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Pandemic widens chasm between highly motivated workers in talent-strong economies and brain drain in talent-weak economies

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Switzerland leads the top 10 economies in the [IMD 2021 World Talent Ranking](#), showing a pandemic-induced trend in which employees are more motivated in more competitive economies and less so in non-competitive ones.

“This has consequences for leadership responsibilities, as it’s clear that talent attraction and retention is no longer just a policy issue. It’s also the responsibility of senior executives who need to realize their role in boosting worker motivation, which is not just driven by external factors such as salary, safety, or quality of life, but also by the opportunities leaders can provide for workers to reskill, to work flexibly, and to have the use of the best tech at their fingertips,” said Arturo Bris, Director of the [IMD World Competitiveness Center](#), which is behind the research.

Sweden is 2nd (up from 5th in 2020 in the same ranking), Luxembourg 3rd (also 3rd in 2020), Norway 4th, and Denmark 5th. Switzerland has been ranked number 1 for five years in a row.

Researchers asked executives in 64 economies how high they perceived worker motivation to be. Taken as a median of the top-10 ranking economies, the answer out of 10 has evolved from 6.1 to 7.5 between 2020 and 2021.

The least talent-competitive economies showed a decrease in motivation. In 2020, the median answer was 5.7 vs 5.3 this year.

“Clearly, mobility issues throughout the pandemic have meant there is less brain drain – well-educated and skilled people leaving their country – everywhere since 2020. But there is not such a marked drop in talent-rich economies than predicted because there has been an increase in motivation. Talent-weak economies, on the other hand, are suffering even more from brain drain than is consistent with the blows of the pandemic and the need to find a job anywhere,” added Bris.

In the survey that contributed to the results, executives were asked if they agreed that brain drain was not hindering the competitiveness of their economy. Agreement was high in the top 10 ranking economies (a median of 7.3 vs 5 in 2020); agreement was low in the bottom 10 economies (a median of 4 in 2021 vs 5 in 2020).

Switzerland remains in the leading position as a result of its sustained performance in all three factors: Investment & Development (1st), Appeal (1st) and Readiness (3th). The country’s performance is strongly supported by public expenditure in education, the implementation of apprenticeships, the prioritization of employee training, and the overall effectiveness of the health system.

Sweden moves up to 2nd place (from 5th) thanks to improvements in its performance in Appeal (3rd, up from 4th) and Readiness (4th, up from 11th). Its performance in the [PISA educational assessment](#), its availability of skilled labor, its finance skills, and plethora of competent senior managers and managers with international experience are key.

Luxembourg remains in 3rd place with a strong performance in Investment & Development and Appeal factors – 2nd in both. It enjoys a particularly strong performance in total public expenditure on education per student and its quality of education (measured by pupil–teacher ratio). Similar to Switzerland and Sweden, Luxembourg’s Appeal is enhanced by the high quality of life that it offers, combined with the reduced impact of brain drain and the availability of foreign highly skilled personnel.

Norway’s rise from 7th position to 4th is notable. Its total public expenditure on education (per student, 4th), quality of education (measured by pupil–teacher ratio in primary education, 5th) and the effectiveness of its health infrastructure enables it to maintain 5th position in Investment & Development. There have also been improvements in the availability of foreign, highly skilled personnel as well as a fair administration of justice and measures of environmental protection (i.e. exposure to particle pollution).

Denmark declines three places to 5th. Despite the decline, the country performs strongly in the Investment & Development (3rd) and Readiness (8th) factors. It has good total public expenditure on education (per student, 6th), the implementation of apprenticeship programs (4th), prioritization of employee training (2nd), female labor-force level (12th), and the effectiveness of the health system (2nd). In terms of Appeal (18th), a robust performance in attracting and retaining talent (2nd), worker motivation (1st), the effect of brain drain (5th), and quality of life (4th) are offset by the level of collected personal income tax (63rd) and a high cost of living (50th).

A regional deep dive

Western Europe dominates the ranking. Improvements regionally in the past year can be observed in Eastern Asia, Eastern Europe, and Central Asia. Declines are apparent in North America, Southern Asia and the Pacific, Western Asia, Africa, and South America.

In Europe, Spain remains stable, in the same position it has been for the past five years – at 32nd – aside from a minor deviation in 2018 when it rose a position. Notably, Investment & Development has been on an upward trajectory each year since 2018 (from 36th then to 30th in 2021).

