

Attracting and retaining foreign employees: Workshop overview and conclusions

EMN Annual Conference in 2017 'The EU in the global race for talents: Challenges and solutions in strengthening the EU's competitiveness'¹

Ave Lauren

National Coordinator
EMN National Contact
Point for Estonia

Introduction

European leaders at all levels are facing a number of **labour market challenges**, from ageing population, the sustainability of welfare and pension systems to companies' growing struggles to find skilled workforce. Migration is increasingly viewed as a possible way how to tackle these problems, especially the arrival of skilled persons from third countries. European Migration Network's (EMN) Annual Conference, entitled 'The EU in the Global Race for Talents: Challenges and Solutions in Strengthening the EU's Competitiveness', sought to tackle these issues in Tallinn on 21-22 September, 2017.

The workshop strand on 'Attracting and retaining employees' addressed the need for foreign employees across Europe. More and more regions and companies are paying attention to talent attraction, because the lack of suitable workers and a skills mismatch are threatening their innovation, competitiveness and growth. As the global race for talent is speeding up and there growing labour shortages are becoming an issue across the European Union, it is important for **European employers and policy makers alike to review the current practices in place and to discuss the ways in which to facilitate labour migration from the third countries.**

The need for an active **partnership between the private and public sectors** has also been the priority for the European Commission. In 2015, the European Commission decided to launch the **European Dialogue on Skills and Migration**, to create a platform fostering a long-standing dialogue with different private and public sector stakeholders on the issues of labour migration and labour market integration of third-country nationals (TCN).

Session I of this workshop strand focused on attracting and recruiting foreign specialists, exploring what is being done today across the EU by cities and regions and what could be done in the future. **Session II**, however, focused on talent retention and on the ways in which employers could ensure that they have the necessary conditions in place for foreign employees to thrive in the receiving context. This workshop strand as a whole was directed primarily at employers with a focus on **how to build a working talent management system** that could both attract and retain foreign employees.

Key takeaways

- TCN employees can potentially have a **major positive impact on the EU economy**, which is why talent attraction and retention have become major issues of concern for many stakeholders.
- Cities and regions**, rather than countries, are **more active in talent attraction management.**
- For a successful talent attraction management system, **talent attraction measures** focusing on branding and marketing in the pre-arrival stage **need to be accompanied with initiatives addressing also reception, integration and longer term reputation management.**
- In order to ensure that TCN employees can fully **use their skills and realise their economic potential**, there is a need for MSs to devise **strategic and a holistic approaches** that involve both the private and public sectors.
- While employers are better positioned to **address foreign employees' professional and economic needs**, municipalities facilitate their **social integration to the region and country more broadly.**
- Retention can take different shapes and forms. While **governments** are often interested in **retaining TCN employees in a specific region or**

¹ EMN Annual Conference was held in the framework of the Estonian Presidency of the Council of the EU at Tallinn University on 21-22 September 2017. For further information about the event, including the programme, speaker bios, presentations, photos and videos, please visit the EMN website: <http://emn.ee/race4talents/>

a country, companies are generally interested in retaining employees within a specific company.

- As businesses are increasingly global and global talent mobility is seen as essential for economic growth within companies, the **desire to ensure that employees remain physically in one location is an outdated approach to retention**. Instead, the focus should be on maintaining meaningful ties with talents even after they leave the region.

Summary of session I: Attracting foreign employees

This session was organized by the **Estonian Chamber of Commerce** and **Work in Estonia** (Enterprise Estonia) and focused on three main questions:

- How are regional governments addressing talent attraction?
- What are companies themselves doing in this field?
- How can public-private partnerships facilitate talent attraction?

Regions and cities in particular have been a leading force in devising talent attraction strategies. In recent decades, an entire industry has emerged around place branding and talent attraction. **Pärtel-Peeter Pere** from **Future Place Leadership**, which is a Stockholm-based Nordic management consultancy specialising in the development, innovation and marketing of places, introduced the most recent trends and practices in the field of **talent attraction management**. Talent attraction management has four cornerstones: attraction, reception, integration and reputation (See Fig 1). If a region or a company wishes to be competitive, then each needs to be addressed and managed.



