

Hays Global *Talent Tracker*

Workforce intelligence *for a world in motion*



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Table of Contents

01	Introduction	03
02	Pillar 1: <i>Talent Value</i>	05
03	Pillar 2: <i>Talent Participation</i>	13
04	Pillar 3: <i>Talent Development</i>	22
05	Pillar 4: <i>Talent Market Flexibility</i>	30
06	Pillar 5: <i>Talent Innovation</i>	39
07	Conclusion	48
08	Appendix	49

Introduction

In a global talent economy defined by competition for skills, access to talent isn't just a HR concern - it's a strategic imperative.

In partnership with Oxford Economics, we've developed the Hays Global Talent Tracker: a comprehensive, evidence-based tool comparing labour markets across 35 countries. It's designed to help you find opportunity amid complexity, enabling you to make confident decisions about where to invest, scale and grow.

The market is changing. What's your next move?

Too often, workforce decisions are driven by short-term thinking, prioritising immediate costs and talent availability over long-term resilience and capability. But recent events have revealed the fragility of undiversified talent strategies. Supply chains built on a narrow geographic reach have been exposed to economic and geopolitical volatility.



To thrive in modern economies, organisations need to apply a broader lens – one that recognises how different markets bring distinct strengths to a modern workforce strategy. It's not just expanding into new locations, but also better understanding the ones you're already in; how they compare, what makes them valuable, and which moves will best support your strategic ambitions.

That's where the Global Talent Tracker comes in. It elevates your decision-making by offering a structured view of competing market dynamics across five key pillars:

- **Talent Value:** Where does your investment in people deliver the greatest return?
- **Talent Participation:** How inclusive, engaged and resilient is the workforce?
- **Talent Development:** Are education and training systems building future-ready skills?
- **Talent Market Flexibility:** Can the labour market quickly adapt to your evolving needs?
- **Talent Innovation:** Is the ecosystem equipped to drive technological progress?

Spoiler alert: The perfect labour market doesn't exist

But there is a wealth of opportunity, if you know where to look.

We selected 35 countries spanning diverse geographies, economic profiles and cultural contexts. Twenty-eight of the 35 countries rank in the top 10 of at least one pillar. Every market has a strength to offer. The challenge is matching those strengths to your ambitions.

From insight to action: How to utilise these findings

You might be looking for a broad mix of labour market strengths, evaluating the investment in skills alongside the strength of current talent networks. Or perhaps you're prioritising specific levers, like labour market flexibility or digital readiness.

It's why we offer a composite view, with a single score summarising a country's labour market across a wide range of characteristics. However, we also dig deeper into each pillar individually, so you can focus on solving specific challenges, or even unlocking competitive advantage.

Discover the Talent Tracker
Click here



To deploy this research most effectively, you must layer in your own context and strategic ambitions:

- 01

Are you scaling quickly or looking to consolidate operations in key countries?
- 02

Are you operating in knowledge-intensive sectors or production heavy industries?
- 03

Do you need skills to be in reach, or could you benefit from offshoring certain functions?
- 04

How quickly will your talent needs change – and how dynamic does your labour market need to be?

This tracker is designed to guide exploration, not dictate decisions. Use it to shortlist potential markets, challenge assumptions and surface new opportunities. And when you’re ready to take the next step, Hays is here to shape a workforce strategy as dynamic and future focused as the markets you operate in.

Start exploring

Click here

Five countries, five stories: *Your quick guide*



Japan leads the way: Japan takes the top spot across the Tracker, demonstrating consistent strength across all pillars, particularly in Talent Participation, Talent Value and Talent Innovation. High scores highlight an effective alignment between talent development and deployment, although our deeper dive shows some structural challenges bubbling beneath the surface.



India shows promise: Despite ranking last overall, India scores well in Talent Value and Talent Market Flexibility. It’s a fast-growing market with clear potential, if it can dismantle the systemic barriers currently preventing the full activation of its workforce.



Portugal punches above its weight: A balanced performer across the pillars, with mid-range rankings in all areas. Its steady showing in Participation and Innovation signals long-term potential.



