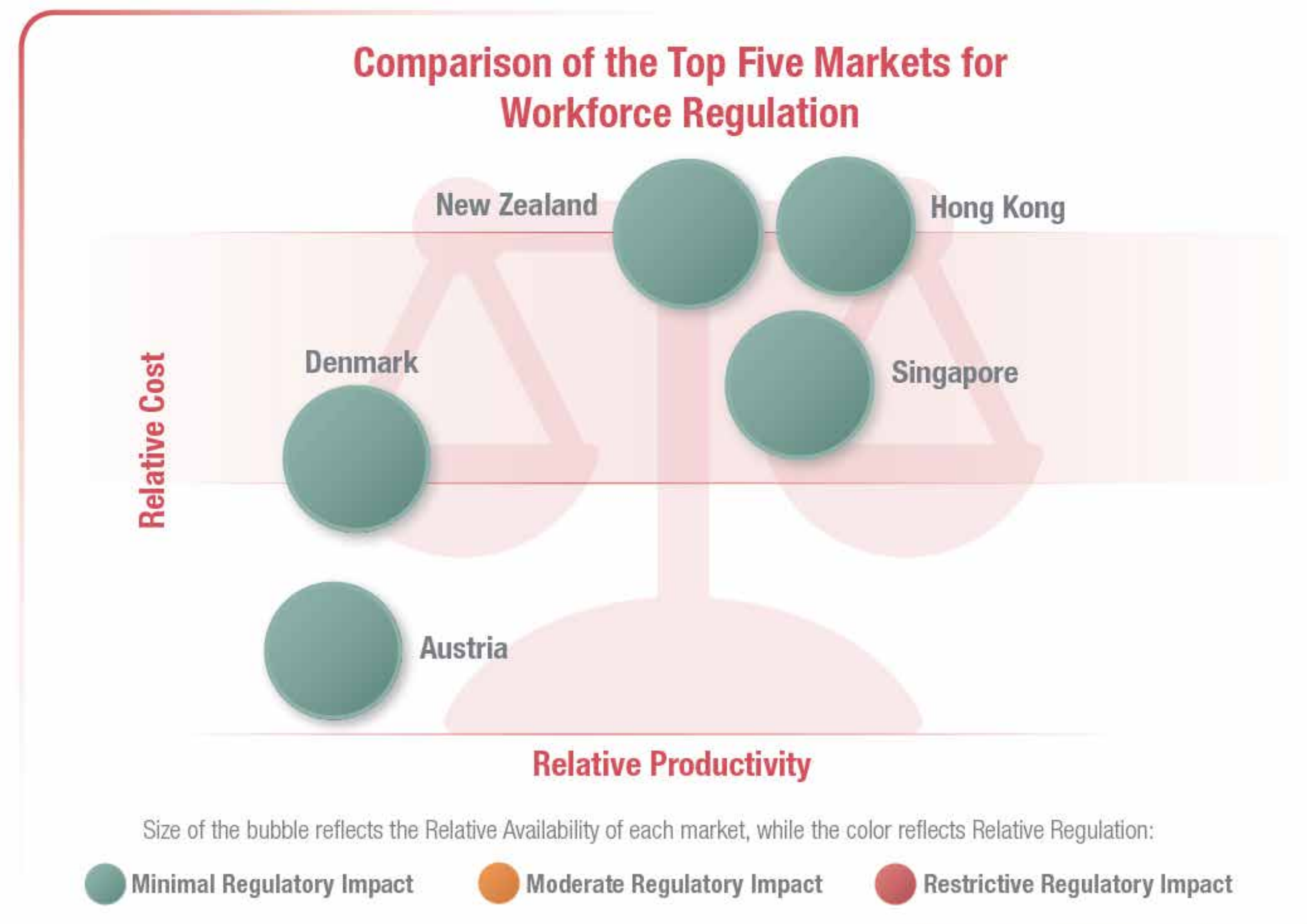
Traditionally the lowest cost markets also tend to be some of the least mature and, as a rule, have less consistent regulation and availability. The Philippines, however, is a recognized exception to this generalization. The Philippines recently passed legislation to ban subcontracting and enforce restrictions of contract terminations. While this may affect future cost efficiency, current national surveys indicate that nearly 70% of the workforce is contracted in some way – resulting in continued low wages creating challenges for emerging workers.

At the opposite end of the spectrum, Guatemala has minimal regulation as nearly 50% of its workforce is employed in agriculture where child labor remains prevalent. While cost may be low, regulatory factors and lack of skills can make the market less favored for engagement.

Top Five – Regulation

Britain's decision earlier this year to leave the European Union raised concerns about the potential for regulatory impact on both existing engagements and future procurement. That the UK is no longer subject to regulation by the European Union is an example of how regulatory decisions in one market can affect not only the workforce dynamics of other markets but also have global hiring implications.

Singapore, Denmark, New Zealand, Hong Kong and Austria rank in the top five positions in Regulation. In particular, New Zealand ranks third here but first globally in the Total Workforce Index™ when all four categories are combined. Favorable regulatory environments are created when many types of workforce engagement are available to organizations and maximum contract lengths, notice periods and severance requirements are minimal or not required. Because New Zealand requires none of these, they are ranked first globally in 'ease of doing' businesses.



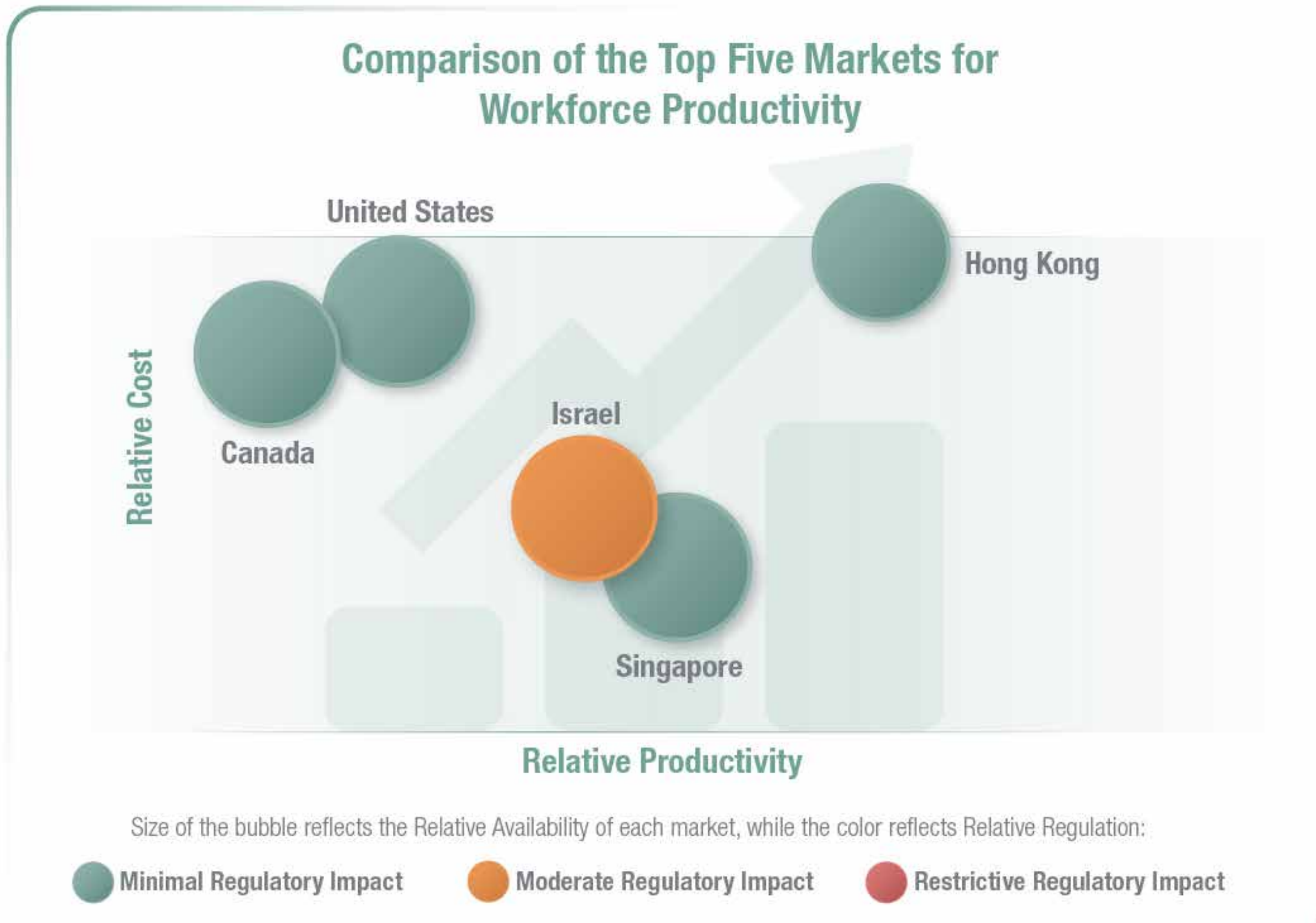
More relaxed regulatory factors make this and similar markets more competitive for future investment in local employment. This is especially important in markets where the competition for certain skills is high. Some of these markets even have legislation that gives preferential visa treatment to immigrants with skills considered part of a current skills shortage.