The United Kingdom rose two places in 2021, coming in at 21st – a position it had held in 2017 but then lost. Last year, it started to climb again. It made substantial gains in the Readiness factor this year, registering 13th vs 17th in 2020.

In the **Nordic region**, Finland, in 8th place, has seen its Appeal grow consistently – it was 24th in 2017 and 11th in 2021. Iceland (7th) remains in the top 10 for the third year in a row, having made a huge leap in 2019.

Eastern Asia realized a slight overall increase, exchanging second place with North America, which experienced a decline.

China rose four places to 36th, jumping from 32nd to 22nd in Readiness since 2018. In particular, it meets the needs of a competitive economy in primary and secondary education, and is enjoying good labor-force growth.

Singapore dropped three places to 12th. However, it improved by six places in Appeal; highly skilled foreign personnel continue to be attracted to the country, where remuneration of management roles remains high.

Japan fell another spot; it has been on an overall decline since it was ranked 29th in 2018. However, its Readiness leaped six places.

The United States improved one place at 14th. Its Appeal dropped from a steady 2nd place in 2017 to 6th. Its weaknesses lie in the areas of cost of living and collected personal income tax.

Over the past five years, six out of the 10 most-improved economies in terms of talent competitiveness have been in Central and Eastern Europe. Ukraine, Hungary, Croatia, Estonia, Slovenia, and Romania all rose at least 10 places between 2017 and 2021. Ukraine is the country that improved the most, rising 13 places to 46th in 2021.

The IMD World Talent Ranking assesses the status and the development of competencies necessary for enterprises and the economy to achieve long-term value creation. There are three major ways of grouping the survey questions that executives from 64 economies are asked: (1) Appeal – the extent to which an economy attracts foreign and retains local talent; (2) Investment & Development – a measurement of resources earmarked to cultivate a

homegrown workforce; and (3) Readiness – what the quality of the skills and competencies that are available in a country’s talent pool are like.

Rank 1-64	2020	2021	1 yr Change
Switzerland	1	1	-
Sweden	5	2	+ 3
Luxembourg	3	3	-
Norway	7	4	+ 3
Denmark	2	5	- 3
Austria	6	6	-
Iceland	4	7	- 3
Finland	12	8	+ 4
Netherlands	10	9	+ 1
Germany	11	10	+ 1
Hong Kong SAR	14	11	+ 3
Singapore	9	12	- 3
Belgium	16	13	+ 3
USA	15	14	+ 1
Canada	8	15	- 7
Taiwan, China	20	16	+ 4
Ireland	18	17	+ 1
New Zealand	21	18	+ 3
Estonia	19	19	-
Australia	13	20	- 7
United Kingdom	23	21	+ 2
Israel	22	22	-
UAE	24	23	+ 1
Cyprus	17	24	- 7
France	28	25	+ 3
Portugal	26	26	-
Slovenia	30	27	+ 3
Malaysia	25	28	- 3
Lithuania	27	29	- 2
Latvia	33	30	+ 3
Qatar	29	31	- 2
Spain	32	32	-
Greece	37	33	+ 4
Korea, Rep.	31	34	- 3
Italy	36	35	+ 1
China	40	36	+ 4
Czech Republic	39	37	+ 2
Saudi Arabia	34	38	- 4
Japan	38	39	- 1
Jordan	49	40	+ 9
Kazakhstan	44	41	+ 3
Hungary	50	42	+ 8
Thailand	43	43	-
Botswana	-	44	New

Poland	35	45	- 10
Ukraine	42	46	- 4
Russia	54	47	+ 7
Chile	41	48	- 7
Croatia	53	49	+ 4
Indonesia	45	50	- 5
Romania	57	51	+ 6
Slovak Republic	61	52	+ 9
Turkey	46	53	- 7
Argentina	47	54	- 7
Colombia	58	55	+ 3
India	62	56	+ 6
Philippines	48	57	- 9
Bulgaria	55	58	- 3
Mexico	56	59	- 3
Brazil	59	60	- 1
Mongolia	63	61	+ 2
Peru	51	62	- 11
South Africa	52	63	- 11
Venezuela	60	64	- 4

Media Contact/Interviews:

IMD Communications Department

Email: communications@imd.org

Tel: [+41 21 618 0588](tel:+41216180588)

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