The UK is strong, but struggling: The UK places mid-table, performing well in Talent Participation and Talent Innovation. However, lower scores in Flexibility and Value highlight the headwinds that are gathering momentum.



Australia’s shows stronger participation rates: Completing the top 10, Australia shows a balanced performance with good rankings across all pillars. However, capability gaps emerge as participation rates decline among older workers and women, driven by early exits and persistent structural barriers.

► **What’s next:** *A closer look at the five pillars*

You’ve got the global view. Now, it’s time to dig deeper. In the next section, we unpack the five pillars and compare performance across countries, exploring the different scores and what these results mean for your workforce strategy.

Whether you’re looking to optimise cost, unlock innovation or build long-term resilience, our insights highlight the markets that will move you forward.

Pillar 1: *Talent Value*

Talent isn't a cost - it's your competitive edge.

People are one of the biggest investments that any organisation makes - and the most powerful lever for enhancing performance. Getting the right talent, at the right cost, is therefore critical to the success of your business.

Smart organisations look beyond. 'Value' shouldn't focus on simply sourcing the cheapest labour. It's about identifying where your investment in people will deliver the greatest return through a combination of productivity, innovation and delivering long-term growth.



How we measure value

We collected data from sources including the World Bank and International Labour Organisation to understand the total cost to firms of employing workers. The word “total” is used as it includes both the salaries paid to workers, but also the non-wage costs organisations incur when employing people such as:

- the social security payments firms have to pay on their workers' behalf; and
- the financial costs of recruitment and departure of workers.

We've also factored in a measure of productivity - measured by the output each worker produces. It's important because it reflects the real return on your investment. A lower wage doesn't mean better value if productivity is poor.

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If you need three people to do the job in location X, versus one more ‘costly’ person in location Y, then you’re not actually making a cost-saving. This is especially relevant as wage arbitrage narrows.

David Spence, Global Head of Growth, Enterprise Solutions, Hays

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

What these scores mean for your workforce strategy

A high score in this pillar indicates that organisations can take advantage of cost-competitive labour, relative to the output they produce. Countries scoring well in this pillar offer a compelling proposition for sectors where labour costs drive profitability.

But that doesn't account for all the markets that rank highly. Countries like Japan, Hungary and Saudi Arabia earn their place in the top ten thanks to strong productivity, illustrating that high output can offset high costs. [Fig. 2](#) brings this to life, comparing average earnings with productivity (GDP per head). This reminds us that value isn't one-dimensional, with price and productivity pulling in opposite directions to determine the competitiveness of labour.

It's also important to note that this research reflects average national labour costs. It cannot capture variation across occupation, industries or regions, nor does it account for whether wages are above or below average due to a scarcity or surplus of skills, for example.

Use this pillar as a starting point in your search. To truly understand which market works best for your business, you'll need to complement this with our [Market Focus insights](#) and ensure you've tailored cost considerations to your specific industry and skills needs.

Explore our Salary Guide data to get a more granular view of wages by role, sector and location

[Click here](#)



Ten best performing countries according to the Talent Value pillar*

01	Malaysia	100.0
02	India	99.3
03	Chile	98.7
04	China	97.3
05	Thailand	89.2
06	Japan	88.7
07	Mexico	84.6
08	Colombia	83.7
09	Hungary	82.2
10	Saudi Arabia	81.4

*Source: Oxford Economics



You need to look beyond the quick wins. Understand the value that a labour market can deliver over ten years, not just year one or year three. This pillar will help you determine where you can make sustainable investments for your workforce strategy.