Top Five Markets Comparison (cont'd)

Top Five – Productivity

Productivity is a category influenced by all three of the other categories. When the perfect mix of Availability, Cost Efficiency, and Regulation align with business workforce planning initiatives, optimal productivity goals can be met or even exceeded. However, the top five markets for productivity may not necessarily be the case in all industries and sectors of business.

Recent trends suggest that market productivity has less to do with the simple benefits associated with the size of an economy, access to capital or technology availability within a certain market. Instead it may have more to do with technological readiness, available methods of workforce engagement – the ability to run manufacturing operations twenty-four hours a day for example – and both infrastructure and institutional efficiency.



Hong Kong, Singapore and Israel lead in this category, with the United States and Canada rounding out the top five markets. Adaptability, speed and innovation can also impact productivity, however a significant portion of the potential productivity of each market depends upon the human element of the equation.

Regional Overviews

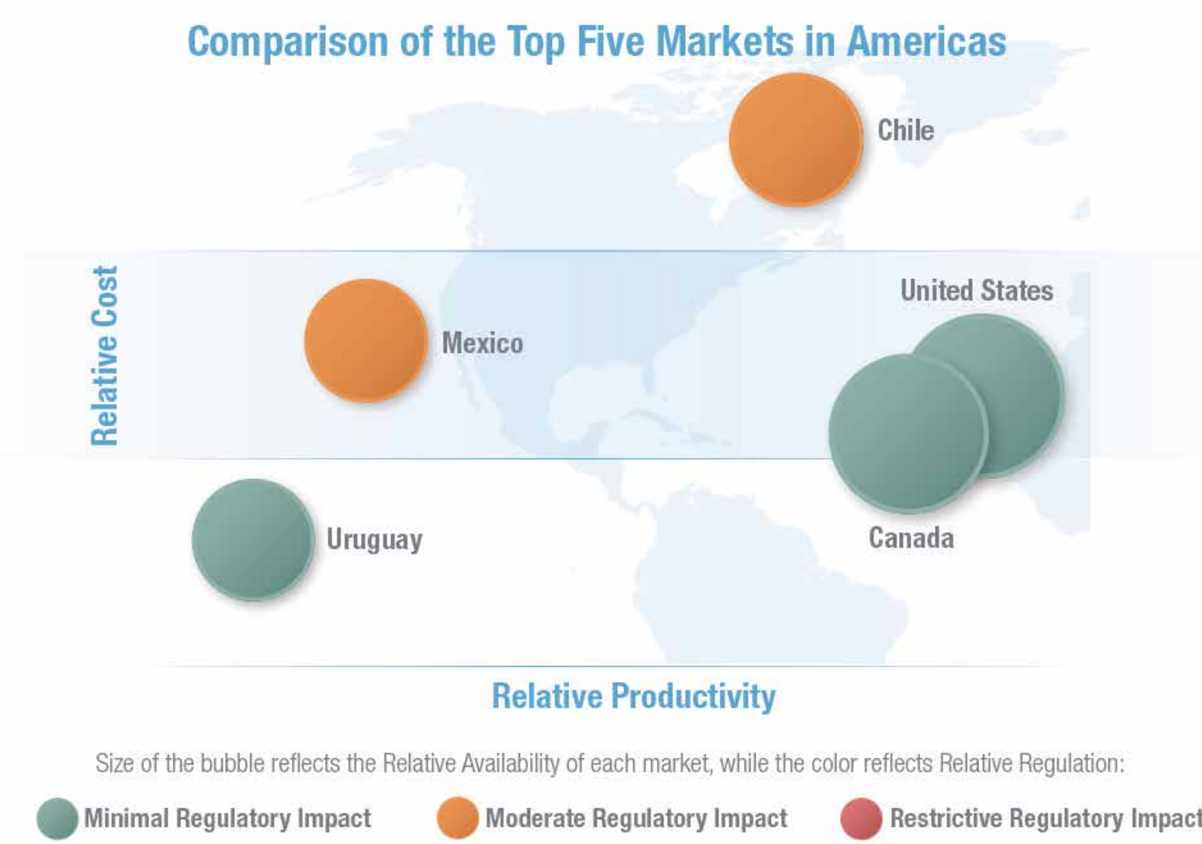
Americas Overview

Many would argue that workforce strategies in the Americas are more stable and mature than in some areas of Europe and Asia. Expansion of Managed Service Provider (MSP) and Recruitment Process Outsourcing (RPO) programs into Canada in addition to multiple markets in South and Central America is becoming more commonplace. However, this supposed "stable maturity" can be a dangerous assumption.

More often, micro-market changes have had as great an impact on local hiring practice as major legislative changes. In Canada, provincial law requires modified processes on a regular basis. In the U.S., there are now state- and city-level regulations for overtime, wages, paid leave and health care to consider. In South and Central America, shifts in organized labor, foreign workforce policy, statutory requirements and sourcing needs are increasing in complexity.

These are just a few examples that underscore the need for informed side-by-side views of each market. Whether looking regionally or globally, organizations must consider every element of local workforce dynamics.

Jamiel Saliba
Vice President and General Manager TAPFIN Global



Regional Overviews (cont'd)

Americas Overview (cont'd)

Top Five Markets in the Americas Region

The top five markets in the Americas region encompass a variety of regulatory factors and productivity impacting metrics such as the availability of skilled talent and cost considerations. The United States, Canada and Chile perform the best when each of the four categories are combined. For the United States and Canada, this is due in part to minimal regulatory impact and a well-established, mature workforce.

Complete Rankings for the Americas Region

The chart below shows the regional ranking of each market in the Americas region as well as its global ranking. These rankings take into account the total workforce in each market, and the resulting rank is determined when each of the four categories is evenly weighted.

Market	Regional Ranking	Overall TWI Ranking
United States	1	4
Canada	2	5
Chile	3	14
Uruguay	4	30
Mexico	5	31
Puerto Rico	6	37
Panama	7	45
El Salvador	8	47
Costa Rica	9	49
Dominican Republic	10	51
Colombia	11	54