Figure 1. Cornerstones of a talent management system. Source: Future Place Leadership

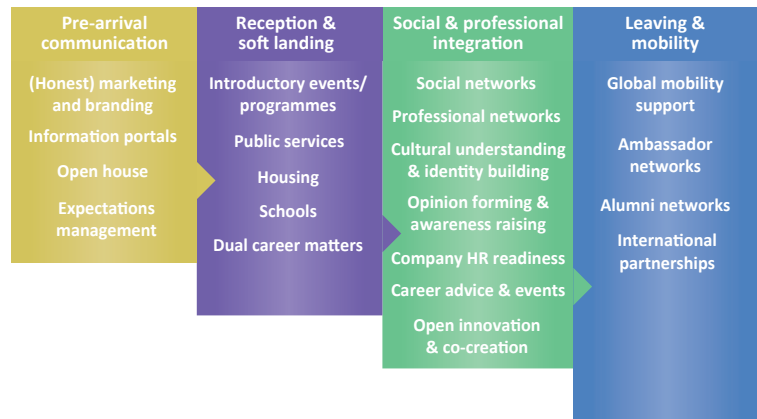


Figure 2. Examples of talent attraction measures and initiatives. Source: Future Place Leadership

- Talent attraction** measures are most widely discussed and involve things like marketing campaigns and events, but also attending recruitment fairs and establishing information portals. These focus primarily on the pre-arrival stage and on introducing the location as a feasible destination for potential labour markets.
- Talent reception** is intended to ensure the soft landing of newcomers. This might involve measures linked to introductory programmes and language training.
- Talent integration** addresses the need for social and professional integration to help the talent to maximise his or her potential in the new location. Talent attraction management initiatives often focus on increasing companies' HR readiness, providing location-specific career advice or linking individuals to local professional networks.
- Labour migrants, however, do not necessarily stay in one place for life and, instead, may continue moving. **Talent reputation** initiatives are implemented to maintain some contact with those individuals, who have moved away. Examples include ambassador and alumni networks, but also different types of international partnerships.

The workshop provided an overview of a number of campaigns across the world from Scandinavian countries and cities to New Zealand and Chile². Yet a common thread about all successful campaigns is the focus on **clear branding** and **being honest about both strengths and weaknesses**.

² Examples included initiatives and campaigns like 'Polar Bear Pitching' in Oulu, Finland; 'LookSee Wellington' in Wellington, New Zealand; 'Move to Gotheburg' and 'Move to Stockholm' campaigns in Sweden; Start-up Chile in Chile and much more.

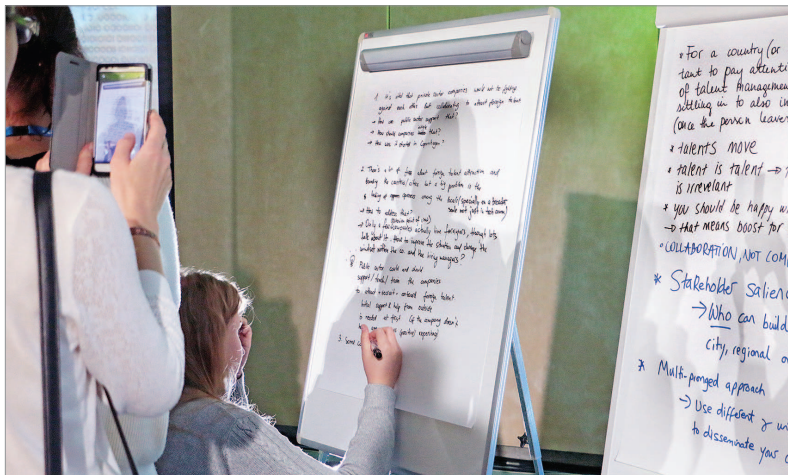


Image 1. Group exercise in session 1



Image 3. Nikolaj Lubanski

Alongside regional governments, companies are increasingly taking steps to address talent attraction. Yet in practice, many employers and employees alike can get **overwhelmed with the challenges** involved, leading them to forego either the decision to recruit from abroad or to relocate to Europe. **Agne Sokolov** from **Big Bank** walked all workshop participants through the numerous steps that both companies and employees have to take: from obtaining trustworthy background information about each other, recognizing qualifications and skills and the difficulties with organizing a face-to-face interview to general issues with residence and work permits, relocation costs and adjusting to a new culture. As **employers** tend to have more resources available to maneuver these challenges, they **have to take an active role in supporting the relocation of a potential employee**.

Many employers, however, are already doing this. For instance, Big Bank’s Way of Working (WoW) initiative has set out to **help each employee and**

manager to be a valuable asset for the organization every day. When it comes to foreign employees, this involves help with documentation, relocation, finding housing, helping them with tasks like opening a bank account or finding an English-speaking doctor, but also using English as a workplace language rather than Estonian and organizing different social events to help these individuals to build a community at work, but also outside the office.

These sort of private sector initiatives help to make the region more attractive as well, but a holistic talent attraction strategy needs to be a partnership between companies and policy makers. **Public and private partnerships** can be helpful in managing the regional ecosystem in a way that makes the place attractive to foreign talents. While employers may help to address foreign employees’ needs at workplaces, local governments play a critical role in ensuring the availability of housing, access to public services and facilitate their social integration more broadly.