David Spence, Global Head of Growth, Enterprise Solutions, Hays

Pillar 1: Talent Value

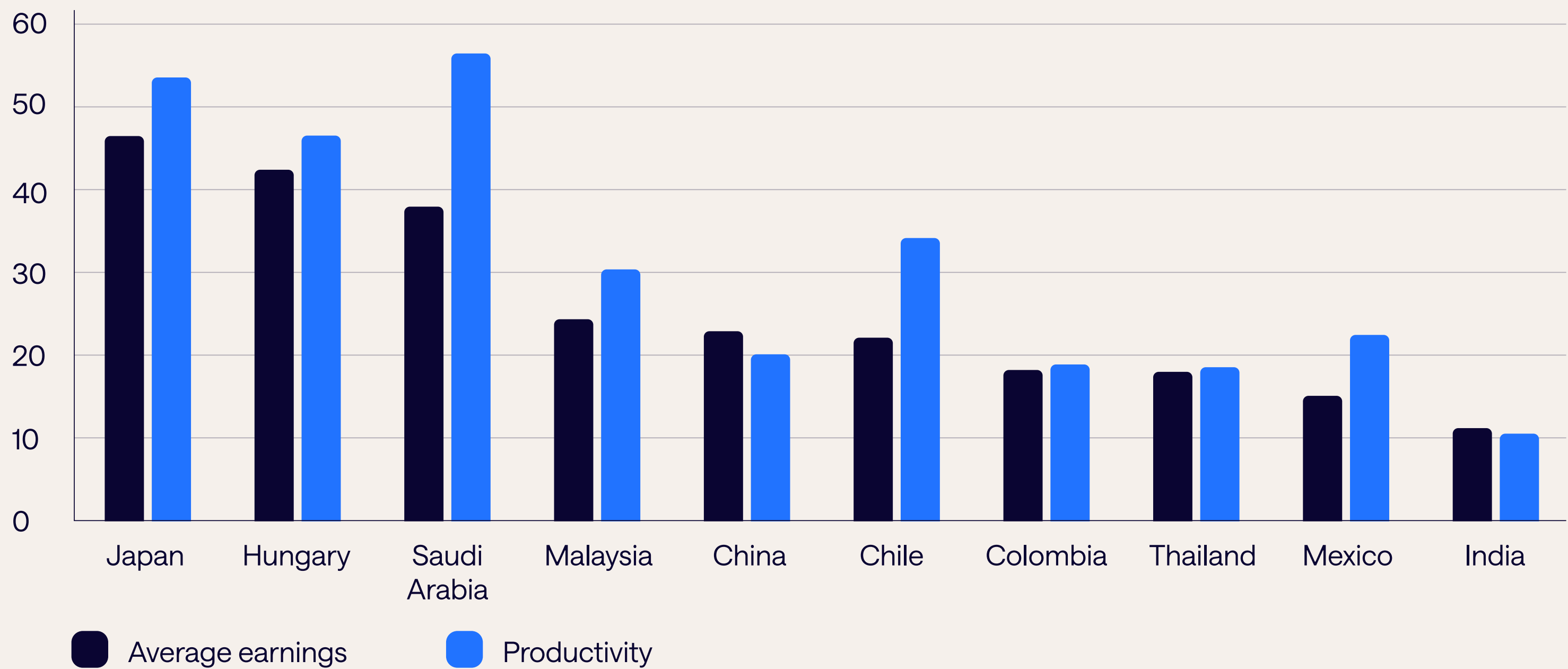
Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

Average earnings and labour productivity of the top ten countries according to the Talent Value index*




US\$ (000s) at PPP exchange rates / GDP constant 2021 international \$ at PPP

*Source: Oxford Economics

From scores to strategic opportunity: Where will you play?


High scores signal strong value, but not always for the same reasons. Some countries lead due to low labour costs, others because of high productivity. And in many cases, it's the combination that creates a strategic advantage.

The real opportunity lies in understanding where markets are heading – and if this aligns with your long-term strategy. To help you get started, we shine a spotlight on various markets, grouped into:



The front runners

Digging deeper into the countries that lead the Talent Value pillar overall.



Markets in motion

We pinpoint the markets that may not top the list today but are building strong foundations or offer a wealth of highly skilled candidates.



The front runners

01 Malaysia

02 India

03 Chile

04 China

05 Thailand

01 Malaysia
Talent Value
Rank: 1/35

What's working:

Malaysia tops the Talent Value pillar due to a blend of low employment costs and growing workforce efficiency. Employers benefit from competitive wages, minimal non-wage burdens and a flexible labour market with a high prevalence of contract and freelance talent.

