EDWARD E. GORDON

WINNING THE GLOBAL TALENT SHOWDOWN

HOW BUSINESSES & COMMUNITIES CAN PARTNER TO REBUILD THE JOBS PIPELINE

An Excerpt From

Winning the Global Talent Showdown: How Businesses and Communities Can Partner to Rebuild the Jobs Pipeline

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Preface

Around the world, jobs and labor markets are undergoing a radical transformation. Between 2010 and 2020, much of the world will experience a watershed era of rapid technological, economic, social, and cultural change. This new era will offer more people the promise of high-skill/high-wage careers that also will support broader global economic development—if we can find better ways to create the talent needed to fill these jobs.

Between 2010 and 2020, nations all over the globe will experience profound changes in employment because of scientific and technological advances. *Winning the Global Talent Showdown* shows how the great majority of businesses around the world are underperforming precisely because their most significant assets—their employees' knowledge and talent—are unwittingly being suppressed or underdeveloped. It then reviews specific means that businesses and communities can use to unleash the potential of this untapped talent.

After exhausting all the short-term fixes, business and community leaders are just beginning to face the reality that this is not their parents' workforce anymore. How can business profitably participate? Where will the new career systems first appear? Who will take the risk to introduce them? When will these new job support systems be adopted by a community, state, or nation? How much will taxpayers, businesses, unions, and governments be willing to invest in more effective education-to-employment systems? These are some of the basic questions we will explore in what follows.

What you are about to read in *Winning the Global Talent Showdown* are stories from the firing line, where individuals and groups

are waging a successful battle to replace the broken education-to-employment system. The introduction outlines the three major economic and cultural forces that have combined to produce the forthcoming talent showdown: a globalized economy, the combined demographic pressure of massive boomer retirements and falling birthrates, and a breakdown in the global education-to-employment system that has not kept pace with twenty-first-century skill needs and employment aspirations. The clash of these forces has triggered a seemingly contradictory situation in which significant numbers of workers are seeking employment (or even dropping out of the job market) while many employers have trouble filling open positions.

Part 1, "Making Sense of the Talent Shortage Around the World" will show how an imminent global talent shortage now threatens much of the industrialized world. In chapters 1 through 3, we will take a quick trip around the world to better understand the interlocking nature of these problems. Business, community, and government leaders need to understand that the talent shortage is not local, but global. Demographics, the globalized economy, and broken education-to-employment systems are problems around the world. There is no hidden pool of talent out there somewhere.

Because the competition for all kinds of talent is truly worldwide, leaders have to solve the global talent problem in their own countries. We cannot outsource our way out of this shortage. Those days are over. Countries like India that in the past have provided resources for outsourcing are now experiencing their own talent shortages. Nor will immigration solve the problem, because countries like China, once sources of skilled talent, are now luring their expatriate workers home to take advantage of higher wages and a growing economy.

On our world tour we will focus on twenty-five countries that need to play in the new game of global talent successfully if they are to maintain their economic momentum through the next decade. In chapter 1 we will look at the Western Hemisphere, where North,

South, and Central America are experiencing a growing mismatch between popular cultural expectations for employment and the onrushing jobs revolution that underpins today's tech-based economies. From the heartland of the United States, across Canada, to the cities of Brazil, the future engines of economic growth will be powered by rising numbers of talented cyber-mental workers, but businesses are increasingly having trouble finding them.

Chapter 2 follows the impact of 2 billion low-cost, and mainly low-skill, Indian and Chinese workers flooding the world markets with cheap goods. As millions of jobs are outsourced to Asia, low-skill U.S. and European workers collect unemployment. But recent quality and technology demands reveal that the talent pools of these third-world economies are running dry as they play catch-up with Japan, Korea, and Singapore, their better-educated, higher product-quality neighbors. Many factories in China and India are now installing modern technology that requires maintenance by talented workers with advanced technical and engineering skills. Other high-tech sectors in these economies are also growing.