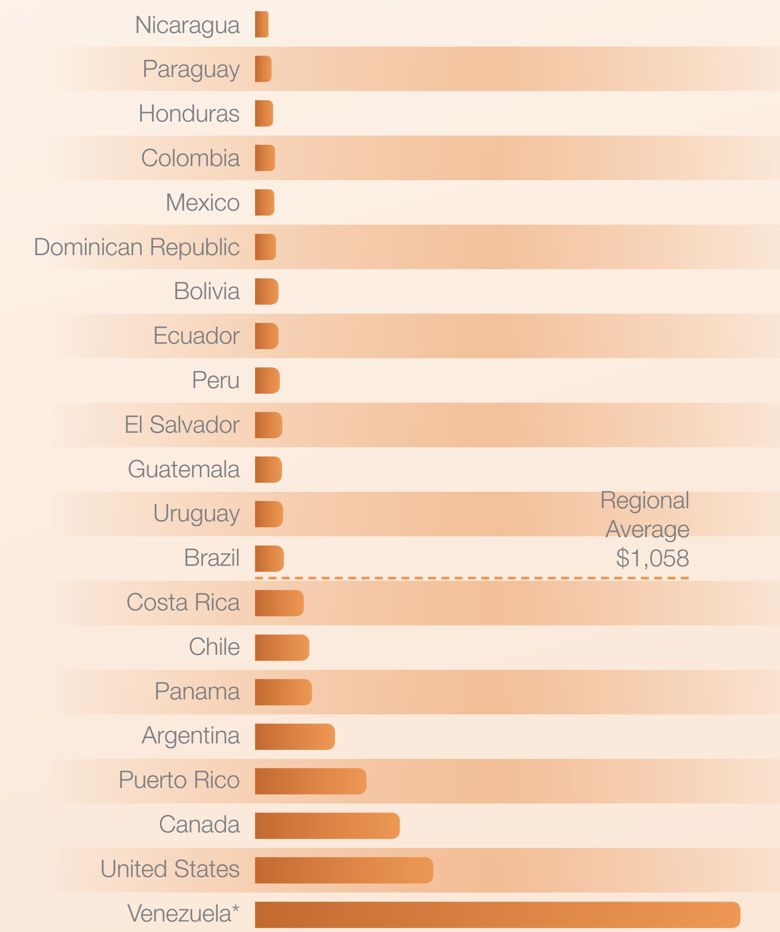
Market	Regional Ranking	Overall TWI Ranking
Ecuador	12	56
Peru	13	57
Guatemala	14	67
Nicaragua	15	68
Argentina	16	69
Paraguay	17	71
Brazil	18	72
Honduras	19	73
Bolivia	20	74
Venezuela*	21	75

Chile is considered an emerging market with heavier regulatory tax burdens yet ranks second in Cost Efficiency and tenth in Productivity. Uruguay and Mexico round out the top five markets in the Americas. Uruguay may be a slightly more mature workforce than Chile, however it ranks 16th in the Regulation category and also performs well with regards to Cost Efficiency and Productivity, securing the fourth position ahead of more cost-effective but now more heavily-regulated Mexico.

Regional Insights

The average monthly wage in the Americas region is $1,058.00, lower than the average APAC region monthly wage, but the vast majority of markets in the Americas fall beneath this benchmark. Venezuela has the highest average monthly wage in the region but scores the lowest across three of the four Total Workforce Index™ categories, resulting in the lowest ranking overall. The United States and Canada feature higher average monthly wages than the remaining markets in the Americas region due to having the most mature workforces and also some of the most highly educated, skilled and English proficient workers.

Regional Overview of Average Monthly Wages



*There is no consistent valuation of Venezuelan labor costs due to current geopolitical and economic considerations in Venezuela that have resulted in extreme currency fluctuation. The calculation of the average above excludes Venezuela.

Regional Overviews (cont'd)

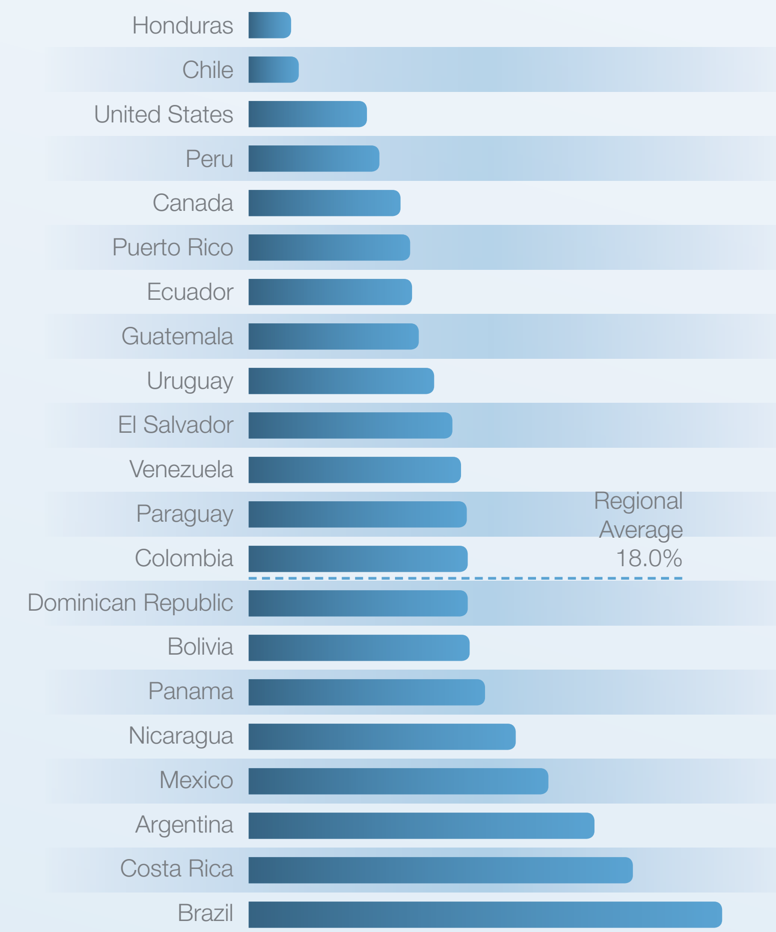
Americas Overview (cont'd)

Regional Overview of Manufacturing Wages

Manufacturing wages are indicative of the sustainability of skilled talent from both a sourcing and retention standpoint specific to each market. Where the desired skills are readily available, and workers are willing to accept lower wages, the average wage for that market will decrease over time as evidenced in Mexico, Brazil and Bolivia. However, where the availability of skilled workers is limited within the manufacturing industry and job seekers are less likely to accept positions with low wages, the average manufacturing wage is higher than the regional average in markets like Chile, Argentina and the U.S. territory of Puerto Rico.

Both Puerto Rico and Argentina have experienced financial hardships over the past year. Puerto Rico has the benefit however of being a territory of the United States which allows for its citizens, unhappy with the local infrastructure and declining manufacturing industry, to migrate to the U.S. and become a resident of any state. Consequently, the emerging workforce there is leaving the workforce market and further damaging the ability of Puerto Rico to compete with more mature markets with high volumes of young talent.

Regional Overview of Aggregated Employment Tax Ranges



Aggregated Employment Tax Ranges average 18% across the Americas region. Brazil has the highest in the region with 40.2% Employer Taxes and 24.9% Profit Taxes, followed by Costa Rica at 32.7% Employer Tax and 19.2% Profit Tax. These and other factors are reducing the competitiveness of both markets in the Regulatory and Productivity categories and impacting their ranking overall. However, Puerto Rico still manages to hold a position in the top 10 for the region, despite the higher tax burdens, based on higher cost efficiencies and lower regulatory impact.

*There is no consistent valuation of Venezuelan labor costs due to current geopolitical and economic considerations in Venezuela that have resulted in extreme currency fluctuation. The calculation of the average above excludes Venezuela.

Regional Overviews (cont'd)

APAC Overview

With the majority of the world's workforce sitting in the Asia Pacific region, it is no surprise that expanding workforce programs into Asia is a top priority among employers. Both Managed Service Provider (MSP) and Recruitment Process Outsourcing (RPO) programs are being expanded across the region. Additionally, there is an increased focus on both compensation analysis and retention initiatives, as more visibility and control is established across regional hiring programs. While many organizations are evaluating near-shore and re-shoring options, the APAC market continues to be the leading location strategy for most centralized functions.

Having access to market data across the region is not just convenient, but necessary, as this information can be difficult to find and there is no longer a singular focus on China and India. New skills requirements, updated tax policy, and labour laws have shifted some of the cost benefit scenarios in the region, making some smaller markets more effective in the sourcing of certain skills or the support of particular shift schedules. Each Asian market has its own value proposition, ranging from wages and productivity to skills and risk mitigation. Therefore, market selection may shift depending on hiring priorities, making comparative market data more advantageous.

Sam Haggag
Director MSP & Sales, APAC
ManpowerGroup Middle East Country Manager

Comparison of the Top Five Markets in Asia Pacific

Size of the bubble reflects the Relative Availability of each market, while the color reflects Relative Regulation:

Minimal Regulatory Impact Moderate Regulatory Impact Restrictive Regulatory Impact

Top Five Markets in the APAC Region

The top five markets in the APAC region encompass a variety of regulatory factors as well as productivity-impacting metrics based on factors such as the availability of skilled talent and cost considerations. New Zealand, Hong Kong and Singapore perform the best when the four categories are combined, due in part to minimal regulatory impact, and higher relative productivity and availability.