What to watch:

Despite strong cost advantages, Malaysia's overall productivity still trails more advanced economies. Disparities in education quality and regional skills readiness could impact consistency and long-term value delivery.

What's next:

Malaysia is well-positioned to retain its lead, especially for cost-conscious sectors such as finance and customer services. To maintain this edge, it will need to focus on workforce upskilling, digital infrastructure and improving the quality and security of flexible employment models.

02 India
Talent Value
Rank: 2/35

What's working:

India ranks near the top for Talent Value due to its lower-than-average labour costs. Its scale and affordability make it a compelling option for organisations seeking cost-effective access to key skills.

What to watch:

While cost is a major advantage, low labour productivity across the entire workforce constrains India's ability to fully capitalise on its talent base. Infrastructure deficits and regional inequalities also pose delivery and scalability risks for global employers.

What's next:

India is shifting from a cost play to a capability powerhouse. As reforms take hold, Tier 2 and 3 cities are emerging as hubs for high-value, tech-enabled work. Organisations should look beyond headline costs to where long-term value can be co-created.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



The front runners

03 Chile Talent Value Rank: 3/35

What's working:

Chile scores highly in this pillar due to its relatively low employment costs. It benefits from a well-educated urban workforce, strong digital connectivity and an expanding services sector, especially in finance, IT and professional services.

What to watch:

Productivity remains uneven outside major cities. Regional inequality and skills mismatches may limit scalability for some industries.

What's next:

Chile is well-positioned as a nearshore talent hub for North America, particularly for Spanish-speaking services and tech support. Continued investment in education, upskilling and formalised labour will be essential in sustaining this edge.

04 China Talent Value Rank: 4/35

What's working:

China offers strong productivity relative to labour costs. Its vast, adaptable workforce and significant state-led investment strengthen its value proposition, especially for scale-driven operations.

What to watch:

Wage inflation is accelerating in key urban centres, potentially narrowing the cost advantage that once defined China's labour market. Regulatory complexity and high setup costs can be barriers for new entrants.

What's next:

China remains a high-value market for efficiency at scale. As Spence notes: "China has strong infrastructure and good productivity – ideal for high-efficiency operations. But only if you're already there. The cost of entry is significant." Long-term value will hinge on how well organisations manage rising costs and regulatory complexity.

05 Thailand Talent Value Rank: 5/35

What's working:

Thailand combines low labour costs and a flexible workforce, making it attractive for manufacturing, BPO and regional service hubs. A high share of part-time and temporary roles enables rapid scaling.

What to watch:

Productivity remains modest, and a large informal economy weakens long-term labour market stability. Uneven access to skills development and inconsistent labour protections may limit workforce readiness for knowledge-intensive roles.

What's next:

Thailand is set to stay competitive for scalable, cost-effective operations in Southeast Asia. To deliver sustained value, investments in upskilling, labour formalisation and productivity-enhancing technologies will be key.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



Markets in motion

14 **Poland**

15 **Romania**

16 **United Arab Emirates**

21 **Czech Republic**

29 **Brazil**

14 **Poland**
Talent Value
Rank: 14/35

Why this score is unexpected:

Poland is often seen as a go-to nearshoring destination for Western European firms, particularly in IT, finance and engineering. Its reputation for affordability, skilled labour and proximity to key markets means it's mid-table ranking is a result that challenges common perceptions.

What's causing friction:

Poland remains competitive, but rising wages and moderate productivity are narrowing its cost advantage - particularly in margin-sensitive sectors.

What's needed to climb the rankings:

Poland remains an attractive choice for digital, tech and shared service operations. Enhanced competitiveness will require investment in talent retention, stronger alignment between education and industry and infrastructure upgrades to support high-value work.

15 **Romania**
Talent Value
Rank: 15/35

Why this score is unexpected:

Romania is often seen as a hidden gem for Software Development and IT outsourcing, known for low labour costs and strong technical talent. Its mid-tier ranking contrasts with its reputation as a rising tech hub.

What's causing friction:

Despite niche strengths, Romania faces challenges including brain drain, infrastructure gaps and modest productivity. These structural issues limit scalability and long-term value, even as wages remain low.