We will see why raw population numbers and recent explosive economic growth in China and India are misleading indicators of high-tech employability. National pools of available skilled technical talent are surprisingly shallow. Both India and China allegedly graduate about 400,000 engineers each year. Yet according to India's National Association of Software and Service Companies (2005), only about 25 percent are considered suitable for employment. A 2005 McKinsey & Company report found the situation to be similar in China, where only 10 percent of each year's engineering-school graduates meet world-class multinational employment standards.[1] The challenge of the technology paradox for much of Asia is to develop the range of talent needed for modern knowledge-intensive economies from their current weak education critical mass.

Chapter 3 explores how Europe, the United Kingdom, and Russia are now struggling to remain competitive in areas of sophisticated

technology and design while low-wage countries make cheaper, more basic products. We will examine population and workforce shrinkages that are driving up wages across Europe, as well as how immigration has strained Germany's educational system to the breaking point. The key issue for the European Union (EU) will be to find a combination of policies that address the root issues of a growing talent meltdown. We will look at both the EU nations that have prospered—like Ireland—and those that have not. In Scandinavia the "Nordic Model" is said to deliver strong growth and low unemployment. However, Norway, Sweden, Denmark, and Finland all have trouble attracting and keeping talented workers. Unlike the rest of Europe, Eastern Europe has a burgeoning population and some of the most motivated and best-educated workers, but low wages and open borders are causing a brain drain and a talent shortage. Finally, we will consider Russia, where plummeting population, a collapsed education system, and a health crisis have produced a rapidly shrinking workforce.

Part 2, "Harnessing the Power of Public-Private Partnerships," focuses on solutions. The major economic shift from basic-skill jobs to knowledge-based jobs requiring higher thinking skills means that knowledge and talent creation have to become every business's business. In this section you will find inspiration and answers from programs around the world that are finding and creating talent.

Chapter 4 offers ways to take advantage of talent that might otherwise be underrepresented or wasted—retiring boomers, women with young children, people with disabilities, former prisoners, and others. For example, in the United Kingdom employers have begun special programs to target at-risk groups currently seen as unemployable. Another U.K. effort, "Target Chances," helps talented graduates with their applications to top employers. "Pure Potential" also helps disadvantaged inner-city youth tap financial aid to study at Britain's leading universities.[2] Chapter 4 also looks at the genera-

tional differences affecting the workforce and examines ways to address the work attitudes and career aspirations of Generation X and Generation Y.

Chapter 5 provides compelling case studies of secondary education career initiatives now under way around the world. It focuses on career academies that are preparing students for twenty-first-century careers by combining a strong background in science, technology, and mathematics with components of a liberal arts education. We will see how businesses are providing apprenticeships and other on-the-job experience to expand students' future career opportunities, as employers are no longer waiting passively for additional high-quality talent to emerge. Many businesses are using innovative programs to encourage student interest in careers in science, technology, engineering, and mathematics.

Finally, chapter 6 explores practical ways of creating momentum for local business and community renewal. Businesses have concluded that combining their expertise with the broader influence of local community-based organizations (CBOs) or nongovernment organizations (NGOs) are the best way of addressing the talent sustainability challenge across the United States and around the world. From California to North Carolina to Singapore, local business and community leaders are rebuilding workforce pipelines that retain and attract businesses to their communities. Many of these case studies offer a rich variety of business and broader workforce solutions that can be adapted to local cultures and economies anywhere in the world.

Winning the Global Talent Showdown draws on interviews with diverse experts on the future of jobs and the world economy to probe into the implications of this global shift. These thought leaders represent business, labor, education, and government at local, national, and international levels. They include professionals, managers, and technical or scientific experts drawn from many fields.