Nikolaj Lubanski from **Copenhagen Capacity** stressed that while the assumption is that talents move just for jobs, the reality is that many are moving abroad for lifestyle reasons instead or in search for more suitable management styles. Scandinavian regions like Greater Copenhagen have thus built their **value proposition** around work-life balance, i.e. come and work in Copenhagen if this is what you prioritise. **Clear messaging and value propositions drive talent attraction** by reaching out to those TCN employees that are also more likely to integrate in a specific region better. However, the specific value proposition needs to derive from a conversation and a partnership between regional employers and policy makers.



Image 2. Agne Sokolov, Pärtel-Peeter Pere and Nikolaj Lubanski

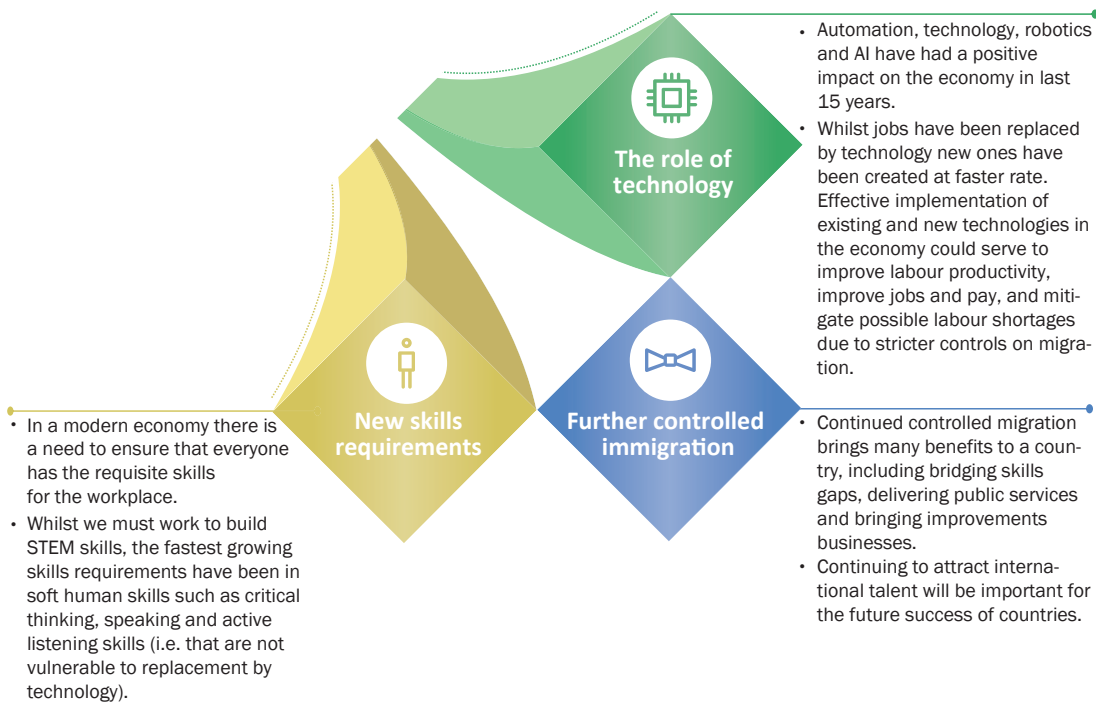


Figure 3. The forces shaping the future workplace. Source: Deloitte



Figure 4. An overview of Deloitte 2017 Global Human Capital Trends Survey results on global mobility. Source: Deloitte

Summary of session II: Retaining foreign employees

The retention of foreign employees is often closely linked to their professional experiences, possibilities and growth in the receiving societies. Hence, the following session explored the necessary conditions for foreign employees to thrive in Estonia and the EU, more specifically at the workplace. The onboarding of critical talent is essential to ensuring both assignment success for the employer, but also facilitates migrant settlement in the country and encourages them to retain close ties to MSs even if they decide to move on.

This session was organized by **Deloitte**, whose subject-matter experts from London and Tallinn explored concepts such as the global mind-set and the criticality of ensuring a positive experience for both the employee and their accompanying family. The workshop was divided into three sections:

- **Mega trends** – What are the global migration and human capital trends that are driving the future of jobs and shaping the future workplace?
- **The Estonian perspective** – What describes the international workforce in Estonia and how do governmental agencies and companies support foreign talents?



Image 4. Group exercise in Session II



Image 5. Siiri Sutt

- **Global workforce, mobility and retention** – What are organisations' compensation/reward strategies for retaining talent in the age of mobility?

In practice, most foreign employees' decisions to stay or go are impacted to a large extent by their experiences at work. The main forces shaping the future of workplace are the **role of technology, new skills requirements and further controlled immigration** (see Fig 3).