What's needed to climb the rankings:

Romania remains attractive as a source of affordable digital talent within the EU. To improve its standing, consistent investment in talent retention, institutional support and expanding innovation beyond urban centres will be key.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



Markets in motion

16 **United Arab Emirates**
Talent Value
Rank: 16/35

Why this score is unexpected:

The UAE is a magnet for global talent and a regional hub for finance, tech and professional services. Its relatively low ranking is surprising given its strong infrastructure and business environment.

What's causing friction:

High living costs and a reliance on expatriate labour inflate total employment costs. While productivity is improving, disparities in workforce stability and skills alignment remain.

What's needed to climb the rankings:

Continued investment in local talent development, digital infrastructure and inclusive employment policies could enhance the UAE's long-term value proposition, especially in high-skill sectors.

21 **Czech Republic**
Talent Value
Rank: 21/35

Why this score is unexpected:

The Czech Republic is a well-established industrial and engineering hub, known for its skilled workforce and strong manufacturing base. Its lower-than-expected ranking suggests untapped potential.

What's causing friction:

While labour quality is high, rising costs and slower productivity growth are weighing down its value proposition. Demographic pressures and regional competition are also factors.

What's needed to climb the rankings:

Boosting productivity through digital transformation and investing in workforce upskilling could help the Czech Republic reclaim its position as a high-value player in Central Europe.

29 **Brazil**
Talent Value
Rank: 29/35

Why this score is unexpected:

Brazil has a large, urbanised workforce and is gaining traction as a regional tech and services hub. Its low-ranking contrasts with its scale and growing digital momentum.

What's causing friction:

Low productivity, widespread informality and regional inequalities continue to limit Brazil's ability to deliver consistent value. Education and infrastructure gaps further constrain workforce readiness.

What's needed to climb the rankings:

Formalising the labour market, expanding vocational training, and investing in digital infrastructure could position Brazil as a scalable, cost-effective talent hub for Latin America.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

From cost to co-creation: Rethinking talent value

Whether you're exploring new markets or eager to optimise existing operations, understanding Talent Value is essential.

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This is a critical pillar. A country can have great regulatory flexibility or tax incentives, but if it lacks productive labour at the right price point, then it's irrelevant.

David Spence, *Global Head of Growth, Enterprise Solutions, Hays*

Use this pillar to challenge your assumptions. Decisions are often shaped by where operations already exist, not where the right skills are. Many continue to “play it safe,” Spence notes, outsourcing to familiar markets. “This research illustrates the opportunities that lie beyond. But remember that it's a discovery tool, not a definitive answer. You may have a hidden gem, but the data alone cannot confirm this.”

Looking ahead, Artificial Intelligence (AI) could redefine the value equation.

For organisations, this means rethinking how value is measured. Talent that can harness AI tools won't just be more productive; they'll be exponentially more impactful. In this new landscape, productivity isn't linear, it's amplified - and the definition of 'value' must evolve with it.



Explore the global talent landscape
Click here



Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

Pillar 2: *Talent Participation*

Access to talent isn't just about how many people are in the labour market, it's about how ready, resilient and relevant their skills are.

In a fast-changing skills economy, you need more than just data on headcount and cost. You need to understand how educated, skilled and engaged a workforce truly is.

The Talent Participation pillar is carefully designed to measure more than numbers. It captures how well countries are mobilising their working age populations in ways that are inclusive and sustainable.



Unless there is a strong drive to bring as many people into meaningful work, whether that be lifting them out of poverty, improving job quality or removing structural and cultural barriers, then simply having a large population isn't a benefit.

Ruth Munday, Global Head of Client Development, Enterprise Solutions, Hays

How we measure participation

We collected data to analyse the following interconnected dimensions:

- demographics of the population, such as the size of the working-age group and age distribution;
- labour market characteristics, including existing participation rates and segments of the available workforce not currently engaged in employment;
- education and skill levels, which influence the employability, productivity and the ability to use new capital equipment of the available workforce;
- basic indicators of health and quality of life, which support sustained labour force engagement and resilience over time; and
- current numbers of migrant workers, and skilled migrants in particular.