But experts are not the only ones who are concerned about the talent pipeline. These leaders are joined by parents and students,

who increasingly want to become better informed about the radically changing job and career environment. I have also spoken with community activists engaged in the reinvention of their local labor-market economy. They have shared with me a growing sense of renewal and hope in the values of democratic self-governance and active citizenship as they mobilize their communities to change cultural perspectives and forge new talent pathways to prosperity in the twenty-first century.

My book *The 2010 Meltdown: Solving the Impending Jobs Crisis* was published in 2005. Since then I have networked with leaders from the United States, Canada, Latin America, Europe, and Asia to discuss the book's central theme—the implications of imminent baby-boomer retirements and the smaller, less well-prepared cadre now entering the workforce. I have seen a near-universal consensus forming that the current "education-to-employment system" is badly broken. This is the talent-building process we have all experienced in which K-12 education, career education, and the world of work are sharply compartmentalized, with little communication between those engaged in each sector. There are increasing shortages of talented people inside service businesses, the professions, manufacturing, and other industrial sectors. Different economic factors (for example, oil, housing, inflation, and immigration) may periodically minimize these trends, but over the next decade they will not reverse this global talent showdown. During the past several years, I personally have observed a true transformation of individual cultural attitudes concerning the risk of a worldwide talent crisis.

We are slowly beginning to witness an increase in employee training and development inside businesses. A substantive refocus of community efforts has begun to raise the quality and to diversify education content so that many more students will meet the talent demands of a global technology-based economy.

Economic change is a messy process, and in practice, countries and businesses are still struggling to make it work in this transitional

talent era. We all know how this story is going to end. Sometime in the future, the world's talent pool will begin catching up to the economic realities of the twenty-first century. But history teaches us that nations are wiser to defuse such anxieties with transformational change of "the system" rather than waiting for a "big bang" collapse. *Winning the Global Talent Showdown* will show you how to tackle the talent shortage now.

INTRODUCTION:
What's Causing the Global Talent Crunch?

We live in a moment in history when change is so speeded up that we begin to see the present only when it is already disappearing.

—R. D. Laing

Experts are beginning to say the same thing: Where is the talent? Numerous reports have clearly documented the growing talent crunch in the United States and many other countries.

Through economic ups and downs for companies of all sizes, talent availability has remained a major issue. In April 2006 the National Federation of Independent Business reported that 31 percent of its members had one or more unfilled positions for which they could not find qualified applicants. In November 2008 as a world economic crisis dominated media headlines, 100 CEOs of top U.S. corporations still identified obtaining an educated workforce as one of their highest priorities.[1]

Talent shortages are not confined to the United States. A 2008 Manpower Inc. Annual Talent Shortage Survey polled 43,000 employers

in thirty-two nations and reports that "31 percent of employers worldwide are having difficulty filling positions due to the lack of suitable talent available in their markets."[2]

Manpower's CEO and chairman, Jeffrey Joerres, agreed: "The talent shortage is becoming a reality for a larger number of employers around the world. . . . This is not a cyclical trend, as we have seen in the past, this time the talent crunch is for real, and it's going to last for decades."[3]

THE CYBER-MENTAL AGE

This is not the first time in human history in which there has been a gut-wrenching transformation in the nature of work. There have been at least five previous labor-market eras: prehistory, the Agricultural Age, the Industrial Age, the Computer Age, and the emerging Cyber-Mental Age. (See Figure 1.) There often has been significant turmoil in labor markets during past watershed transition periods. Such turmoil is increasingly apparent today as many individuals struggle to make the transition from low-tech to high-tech and from low-skill to higher-skill occupations.