The **retention of all employees today** – foreign or not – is **linked to their professional well-being**, which is why businesses have to devise strategies and incentive systems that are suitable for future workplaces. Yet this raises the important question **whether the aim of retention should be to keep TCN employees in a country or a region or, instead, at a specific company?**

The former is becoming an increasingly unattainable goal, especially as **global mobility is also becoming a key strategy within companies**. Deloitte's **2017 Global Human Capital Trends Survey**³, presented by **Andrew Robb** and **Beth Warner** from **Deloitte UK**, found that a globally mobile workforce is considered by a growing number of businesses as central to their future economic growth. **Global mobility** is prioritized within companies as it helps with developing **future leaders, attracting and retaining top talent**, and developing a **global mindset**. Yet currently there are also a number of hurdles in the way of effective global mobility systems that could maximise the potential of mobile foreign employees and keep them from leaving early. These include **cost, employees' willingness to move and a lack of a structured internal talent management programme** (see Fig 4).

³ Accessible here: <https://www2.deloitte.com/global/en/pages/human-capital/articles/introduction-human-capital-trends.html>

After reviewing the mega trends influencing talent management and retention, **Siiri Sutt** from **Deloitte Estonia** introduced the local perspective. As the **economic growth in Estonia is challenged by ageing population, low birth rates and relatively high levels of talent emigration**, then **global talent acquisition is increasingly becoming a necessity**. Many companies in Estonia, however, do not have their own talent management systems. Moreover, while there is the **Welcoming Programme** organized by the Ministry of the Interior that their employees could attend, only a few companies actively encourage their foreign workers to attend.

Deloitte introduced some talent management systems in different Estonian companies or local branches, highlighting qualities that have helped these businesses to retain their TCN employees:

- **A clear mission that unites and inspires.** Fintech startup Transferwise's mission is to make the world of finance fairer. This not only inspires, but offers a common goal and a sense of community at workplace.
- **Promoting a startup mentality.** Despite being in many ways a traditional banking and financial services company, LHV Bank encourages their employees to innovate and come up with new business ideas by organizing regular hackathons. Moreover, they believe in regular promotions, where an intern can get to top management in 7 years.
- **Valuing work-life balance.** Tech company Skype is promoting a better balance by encouraging mobile working and is building towards a more family-friendly environment by welcoming children and pets to the office and including families at company events.

- Encouraging self-development and social responsibility.** A German global services company Arvato offers a number of trainings to their workers, including Estonian lessons for foreign workers, and they actively encourage giving back to the society through volunteering.

The real opportunity when it comes to retention lies in **transforming the entire mobility experience** rather than making up for poor experience through increased compensation.

Once the initial alignment to business and talent objectives has taken place within companies, meaning that companies define their strategies when it comes to talent, then **public-private partnerships** can play a major role as facilitators. **Collaborative initiatives** can support businesses to implement their own global mobility system, especially when it comes to many SMEs. Nevertheless, public initiatives will not be enough without the active role of companies in both talent attraction and retention.

Appendix 1

Programme of workshop strand II: Attracting and retaining foreign employees

Session I: Attracting foreign employees. This session was organized by the Estonian Chamber of Commerce and Work in Estonia (Enterprise Estonia)

- 08:45-09:05 Experiences and practices of EU MS in talent attraction, **Pärtel-Peeter Pere**, CEO of Future Place Leadership.
- 09:05-09:25 Learning from experience: The case of Big Bank in foreign recruitment, **Agne Sokolov**, Head of WOW Support Services, Big Bank
- 09:25-09:45 Private-public cooperation in talent management: Copenhagen Capacity, **Nikolaj Lubanski**, Director for Talent Attraction, Copenhagen Capacity
- 10:15-10:35 **Coffee break**

Session II: Retaining foreign employees. This session was organized by Deloitte

- 10:35-12:05 Retaining foreign employees, **Andrew Robb**, Head of Global Workforce in EMEA, Deloitte UK, **Beth Warner**, Associate Director of Global Workforce, Deloitte UK, and **Siiri Sutt**, Senior Consultant, Deloitte Estonia
- 12:05-12:45 **Lunch and workshop conclusions**



The European Migration Network (EMN), established by the Council of the European Union in 2008 and co-ordinated by the European Commission, is a network for information collection and exchange on migration and asylum issues, comprised of National Contact Points (EMN NCPs) and national networks of relevant stakeholder organisations.

The EMN plays a key role in providing up-to-date, objective, reliable and comparable information on migration and asylum topics to policy makers (at EU and Member State level) and the general public.

European Migration Network Estonian Contact Point
 Address: Narva mnt 25, 10120 Tallinn, Estonia
 Phone: +372 640 9464
 E-mail: emn@tlu.ee
 Web: <http://emn.ee>



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