Complete Rankings for the APAC Region

The chart to the right shows the regional ranking of each market in the Asian Pacific region, as well as their global ranking. These rankings include the total workforce in each market, and the resulting rank is determined when each of the four categories is evenly weighted.

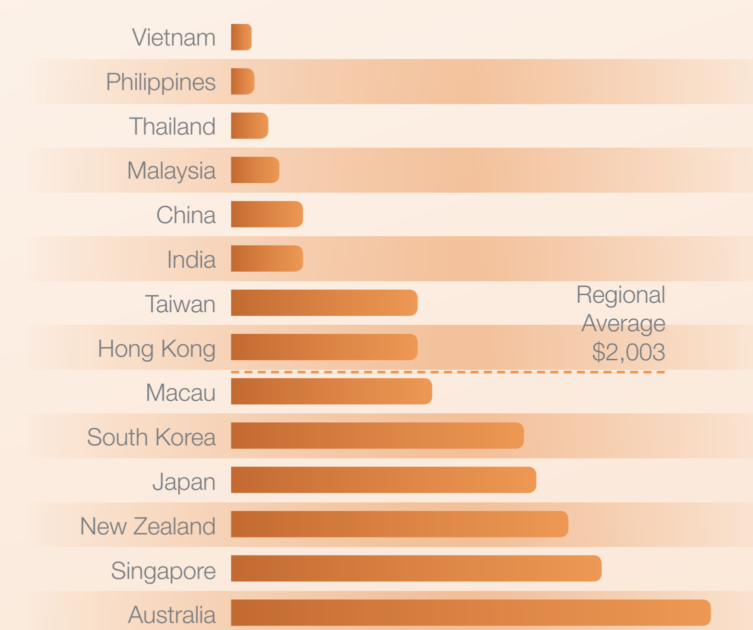
New Zealand, Hong Kong and Singapore secure the top three positions both regionally and globally in the Total Workforce Index™; while Australia and the Philippines rank fourth and fifth respectively. This indicates that New Zealand, Hong Kong and Singapore present not only the most favorable markets for workforce engagement in the APAC region but the most favorable global markets, keeping the APAC region at the top of mind in workforce engagement planning discussions.

Market	Regional Ranking	Overall TWI Ranking
New Zealand	1	1
Hong Kong	2	2
Singapore	3	3
Australia	4	11
Philippines	5	18
Macau	6	19
Malaysia	7	21
Thailand	8	22
Japan	9	36
India	10	38
Taiwan	11	41
China	12	52
South Korea	13	53
Vietnam	14	62

Regional Insights

The average monthly wage in the APAC region is $2,003.00, but many of the markets in this region fall far below this benchmark. New Zealand, Singapore and Australia have the highest average monthly wages in the region but are still in the top five markets for workforce engagement based on other regulatory and availability factors, making some of the low-cost markets less favorable.

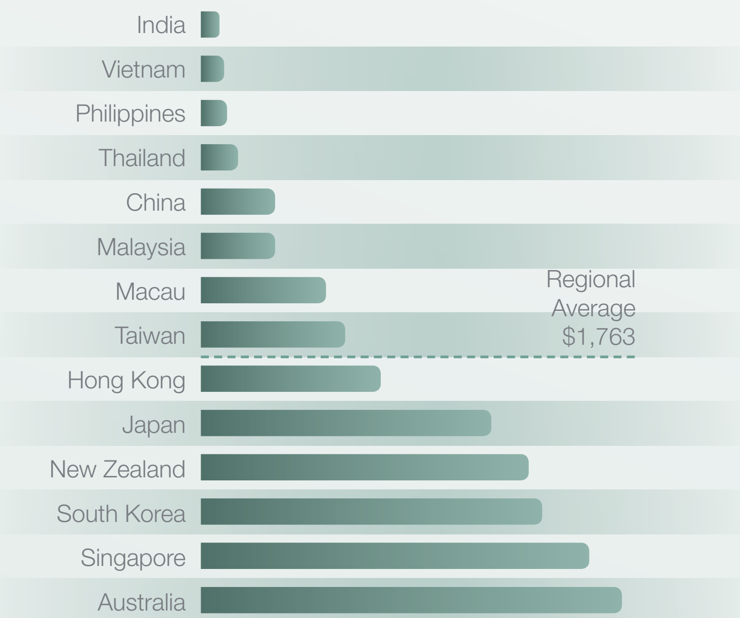
Regional Overview of Average Monthly Wages



Regional Overviews (cont'd)

APAC Overview

Regional Overview of Manufacturing Wages



Manufacturing wages reflect the sustainability of skilled talent from both a sourcing and retention standpoint specific to each market. Where the desired skills are readily available, and workers are willing to accept lower wages, the average wage for that market will decrease over time as evidenced in India, Vietnam and the Philippines. However, where the availability of skilled workers is limited within the manufacturing industry, and job seekers are less likely to accept positions with low wages, the average manufacturing wage will be higher than the regional average, such as in Australia, Singapore and South Korea.

An untapped market, Taiwan falls just below the regional average for manufacturing wages and in the middle of the region's markets for manufacturing wage costs. Taiwan's economy is composed of nearly 60% service-based industries while home to a growing informal workforce that is roughly 6% of the total workforce. It is no surprise that the percentage of millennials in this market exceeds the regional average (30%) at 33% of the workforce, and only 8% of workers are considered non-skilled. Taiwan ranks 6th for Productivity and 8th for Availability in the APAC region and also falls in the middle range for employment taxes.

Regional Overview of Aggregated Employment Tax Ranges

Aggregated Employment Tax Ranges average 16% across the APAC region, exceeding the average in the Americas region. Only China, where the actual employer tax rate is 48.8% – the highest in the region by a significant margin – exceeds other markets in the region. Higher taxes, overtime premiums and other statutory burdens are decreasing China's competitiveness when compared to other markets, despite the size of its workforce.

EMEA Overview

The accelerated migration across Europe, coupled with shifting wages and legislation, has altered how skills are dispersed and priced across the region. What has not changed is the ever increasing volume of employers seeking EMEA markets to near-shore support and centralized functions. Not only is there more competition for talent, but requirements are becoming more complex as language proficiency and mobility become more of a priority.

Political dynamics in several markets have been the focus of many market-related conversations this year. Market volatility and economic headlines remain an ongoing point of discussion in employers' regional plans. However, in reality, it is the nuance of which market has the right combination of skills availability and cost efficiency to meet client needs that drive many decisions today. Whether a client is evaluating locations or simply sourcing talent, the ability to compare markets across the region based on selected criteria is essential.

Sarah Peiker
RPO Practice Lead, Europe

Comparison of the Top Five Markets in Europe, Middle East and Africa

Size of the bubble reflects the Relative Availability of each market, while the color reflects Relative Regulation:

Minimal Regulatory Impact · Moderate Regulatory Impact · Restrictive Regulatory Impact

Regional Overviews (cont'd)

EMEA Overview (cont'd)

Top Five Markets in the EMEA Region

The top five markets in the EMEA region encompass a variety of regulatory factors as well as productivity-impacting metrics, including based on the availability of skilled talent and cost considerations. Ireland, the United Kingdom and the United Arab Emirates perform the best when each of the four categories is combined, due in part to minimal regulatory impact and higher relative cost efficiencies and availability.

Complete Rankings for the EMEA Region

The chart below shows the regional ranking of each market in the EMEA region as well as its global ranking. These rankings reflect the total workforce in each market, and the resulting rank is determined when each of the four categories is evenly weighted.