Yet today there are significant differences from the previous

Figure 1: Five Labor-Market Eras

	I	II	III	IV	V
Era	Prehistory	Agricultural Age	Industrial Age	Computer Age	Cyber-Mental Age
Time	100,000–5,000 BC	5,000 BC–1850 A.D.	1850–1970	1970–2010	2010–?
Focus	Survival	Food	Machines	Automation	Innovations
Result	Subsistence agriculture	Farming	Mass production	Data/robotics	Intelligent machines
People	Irregular labor	Hand labor	Semiskilled labor	Skilled labor	Knowledge labor

Source: Edward E. Gordon, 2009.

eras. As Figure 2 shows, the time span of each labor era is dramatically compressing. Agricultural labor dominated most of recorded human history. The age of industrial mass production lasted only about 120 years. The Computer Age brought hardware and software that structured the rapid retrieval of stored data for myriad uses; this has transformed almost every industry and spawned the development of numerous new ones. Yet this age has lasted only around forty years. The information technology (IT) industry is now undergoing a revolution larger than any we have ever seen.

An emerging Cyber-Mental Age will give the well-educated person the power to innovate products and services by using very advanced technologies to precisely locate and combine data, rather than drowning in a rising sea of random or ill-organized raw information. This assumes that people have the knowledge and preparation to use such technologies—that is, a great liberal arts education plus specific career education and skills in a professional or technical area.

WHAT IS CAUSING THE TALENT SHORTAGE?

What is behind these deep talent shortages that now confront much of the world? Three major economic and cultural forces have combined to produce this global talent showdown: a worldwide demographic shift, globalization, and a broken talent-preparation system.

Workforce Demographics

Between 1946 and 1964, following World War II, the baby boomer generation swelled populations around the globe. This generation constitutes a vast cohort that is aging. Soon baby boomers will begin retiring.[4]

In contrast, fertility ratios have declined in the generations following the boomers. This is particularly the case in many wealthy, upwardly mobile nations. Many of these nations are not even at a replacement birthrate (2.1 births per woman).

According to United Nation projections, by 2020 the number of people over age sixty in the United States, Japan, and Europe will equal the working-age population. Between 22 percent and 34 percent of the population will be age sixty and over.[5] As these nations have grown more affluent over the past fifty years, birthrates have halved. It is projected that because of immigration the U.S. population will continue to grow until 2050 and then stabilize. But Japan and much of Europe will experience an absolute population decline of between 10 percent and 25 percent.[6]

Both population decline and aging pose massive fiscal and cultural challenges that business and political leaders have been slow to grasp. In Finland, for example, the aging population is the fastest-growing in Europe. As a result, over the next decade Finland will be caught between rising pensions and health care costs, while it faces a shrinking workforce and competitive pressures in many industrial sectors. By 2015 even China faces falling off the same demographic cliff.[7]

In the United States, baby boomers are reaching age sixty at the rate of 8,000-plus a day and are retiring from the workforce even faster. On October 15, 2007, Kathleen Casey-Kirschling, a retired New Jersey teacher, applied for Social Security benefits, the nation's first baby boomer to do so. Born one second after midnight on January 1, 1946, she initiates the coming avalanche of generational changes. The U.S. Department of Labor predicts that between 2010 and 2020, 70 million Americans will retire, but only 40 million will enter the workforce.[8]

The basic message is twofold. First, do not exaggerate the impact of demographic change alone. The people who will enter the workforce from now until 2025 are already in the pipeline. Beyond then, birthrates can alter rapidly. During America's Great Depression of the 1930s, birthrates plummeted. It was predicted that the U.S. population would begin declining by 1946. World War II changed everything: instead, the baby-boomer generation began in

1946. This generation forms the greatest population bulge in recorded history.

The governments of many developed nations have recently responded to the current "baby bust" with "baby bonuses" to boost birthrates. Italy pays about $5,000 annually. Other countries—including Australia, Canada, Germany, the United Kingdom, Cyprus, and Singapore—are also beginning to offer such subsidies. France recently reported an uptick in the birthrate that, at least in part, is credited to this program.[9]

Secondly, demographics may not be destiny. I agree with author Joel Garreau when he says, "But the numerical study of who we are and how we got that way does have a refreshing habit of focusing our attention on what's important, long-term, about our culture and values—where we're headed and what makes us tick."[10] Significant population decline may give us an opportunity to rethink how we will raise the next generation.