Notably, this pillar captures the diversity of the labour supply.

Countries which effectively mobilise all segments of their working-age population are better equipped to manage dynamics, such as ageing populations, innovation and emerging sectoral demands.

It's also worth noting that the limitations of our data mean this pillar focuses on national-level indicators of participation and employability. It does not capture regional disparities or specific sectoral bottlenecks that may also affect labour accessibility.



Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

What these scores mean for your workforce strategy

While pillars like [Talent Innovation](#) and [Talent Value](#) favour labour markets that already combine high skills, strong ecosystems and competitive labour costs, Talent Participation reveals something different: momentum. Here, trajectory matters as much as the current score.

Across the 35 countries, we see governments and employers working to expand participation, whether by engaging historically underrepresented groups (such as women, older workers or people with disabilities), tapping into growing youth populations, or introducing policy reforms to improve access to meaningful work.

The top performers offer a blueprint. As Munday explains, “They are united by their policies, strong education systems and a focus on preserving the quality of physical and mental health well into later life.”

[Fig. 3](#) shows the ten countries leading on Talent Participation. They all record above-average participation rates, but get there in different ways, using a mix of policy, culture and workforce design.

Japan leads the pack due to a highly engaged workforce and policy efforts to address demographic decline. However, underutilisation of women remains a challenge, highlighting both the progress made and the untapped potential still to be unlocked.

Sweden and the United Kingdom rank sixth and seventh respectively, combining steady population levels (primarily sustained through migration) with high participation, particularly among women. Denmark benefits from robust labour activation policies and flexible work environments that support participation across all ages.

But participation doesn’t always equate to a perfect market. Munday adds, “If you’re operating in countries with strong scores, it’s fantastic. They’ve got the maturity and policies to support high levels of labour market participation which in turn, can bolster your commitment to Diversity, Equity and Inclusion. But there is going to be high levels of competition. Everybody either wants in or already has a piece of the talent pie.”

Your next opportunity may instead lie with one of the rising stars – the countries making the right moves to improve their scores.

These are the markets where future labour supply and talent diversity are set to grow. For organisations with a long-term view, they offer a chance to get ahead of the curve.

Ten best performing countries according to the Talent Participation pillar*

01	Japan	100.0
02	Switzerland	98.6
03	Germany	93.3
04	Netherlands	89.5
05	Austria	84.0
06	Sweden	82.2
07	United Kingdom	78.9
08	Denmark	76.5
09	Singapore	75.8
10	Ireland	75.3

*Source: Oxford Economics

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

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This pillar enables you to take cost out of the equation, which is useful when you're trying to identify markets with long-term strategic potential. It helps you unearth markets with strong qualities, relative to your strategic ambitions. But it needs to be used in conjunction with the Flexibility and Value pillars to paint the full picture.

Ruth Munday, *Global Head of Client Development, Enterprise Solutions, Hays*

While high participation rates signal strong access and inclusion, they don't tell the full story. [Fig.4](#) adds another layer of insight, revealing that several top-ranking countries fall below average on brain retention. This suggests a potential vulnerability: a strong talent base is only part of the equation; holding onto that talent is just as critical.

Outward migration can limit the long-term return on workforce investment. For organisations, this means looking beyond participation rates to understand the full lifecycle of talent, from attraction to development and retention.