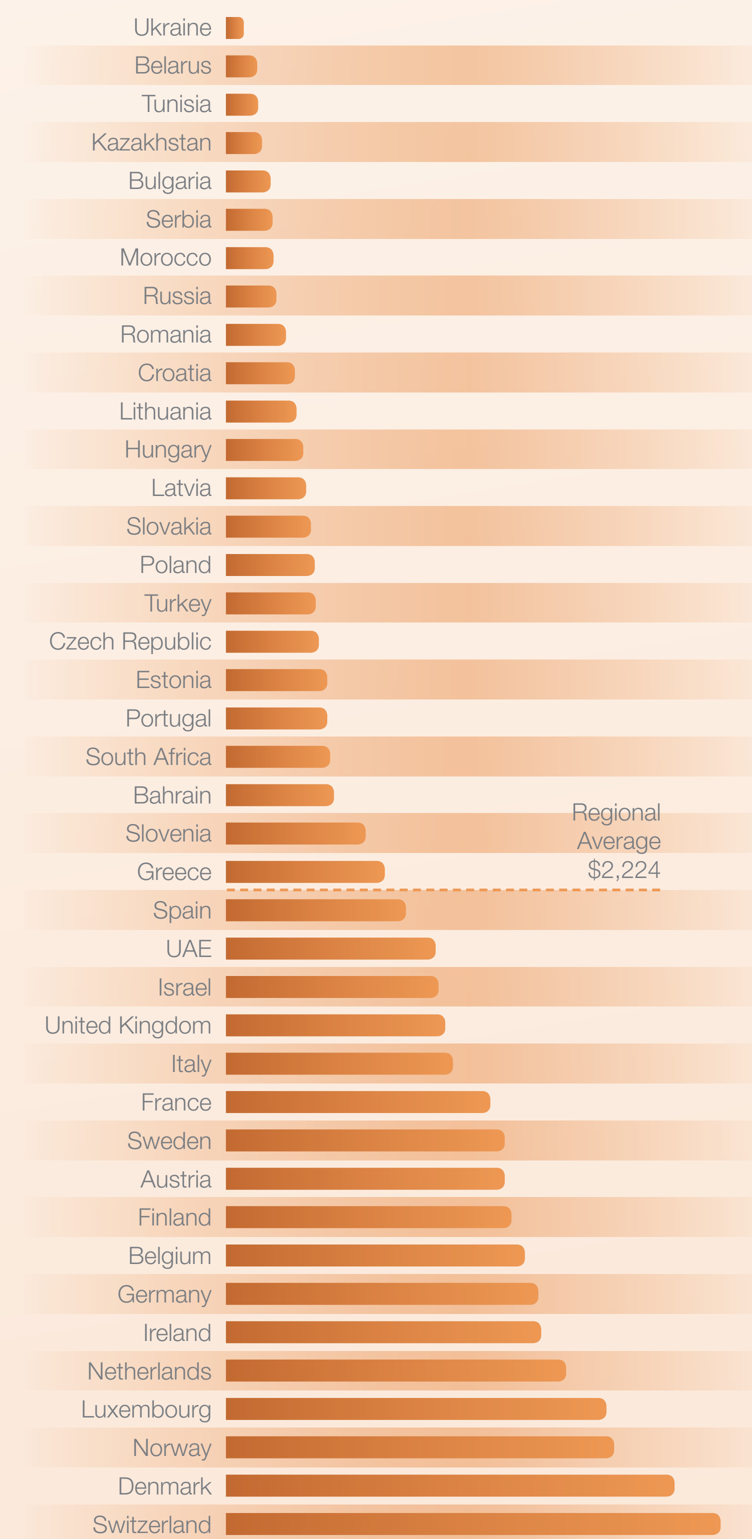
Market	Regional Ranking	Overall TWI Ranking
Ireland	1	6
United Kingdom	2	7
United Arab Emirates	3	8
Israel	4	9
Denmark	5	10
Estonia	6	12
Netherlands	7	13
Switzerland	8	15
Norway	9	16
Sweden	10	17
Latvia	11	20
Czech Republic	12	23
South Africa	13	24
Belgium	14	25
Bahrain	15	26
Germany	16	27
Portugal	17	28
Finland	18	29
Austria	19	32
Spain	20	33

Market	Regional Ranking	Overall TWI Ranking
Luxembourg	21	34
Croatia	22	35
Greece	23	39
Hungary	24	40
Turkey	25	42
Lithuania	26	43
Romania	27	44
Poland	28	46
Bulgaria	29	48
Slovakia	30	50
Kazakhstan	31	55
Slovenia	32	58
Serbia	33	59
Italy	34	60
Belarus	35	61
Ukraine	36	63
Tunisia	37	64
Morocco	38	65
France	39	66
Russia	40	70

Regional Insights

The average monthly wage in the EMEA region is $2,224.00, the highest of the three global regions, but a slim majority of the markets here fall beneath this benchmark. Switzerland, Denmark and Norway have the highest average monthly wages in the region, but Denmark still falls in the top five markets for workforce engagement based on other regulatory and availability factors that make some of the low-cost markets less favorable.

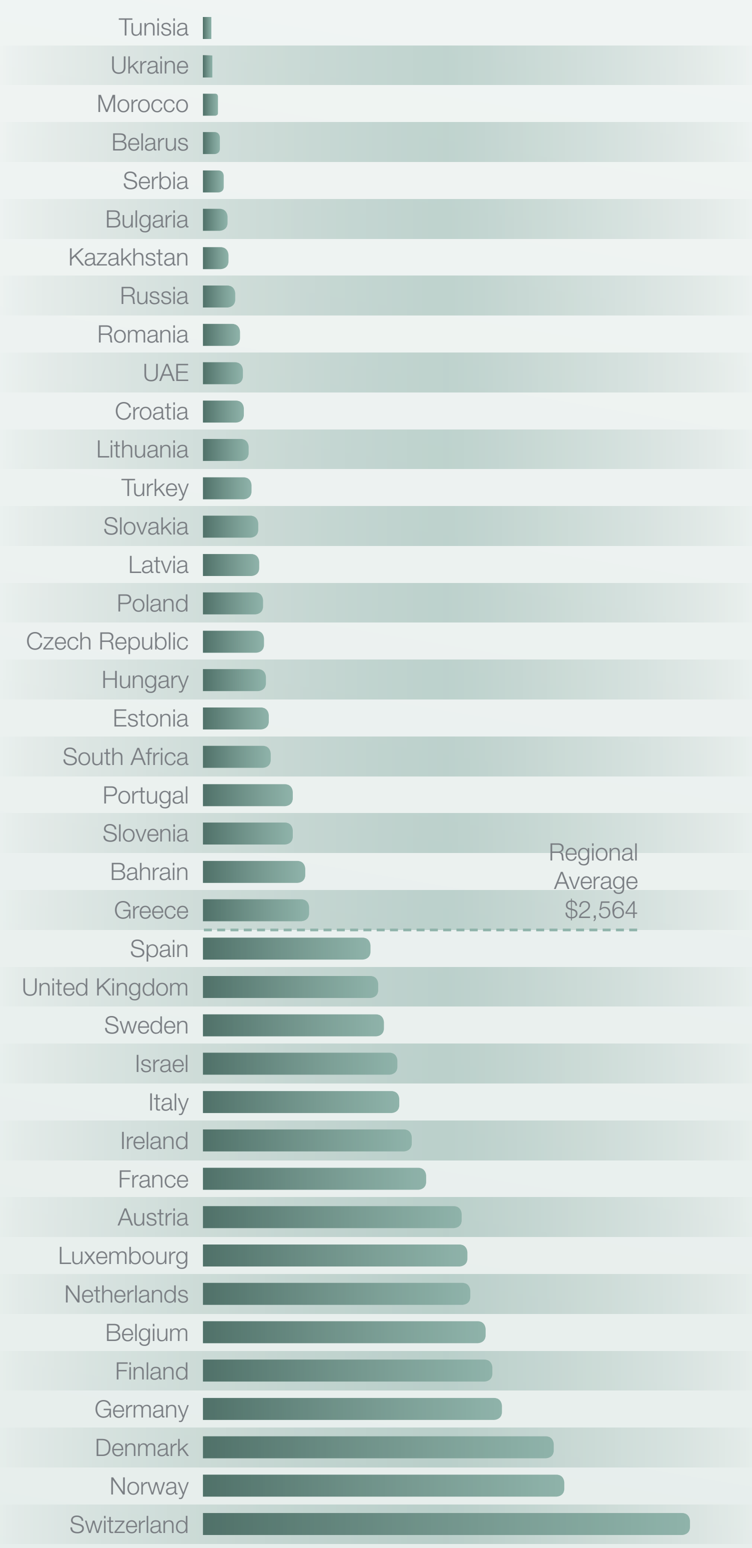
Regional Overview of Average Monthly Wages