The Globalized Economy

The second force driving the worldwide talent shortage is globalization. For many people, globalization means sending low-skill jobs overseas. Others think it helps the United States import high-skill foreign talent using special H 1-B visas. Some in business see globalization as the means of owning and investing in overseas high-skill production facilities through foreign direct investment.

Globalization is all of these and more. Its current spread has become intertwined with the information and communication revolution that occurred just as the Communist bloc was dissolving in the early 1990s.

Over the last twenty years, we have witnessed the sudden entry into the global economy of two vast new sources of hard-working, cheap labor—India and China. China alone has 50 percent more people than the combined population of today's advanced nations.[11]

But demographics alone do not predict economic destiny. Ac-

cording to a 2005 McKinsey and Company report, less than 10 percent of the 1.6 million young Chinese engineers are suitable to work for a foreign company in fields such as engineering, finance, and the life sciences. In the same way, a 2005 study by India's National Association of Software and Service Companies and McKinsey & Company found that only about 25 percent of engineering graduates and 10 percent to 15 percent of general college graduates have acceptable business skills for employment in international companies.[12]

As the demand for skilled workers in China and India increases faster than the supply, wages are rising rapidly. More high-skill Chinese and Indian immigrants in the United States are now returning home. In Bangalore, India, alone, 30,000 to 40,000 Indians have gone back in the past decade. For the past twenty years, H 1-B visas for these foreign high-tech and other professional workers have helped fill significant skilled-talent shortfalls across U.S. business. What will happen now as the United States and other countries compete to attract foreign talent as replacement workers for their shrinking workforces?[13]

Though globalization has meant increased mobility for businesses and workers, the regrettable truth is that a finite pool of talent exists worldwide and it falls significantly short of meeting worldwide demands. Not enough workers in the United States and elsewhere are equipped for today's pace of change in which jobs come and go and skills can quickly become obsolete. This means the U.S. labor-market-preparation system must equip more people with the general and career technical skills that make them mobile. None of this comes cheap, and much of it takes years to reach fruition.[14]

The Education-to-Employment System

Technology shows no signs of slowing down. Breathtaking developments seem just over the horizon. Nanotechnology is producing innovations on a molecular scale. Service robots already paint cars and scrub out nuclear reactors, and nearly 2 million of them were in pri-

vate and domestic use in 2005. Virgin Galactic promises space planes that will travel from one side of the planet to the other in ninety minutes. Plastic chips herald a new area of very cheap, "intelligent" electronics.[15]

Technology is great—when it works. When it fails, we need skilled people who can fix it fast. Increasingly, support for our sophisticated technological and physical infrastructure is in short supply because the global labor-market preparation system has not kept pace with twenty-first-century skill needs.

In 2005 and 2006, for example, Los Angeles and New York experienced widespread blackouts blamed on technician errors. Across the United States refineries are breaking down with unusual frequency. Though BP and other refiners are making major safety changes, the breakdowns frequently stem from technician error due to increasing shortages of trained workers. In the Kansas City area, new homeowners are being hit by huge house repair bills because "a less-skilled work force" has not "kept pace with new technologies." Two-thirds of New York City's subway elevators in 2007 had at least one breakdown that trapped passengers inside. The system's 169 escalators averaged sixty-eight breakdowns or repairs each. This is after New York City Transit spent about $1 billion to install new elevators and escalators. The problem: they do not have enough competent people with proper training.[16] "More and more it seems that the world will end, not with an explosion, but with a slow grinding halt as everything just stops working," muses Arnold Brown, chairman of the World Future Society.[17]

More complex technology demands more talent in the workforce. However, just as universal demand for more talented people in the workforce is developing, a major shortage of appropriately skilled people is taking hold around the world.