Pillar 1: Talent Value

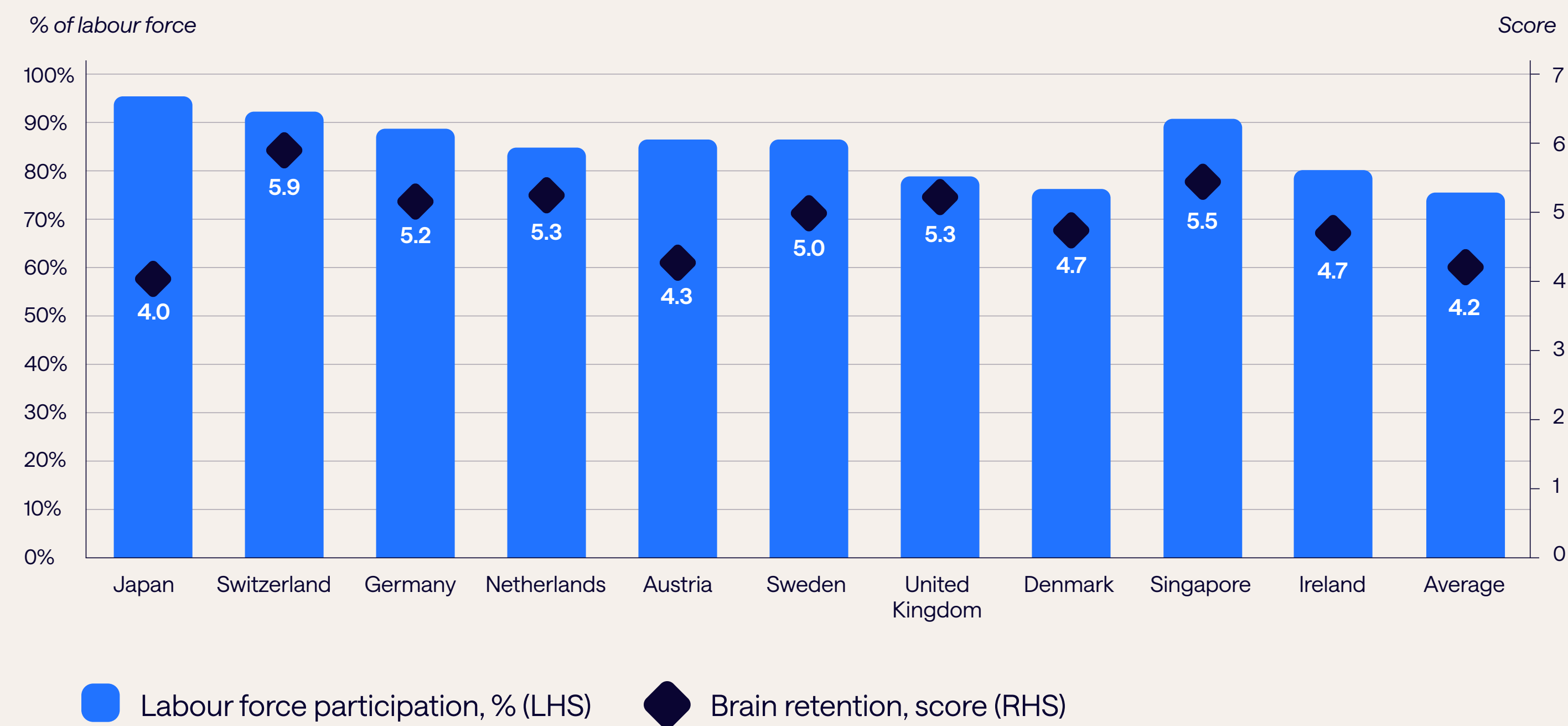
Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

Labour force participation rate and brain retention score of the top ten countries according to the Talent Participation pillar*



*Source: Oxford Economics

From scores to strategic opportunity: Where will you play?

Use this pillar as a starting point to identify markets with participation potential, but complement it with deeper analysis of workforce readiness, sector-specific dynamics and your organisation’s long-term goals.

To help you get started, we offer a snapshot across two groups:



The front runners

Digging deeper into the countries that lead the Talent Participation pillar overall.



Markets in motion

We pinpoint the markets that may not top the list today but are building strong foundations for the future.



The front runners

01 Japan

02 Switzerland

03 Germany

04 Netherlands

05 Austria

01 Japan
Talent Participation
Rank: 1/35

What's working:

Japan leads the pillar with a labour force participation rate of 95.6%, driven by strong mobilisation of older workers and a deeply embedded work culture. Policy efforts to extend working lives and support re-entry have helped offset demographic decline.

What to watch:

Despite high participation, Japan faces demographic headwinds, including a rapidly ageing population and low birth rates. While participation is high, many older and female workers are in part-time or non-regular roles, which may limit productivity and progression.