Regional Overviews (cont'd)

EMEA Overview (cont'd)

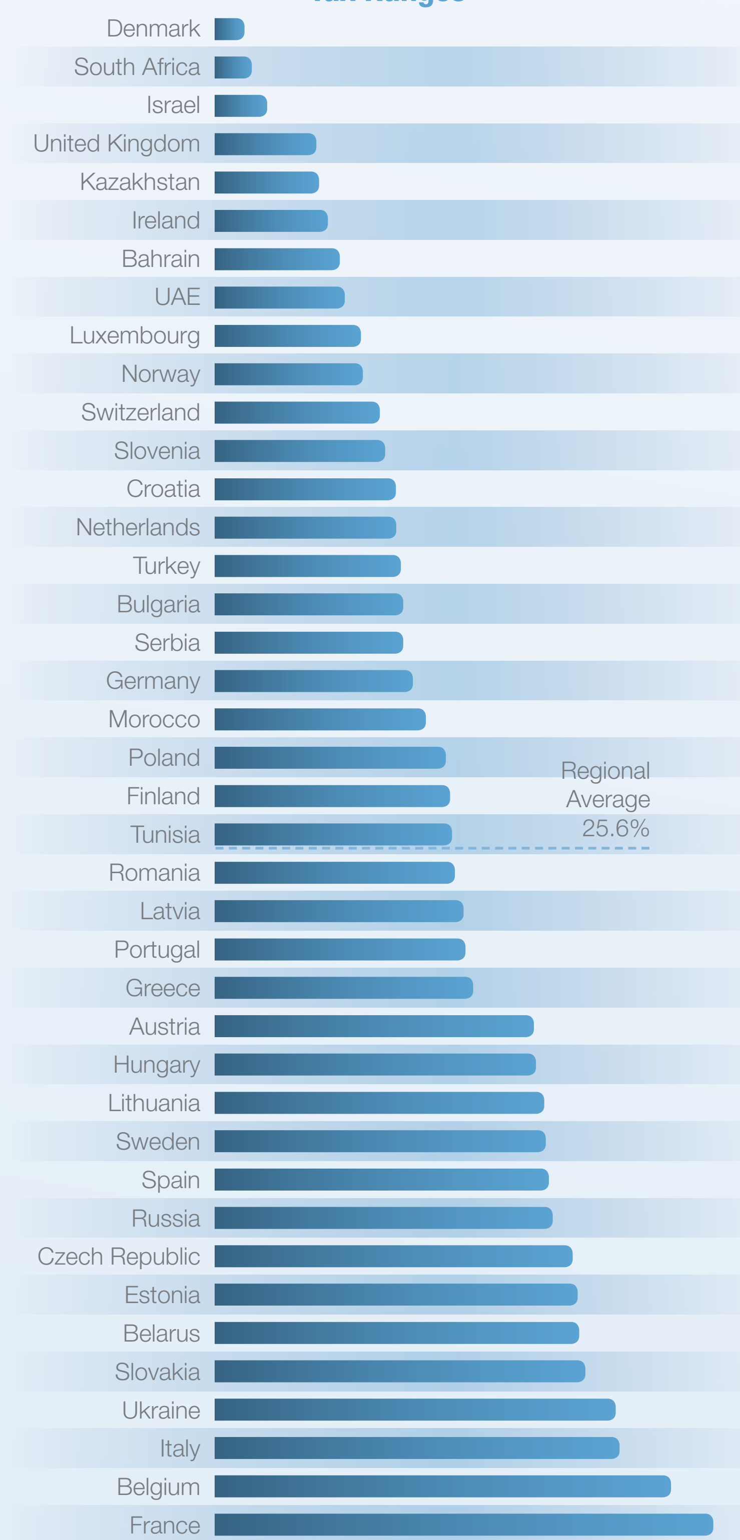
Regional Overview of Manufacturing Wages



Manufacturing wages are indicative of the sustainability of skilled talent from both a sourcing and retention standpoint specific to each market. Where the desired skills are readily available, and workers are willing to accept lower wages, the average wage for that market will decrease over time as evidenced in Slovenia, South Africa and the United Arab Emirates. However, where the availability of skilled workers is limited within the manufacturing industry, and job seekers are less likely to accept positions with low wages, the average manufacturing wage is higher than the regional average in markets such as Switzerland, Germany and Belgium.

Switzerland may have higher wages but also features a workforce where over 51% are considered highly-skilled, and nearly 97% of the workforce is considered non-agricultural. Most of the industries in this market are services, and 27% of the workforce is considered to be part of the millennial generation. This climate presents a unique opportunity for employers in the service industry who value workers with high levels of English proficiency as well as a highly-skilled and well-educated background. Switzerland ranks eighth regionally and fairs best in the Regulation category with very flexible regulations on employers.

Regional Overview of Aggregated Employment Tax Ranges



Aggregated Employment Tax Ranges average to 25.6% across the EMEA region. This average makes the EMEA region the most expensive for both average wages and average taxes. France is the most heavily taxed of the EMEA markets, with Belgium, Italy and the Ukraine following. Ranking the second lowest of any market in the EMEA region overall, France is one of the least competitive workforces with regard to workforce engagement when compared to other markets both in this region and globally.

Market Profiles

Featuring a selection of markets from each region, this portion of the report provides a more in-depth review of specific market factors influencing current workforce trends in each market. Aside from the key factors considered by the Total Workforce Index,™ these profiles also highlight the subtleties in each market that organizations should consider when determining workforce strategies.

Comprehensive analysis of individual markets with targeted combinations of specific skills, industries, locations and other priorities is also available through consultative engagement of the ManpowerGroup Solutions Market Intelligence team.

Americas Region

Argentina

The gender pay gap in Argentina is significant; based on recent studies, women earn roughly 27% less than their male counterparts while representing more than double the number of men in lower-income positions. This is despite the fact that the market has legislation in place that mandates equal pay for equal work regardless of gender.

Although a large portion of the workforce is emerging, organizations are beginning to relax long-standing recruitment preferences for younger talent. Companies are placing a higher value on experience and tenured workers who are being recognized for greater commitment to not only the work but also for loyalty to employers. More product design, customer service and other post-sales jobs are being filled by experienced workers over 40 years old. While older workers often require more training on new technologies, they also provide employers with higher retention rates and minimize accelerated turnover that can disrupt productivity.

Migration policy is expected to become more regulated with further restrictions on immigration into the market by anyone convicted of a crime and more swift deportation of migrants accused of breaking Argentinian laws while in the market, even if they have not been convicted. Coupled with increasing focus on skills development and English proficiency in high-growth areas, Argentina is making strides to develop the workforce its employers require.

Brazil

New investment is anticipated across many sectors of employment according to Brazilian employers who may be responding to indications the business environment is improving. Payrolls are predicted to grow in six of the eight industry sectors with the largest projected growth in agriculture, fishing and mining. The services and manufacturing sectors are also anticipated to grow in the remaining months of 2017.

New labor laws were passed earlier this year overhauling labor laws dating back as far as the 1940s. The new legislation gives more leeway to collective bargaining and reduces the scope for legal action in labor disputes. Remote work will become regulated, and companies will get more flexibility to allocate work hours and vacation time.

Latin America's largest economy is anticipating even more investment in labor engagements in the market despite union opposition to bills reforming labor laws which cite less job security for workers. However, lower risk and more flexibility for organizations seeking to expand operations into Latin America or grow existing programs are crucial following the decrease in foreign investment related to political instability in the market at the beginning of the year.

Canada

Canada is poised to become a global leader in workforce automation and AI; a shift that will drastically alter their current workforce as nearly half of Canada's current jobs could be adjusted or replaced during a transition of this magnitude. While the use of automation has the potential to significantly reduce the number of available jobs for Canadian workers, Canada is also experiencing a workforce reduction of near record numbers. The labor force participation rate is close to a record 10-year low.

These and other market factors may cause a dramatic shift in the way Canadian organizations employ workers. Emerging workforces place a higher value on workplace flexibility, and more employers are receptive to this organizational transformation, which allows for a greater variety of engagement types including part-time, contract, consultant, remote and project-based jobs.