We are beginning to run out of younger, skilled, entry-level workers particularly, but not exclusively, in careers related to science, technology, engineering, and mathematics (STEM). The Organisa-

tion for Economic Co-operation and Development's (OECD) 2007 annual labor study of thirty leading industrial countries shows that the spread of computer technology is the chief cause of the widening gap between the incomes of low-skill and high-skill workers.[18]

Too many job-seekers lack literacy, experience, education, and specialized career training. A rising tide of applicants does not meet the minimum qualifications for an increasingly sophisticated world of work. The 2008 Manpower survey reported that the hardest-to-fill jobs worldwide included engineers, technicians, machinists, mechanics, and IT staff.

Over the next decade, the talent creation and distribution system will need to be seriously overhauled. Recruiting, retaining, and developing skilled people will become so challenging that increasing numbers of businesses will be forced out of existence.[19]

The Effect of Computers on the Job Market

In the 1950s and early 1960s, the introduction of computers into the workplace led to the popular outcry that "automation" would lead to mass unemployment. In 1964 the Ad Hoc Committee on the Triple Revolution sent a fourteen-page memorandum signed by several Nobel-Prize-winning scientists warning President Lyndon Johnson that "a new era of production has begun. . . . The cybernation revolution . . . results in a system of almost unlimited productive capacity which requires progressively less human labor."[20]

However, computers did not create mass unemployment. From the 1950s until today, the IT revolution created myriads of new products and services. But computers also created a major upheaval in the nature of human work.

According to Frank Levy and Richard J. Murname, authors of *The New Dimension of Labor: How Computers Are Creating the Next Job Market*, the end result of computerization has been that the number of "middle jobs" in offices and manufacturing companies (that is, filing, bookkeeping, order taking, installing windshields on

automobile bodies, and so forth) is shrinking. On the other hand, the more complex jobs that require analysis and higher levels of thinking, literacy, and specialized career and technical knowledge are growing in number. This has caused a jobs revolution in almost every workplace.

As an example, look at the heavy-equipment manufacturer John Deere in Peoria, Illinois. About half of Deere's salaried employees are engineers, but this company also needs hundreds more technicians who know about satellite guidance, artificial intelligence, telematics, and other leading-edge technical processes. Then there are Deere's hourly employees who operate a computer- or robotic-driven assembly-line to manufacture tractors and other heavy equipment. Because of the increasing use of technology over the past thirty years, fewer people now operate that line, but these automotive manufacturing technicians must know more and be able to adapt the technology to make a greater diversity of products. What this means is that Deere now has to compete with other high-tech companies for the same shrinking technical talent pool.[21]

The technology metamorphosis that hit farming in 1900 has now moved on to revolutionize U.S. manufacturing employment. This helps explain the development of the myth of America's so-called postindustrial economy. Do not believe this myth. According to the Bureau of Economic Analysis, the output of American manufacturing has more than doubled to a total of $1.6 trillion in the past twenty-five years. The United States produces 25 percent of the world's manufactured goods, and more than 60 percent of U.S. exports are manufactured goods.

Though U.S. manufacturing employment has dramatically fallen since the 1970s (from 25 million to 14 million), manufacturing has experienced much of the same productivity gains as the American farm industry through applied technologies and rapid innovation. This is due to a 36 percent shift in manufacturing to higher skill levels between 1982 and 2002. As a result, between 1985 and 2005,

manufacturing productivity increased 94 percent, as opposed to just 38 percent for services and other business sectors. This has caused a fall in the price of manufactured goods relative to services throughout the U. S. economy. Future economic growth will hinge to a large extent on the ability of U.S. manufacturing to employ new technologies and increase innovation.[22]

All of the above shifts are affecting the rest of the world. Today China and India are struggling to resolve the issue of what to do with the peasant farmers who make up the bulk of their population. How can China and India create new jobs for them as technology raises agricultural productivity and transforms agricultural practices?

In Europe newer technologies are transforming industries. Yet, new tech breakthrough product or services industries are lagging behind due to significant talent shortages. Fewer younger workers are enrolling in educational programs that prepare them for these emerging careers and jobs opportunities.