Where productivity is a high organizational priority, Canada provides a very mature market with a more favorable regulatory environment than most mature global markets. With a future focus on training emerging workers to manage, support and maintain automated processes, Canada soon may be one of the most cost-effective and productive markets in the Americas.

Market Profiles (cont'd)

Americas Region (cont'd)

Mexico

Except for upper-level employees who typically have college educations, there are few opportunities for workers in some areas to earn wages that exceed the minimum wage in this market. The rising numbers of factories in regions like Sonora, in addition to a seasonal rush during the summer months for both direct and indirect manufacturing positions, increases the difficulty experienced by assembly plant operators to consistently fill open positions throughout the year.

American manufacturers continue to invest in local production, and while skilled manufacturing is on the rise, hiring strategies are evolving out of necessity. Where positions are becoming harder to fill and retention is increasingly a problem, employers are implementing new programs to provide transportation and childcare, as well as other on-site benefits and resources to engage workers.

Over two-thirds (69%) of the Mexican workforce are aged 41 or younger. With a high rate of enrollment in secondary education, the emerging workforce continues to offer many opportunities for program cost efficiency along with a skilled workforce despite low levels of English proficiency. Mexico is a more favorable market regarding labor market maturity as well as the flexibility of regulations for employers.

United States

The United States is experiencing much uncertainty with regard to the impact of changing regulations that affect the engagement of foreign workers. A variety of changes related to minimum wage, both paid sick leave and overtime, could shift the perception of national productivity and cost efficiency affecting current and future workforce engagement.

However, despite the national uncertainty during what seems to be political and economic turbulence, the current climate presents a unique opportunity for some of the world's largest employers. For the first time, employers in this market are required to become more proactive and strategic in identifying and adding pockets of new and valuable skills to their unique workforce strategy at the state and even metropolitan level.

These micro-workforces are characterized by a unique level of regulatory flexibility and cost-saving opportunity. For instance, a manufacturer may be able to employ a variety of shifts to increase productivity while reducing costs when considering the wage, tax and operating costs associated with one state over another – or from one city to the next. Similarly, call centers have the ability to operate more cost effectively in some states as opposed to others, enabling reshoring efforts not previously considered.

APAC Region

Hong Kong

Hong Kong is trying to reinvigorate the workforce in some sectors, particularly in construction and transportation by refocusing efforts to attract young talent. As the total population ages, not only does the percentage of people in the workforce who are close to retirement age increase, the number of workers who decide to stay employed past the standard retirement age is also growing. This trend is creating a larger percentage of workers over the age of 65 – a number that is projected to grow by 20% and reach as high as 36% in the next 50 years.

The government is also easing license restrictions for professional drivers to stimulate an increase in the numbers of new talent to fill open driver positions. Young recruits will need only to have held a regular driver's license for one year, instead of the previous three year requirement, to apply for a professional license.

A statutory minimum wage, first enacted in May 2011, mandates that employers must pay their staff at least HK$28 an hour. This was increased to HK$34.50 in May 2017. The 17% increase from 128,000 part-time workers in 2011 to 150,000 workers in 2016 could eventually correlate to higher mandatory wage requirements placed on employers; leading to a future shift towards contract, part-time and other contingent work types in Hong Kong.

India

Economists predict that India's workforce will exceed 900 million by 2020, edging ahead of China as the largest workforce economy. What isn't often addressed is the disparity between the working age population and the active workforce, which suggests that despite some saturation in IT outsourcing, India's workforce remains underutilized to this day.

Of those workers actively participating in the labor force, a large percentage is male, creating opportunities to increase female workforce participation. This is a critical factor when considering that half the population is below the age of 25 and, if not already working, will soon be entering the workforce. Some employers have begun to develop specific strategies to cultivate the right skills at optimal cost, based on a five-year growth plan targeting this subset of the workforce.

Hiring strategies here continue to evolve as employers seek to leverage higher female participation along with targeted initiatives for emerging and migrant workers. For instance, at the regional level, feminine benefits are being considered as an added hiring incentive. In fact, menstrual leave is already part of the leave policy in markets like Japan, Indonesia, Italy and South Korea, and India is expanding on these local best practices and concepts. Whether it will be widely adopted in India remains to be seen, however some start-ups hope that by becoming more sensitive to the needs of women they can attract the best talent and encourage the highest potential productivity.

Market Profiles (cont'd)

APAC Region (cont'd)

New Zealand

Digitization is driving demand for highly skilled workers while creating conditions that are more difficult for lower skilled members of New Zealand's labor pool. This market is shifting to highly-skilled occupations with growth in the percentage of people working in managerial and professional jobs coinciding with a decrease in those employed in agriculture and manufacturing.

The challenge for New Zealand will be to boost productivity while adapting to a shifting labor market. Several proposals have been made to raise wages for low-paid workers with a proposed minimum wage increase of approximately 4.76%, and future increases based on the cost-of-living for low income earners.

Programs to ensure continuous training and upskilling of the workforce will also be essential to maintain high levels of employment in the face of a changing labor market and proposed restrictions on the number of immigrants allowed to live and work in New Zealand. Suggestions to reduce the annual number of people permitted to immigrate to New Zealand by as many as 20,000 to 30,000 could make more opportunities available to local job seekers. Additionally, workforce retention efforts are increasing in importance. Offering New Zealand's emerging workforce opportunities that prevent emigration to markets such as Australia will create a more favorable environment for research and development, future investment and engagements that rely on new technologies.

Singapore

The employment rate of residents aged 55-64 in Singapore increased to 67% in 2016. Singapore has one of the most experienced workforces in the world, but it is aging more rapidly each year. This shift in the average age of its workforce is beginning to have other workforce related repercussions. While this is both an inspiring and unique phenomenon, it isn't without its challenges, including a seven-year low in the unemployment rate, and a skills mismatch that results in an inability to fill more positions requiring a higher level of technical skill with older workers.

Efforts to restructure into a productivity-led growth model coupled with a slowing economy have made it more difficult for job seekers to find work. The adoption of new technologies has taken priority over attracting the migrant workers that this nation once depended on. This has left many workers fearing the loss of their current engagement to further automation in the hardest hit industries such as construction, hospitality and manufacturing.

While Singapore is making this transition from needing more workers to fill lower-earning jobs to using automation and artificial intelligence to increase productivity, organizations may find it difficult to retain talent and up-skill existing workers to contribute to the success of the organization in a different way in the future. As one of the most expensive global labor markets, Singapore is often quickly dismissed as a potential market for expansion. However, regarding regulatory flexibility, availability of skilled talent and high productivity, it may be worth consideration for organizations where the cost would be justified by business priorities and program strategy.

Vietnam

Consistently in the top markets to consider for business expansion into the Asian Pacific, Vietnam is a favorable market for new or increased investment. However, lack of highly skilled workers has Vietnam losing economic ground to China. However, new tax breaks for high-tech transfers assist with skilled workforce development through industry-specific training for the local workforce.

Employee engagement is on the rise in manufacturing as new orders increased for the 19th consecutive month. Factory output and productivity also grew at a faster rate than in months past. With 43% of the nation's workforce considered informal, Vietnam may be the first APAC market to cross the 50% threshold in the midst of a growing trend of global employment termed as the 'gig economy.' As offshoring and outsourcing are being redefined by employers seeking to target specific skills and functions in the right markets, from a hiring strategy perspective Vietnam is becoming known as one of those 'emerging markets' that is just now being utilized as a resource.

With no major contract restrictions on holiday or night work, Vietnam remains a popular market for organizations prioritizing high productivity. In this market, IT is an umbrella term for any organization that produces or provides services for software, hardware, enterprise, networking or telecommunications. Vietnam is quickly becoming an investment and tech hub for both local and international IT companies. Universities are being overwhelmed with interest in IT skills training, and new graduates are being recruited straight out of universities to try to accommodate demands and adjust the workforce to address technology-driven engagements.

EMEA Region

France

Anticipated changes to labor regulations are designed to increase investment in French labor by reassuring foreign investors of the ability to adjust workforce priorities as business needs shift. The proposed labor law reform will include the capping of fines for unfair dismissals and give companies more control over unionized labor rules. This relaxing of the regulatory burdens on employers of French talent has already incentivized an increase in average payroll.