Technology will also enable work to be digitalized and moved anywhere on the planet. As a result, the countries of the world will have to become increasingly reliant on the quality of their workers' knowledge to compete. It is impossible for any nation to sustain economic development without an appropriately talented workforce.

The world has entered a time of historic transformation—a Cyber-Mental Age. To a large degree, today's talent showdown has been triggered by the unprecedented speed at which we are moving into this new Cyber-Mental Age. How fast can we speed up society's cultural adjustment to these new realities? We need to fix a broken education-to-career system that is out of sync with the practical need to develop all forms of student intelligence. People need to be better prepared for a different cultural reality: jobs that are built upon a knowledge economy.

How can businesses and the communities in which they operate best be mobilized to effect these changes? As the later chapters of *Winning the Global Talent Showdown* will show, community-based

organizations (CBOs) or nongovernment organizations (NGOs) are being formed in the United States and many other nations to address the dramatic labor imbalance. What are these CBOs and NGOs doing? At least in part they are supporting training and education for the new global tech economy fashioned to the special needs of employers, communities, and the diverse talents of people in the workforce. To find talented people, businesses are increasing their commitment to higher-quality education across cities, regions, and nations in both the liberal arts and math and sciences to create a broader and deeper talent pipeline. They are also working with students as young as kindergarten-age to encourage them to consider careers in science and technology.

Businesses around the world have come to the conclusion that combining their expertise with that of CBOs and NGOs is the best way to create sustainable talent for the future. CBOs and NGOs are culturally bound together by something more than just self-interest, the pursuit of private economic advantage. This is the true secret behind the CBO and NGO success story.

The basic message of *Winning the Global Talent Showdown* is that community action can make this happen. Everyone can participate in some meaningful way. We need your hands-on leadership.

UNLOCKING THE FUTURE

Throughout the world, labor markets are seriously out of sync with global technological realities. The business community can avoid this talent catastrophe by finally getting serious about the overhaul of the entire education-to-employment system. This business role will be critical in helping labor markets adjust to escalating national and global talent requirements.

Changing this system will take time and will not be cheap. Technology will continue to alter the nature of work and the knowledge that people will need.

CONCLUSION

In the long run, the worldwide labor market will probably adjust to the three economic and cultural forces we have just reviewed: the demographic shift, globalization, and an outdated talent-preparation system. But when will this adjustment be completed? What will be the ultimate cost for business? How many Americans will have higher-wage jobs? Where can business begin to make these transitions? Who will provide the local community and business leadership? Why can we not just muddle through all this, as we have always done before?

This global talent showdown may be a source of anxiety for some in businesses. It should not be. For in the chapters that follow you will discover not only the depth of these issues, but also the new economic opportunities for businesses and communities of all sizes that are willing to invest in developing the minds, spirit, and hearts of ordinary people.

PART 1

MAKING SENSE OF THE TALENT SHORTAGE AROUND THE WORLD

After our review of the three principal issues driving the global talent showdown, we are ready to embark on a talent exploration around the world—first across the Americas, then to Asia and Europe. We seek to discover how business and society will address shortfalls in their current and future local and national talent pool.

What criteria can we use to select specific nations for our itinerary? In each region, we will focus on the current most successful players in the new game of global talent. These twenty-five countries have a great deal at stake if they are to maintain their economic momentum through the next decade.

We will examine succinctly the current business climate, the talent pool, and the outlook for the future, then look at how the three major forces—demographics, globalization, and the education-to-employment system—are affecting skill demands in the region. Where is the country's talent coming from? How effective is a nation's current talent system at satisfying current and future talent requirements? These are a few of the pertinent questions that we will need to answer while on our tour.

Be prepared for some unexpected bumps along our talent road. The ways in which culture and talent blend in each nation can at times offer business many unique challenges.

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