Employment in France rose by 89,700 in the first quarter of 2017, an increase of 0.4% – the sharpest increase in a decade. The majority of this activity was found in the private sector, which is indicative of reinvigorated hiring by employers optimistic about growth in the current climate.

France has also introduced a new Tech Visa and has plans to expedite requests for asylum to relax the market's stance on immigration. These initiatives will be the first of many aspects of the market's migration regulations to ease the process of hiring foreign talent and promote a more business-friendly environment to encourage the growth of startups with French headquarters.

Market Profiles (cont'd)

EMEA Region (cont'd)

Germany

To become the European Union's new financial hub, Germany is waiving some rigid labor laws to make it easier for financial institutions to do business there and attract lenders to Frankfurt at a time when many banks are debating the benefits of relocation to Frankfurt, Dublin, Amsterdam, Paris, Luxembourg and other EU cities. Germany is exempting specific components of its labor laws, more particularly those mandating big payouts for redundancies, which previously made it more difficult to terminate workers.

There is ongoing discussion focused on promoting immigration of highly-skilled talent to the market. The booming economy, aging populations and limited domestic skills have placed pressure on employers to seek talent from beyond the nation's borders to fill jobs that would otherwise remain open. Future business development may be threatened by a shortage of skilled workers, a fact recognized by nearly half of organizations surveyed earlier this year.

Local officials are targeting 2025 to reach 'full employment' of the workforce in Germany, a term defined as a jobless rate of less than 3%, a rate that has not been seen since the boom of the mid-1970s. Germany's jobless rate is currently at a post-reunification low of 5.5%. This low number of available talent, coupled with the fact that nearly one-third of the workforce is between the ages of 52-71 years old, implies that promoting the immigration of skilled talent could become a focal point in the coming months.

Ireland

High English proficiency, proximity to England and a cost advantage over London has encouraged interest in Ireland by many employers with customer footprints in Europe. A workforce that is nearly one-third millennial coupled with favorable immigration policies, transparent business tax regulations and a greater ease of doing business already makes Ireland a favorable opportunity for business growth and expansion into the global market for organizations seeking a new European market.

The Investment and Development Agency (IDA) has decided to take things a step further, offering more competitive tax rates, access to funding and 48-hour registration periods to Indian startups and enterprise companies focusing on the European market. The hope is that these organizations will also establish research and development centers within the market to ensure future technology sector growth.

The Irish workforce increased by 85,000 workers between 2010 and 2016, half of which occurred between 2015 and 2016. This growth rate will significantly increase demand for new jobs, many of which will require skills that are more technical in nature. To ensure they stay ahead of the technological curve, the market has also emphasized STEM skills training through a collaborative initiative with Irish universities.

Norway

Norway features a workforce that is highly educated with high English proficiency, as well as a very favorable ranking regarding ease of doing business. Approximately one-quarter of the Norwegian economy is directly related to the oil and gas sector. This has become a cause for concern due to prolonged low oil prices. The fear is that this pattern could result in employment consequences for oil and gas workers, creating an influx of highly skilled workers back into the labor pool.

Despite this fact, unemployment within Norway has fallen to a record low according to the Norwegian Labour and Welfare Administration (NAV), which is consistent with the trend of about 100 people entering the labor market per month during the first half of 2017.

With half of the Norwegian workforce aged 41 or younger and a heavy concentration of top skills centered in and around Oslo, there is now an effort to shift local workforce dynamics and spread this talent across the nation. For the first time, the government is relocating a large portion of its public-sector jobs to other hiring markets to encourage a more even distribution of its most talented individuals. This initiative serves multiple purposes, creating jobs in smaller job markets, encouraging recent graduates to seek work in their hometowns or other areas outside of Oslo, and shifting talent pools to better support employers hiring in Norway's less mature markets.

South Africa

The jobless rate in South Africa is now at a 14-year high, topping 36% inclusive of the inactive unemployed labor force. The South African workforce has a nearly 95% literacy rate, but while approximately half are proficient in English, only 10% of the total workforce is classified as contingent. This is evidence of a skills mismatch between the available workforce and the skills required to fill open opportunities. Increasing the percentage of the emerging workforce actively enrolled in secondary and tertiary education with a focus on science, technology, engineering and math (STEM) will be critical in correcting the underlying causes of unemployment and skills gap there.

South Africa has entered an economic recession for the first time in eight years, suffering a contraction of the economy led by weak manufacturing and trade in the first quarter of 2017. With nearly three-quarters of the workforce aged 41 and younger, this labor market, while less mature, is moderately flexible with regards to workforce regulations.

One-third of South African employees currently work outside of their employer's offices. Working remotely or from home has become a more common practice in global organizations since business cloud computing technologies has become pervasive. Employers view the use of remote workers in the region as both cost-effective and beneficial to both employee and employers.

Market Profiles (cont'd)

EMEA Region (cont'd)

United Arab Emirates

The United Arab Emirates is heavily reliant on a migrant workforce of an estimated eight million workers, or roughly 80% of the nation's population. After recognizing this dependence on migrant workers, the market is actively working to improve conditions for national labor. A proposed new law will give national workers 30 days of paid vacation a year, one day off a week, medical insurance, and the requirement of a contract before starting work.

The proportion of women graduating in STEM subjects is much higher in the UAE than in the Western world, a fact that makes the UAE unique to both the region and the world. As a result, the UAE has become a regional hub ripe with opportunity where many women come to start and advance their careers. Additionally, the 28% of women who make up the UAE cabinet all play key roles in supporting technology and innovation in the market.

The UAE is more heavily invested in the development of its emerging workforce than most Middle Eastern markets with recently launched programs designed to empower and train young nationals in leadership across many strategic sectors. In addition, the market is more stable financially, politically and economically than many surrounding markets and is often used as a hub for regional workforce programs.

United Kingdom

The past year has brought uncertainty to many aspects of the United Kingdom. While the market remains one of the most mature and highly skilled, regulatory factors that were once taken for granted are now subject to potential changes following its upcoming separation from the European Union. Especially high on the list of factors influencing the current labor force are the migratory regulations that establish how workers move between the UK and other EU nations.

Several of Britain's key sectors will be dependent upon how these regulations are decided in the next version of migratory labor policy. The hospitality and food service, manufacturing and transportation industries have 33%, 23% and 20% of their workforce composed of non-UK born nationals respectively. While organizations try to plan for future labor regulations, many non-UK resident workers must consider the possibility that they will no longer be allowed to work in and freely move between the UK and EU nations. The result could be detrimental to highly-skilled EU workers currently working in the UK.

While the climate is overly cautious and in a state of flux, the UK remains one of the largest sources of highly skilled talent with an exceptionally large English proficient and highly educated workforce. Nearly half of the workforce is considered highly skilled while 98% is English speaking.

Total Talent Strategy Conclusion

Today, most organizations are redefining workforce planning and focusing more on what could reasonably be called "Workforce Strategy for the Human Age." The tools, data and analytics exist to help companies look at regional and global market-level data in tandem, and this is a critical step in the right direction. Expectations for improved talent engagement planning are increasing. Forward-looking companies are driving toward more evolved strategies that allow them to predict future success rather than rely on past performance to guide decision making.

Even as companies come to terms with what is new in workforce availability, cost efficiency, regulatory burdens and factors that impact productivity, a significant shift lies ahead as the global workforce markets continue to adapt and evolve to ever-changing regional and global influencers. Put simply, talent engagement strategies must allow companies to objectively predict potential – including what limits it, what nurtures it and what encourages that potential to thrive.

Organizations want to understand the total workforce landscape, including subsets of the workforce that include permanent, contingent and further contingent workforce subsets such as the informal workforce. They also need to be able to plan for variations in market conditions, demand for skills and seasonal needs.

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Sources and Disclosures

The primary data sources for this index are all based on December 2016 statistics from the Ministries of Labour for the 75 markets within the scope, the Central Intelligence Agency (U.S.), World Data Bank, Trading Economics, and internal data collected as part of ManpowerGroup global reporting efforts.

Disclaimer

This report is intended to provide an overview of general business information relative to global employment conditions and considerations. It should not be interpreted as legal advice. Please consult with legal counsel to ensure that you are in compliance with all applicable laws.

Access the full glossary of factor definitions on *totalworkforceindex.com*

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