What's next:

Japan's participation model is resilient, but long-term sustainability will depend on improving job quality, supporting working parents and attracting younger and international talent to rebalance the demographic equation.

02 Switzerland
Talent Participation
Rank: 2/35

What's working:

Switzerland's high labour force participation (92.3%) is underpinned by strong education outcomes, robust vocational training systems and high-quality public services.

What to watch:

High living costs and wage expectations may limit accessibility for some groups, including new migrants and lower-income households.

What's next:

We anticipate that Switzerland will remain a participation leader, particularly in high-skill sectors. Continued investment in inclusion, affordability and housing will be vital to maintaining its edge.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



The front runners

03 Germany Talent Participation Rank: 3/35

What's working:

Germany benefits from a large, well-educated workforce and high participation rates, particularly among older workers. Its dual vocational education system ensures solid alignment between skills and employer needs.

What to watch:

Skills shortages persist in key sectors, and the integration of migrant and unemployed populations remains a challenge. Labour market rigidity may limit flexibility in some regions.

What's next:

Germany's participation strength is stable, but future gains will depend on targeted upskilling initiatives, digital inclusion and better integration of underrepresented groups.

04 Netherlands Talent Participation Rank: 4/35

What's working:

The Netherlands scores highly due to inclusive labour policies, high female participation and strong support for part-time and flexible work. A healthy, multilingual workforce also adds to its appeal.

What to watch:

Underemployment and widespread part-time work, particularly among women, may limit full economic contribution. Housing affordability and infrastructure strain could impact future engagement.

What's next:

The Netherlands is well-positioned to maintain high participation, especially if it continues to invest in housing, childcare, and digital infrastructure.

05 Austria Talent Participation Rank: 5/35

What's working:

Austria performs well due to strong vocational training and high levels of labour force engagement. Family-friendly policies and robust healthcare contribute to sustained participation across genders and age groups.

What to watch:

As a smaller economy, Austria may face scalability challenges. Participation among migrant and lower-skilled workers remains uneven.

What's next:

Austria's participation model is solid, but future competitiveness will depend on how well it adapts to demographic shifts and integrates diverse talent into high-value sectors.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



Markets in motion

26 Portugal

31 United Arab Emirates

32 Saudi Arabia

33 Brazil

35 India

26 Portugal
Talent Participation
Rank: 26/35

Why it should be on your radar:

Portugal is actively attracting international talent and returning nationals through tax incentives and startup-friendly policies. Lisbon is fast becoming a tech and innovation hub, with growing momentum in digital services and R&D.

What's holding it back:

Participation remains moderate, particularly among older workers and women. Youth unemployment and regional disparities also weigh on overall engagement.

What's needed to unlock participation:

Portugal is well-positioned to become a mid-cost, high-value destination for shared services, tech and creative industries. Continued investment in regional development, digital transformation and inclusive employment will be key to unlocking its full potential.

31 United Arab Emirates
Talent Participation
Rank: 31/35

Why it should be on your radar:

The UAE is shifting from an expatriate-heavy model to one that prioritises local workforce development. Emiratisation policies and investments in education and AI readiness are beginning to reshape the labour market.

What's holding it back:

Participation among Emiratis remains relatively low and the impact of recent reforms may not yet be fully reflected in labour market data. Gender gaps and skills mismatches persist.

What's needed to unlock participation:

The UAE's expatriate-heavy model has helped it become a global hub for services and innovation. Its flexible, multilingual workforce supports rapid scaling. If the UAE can expand inclusive participation while preserving its business-friendly environment, it could become a regional participation powerhouse.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

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Pillar 5: Talent Innovation



Markets in motion

32

Saudi Arabia

Talent Participation

Rank: 32/35

Why it should be on your radar:

Saudi Arabia's Vision 2030 is driving sweeping reforms to diversify the economy and boost local workforce participation, especially among women and youth. Female participation has surged in recent years, reaching 35% in 2024.

What's holding it back:

Despite progress, participation remains uneven, with reliance on expatriate workers. While global talent supports the shift to a knowledge economy and Saudisation aims to reduce national unemployment, structural barriers and skills mismatches still pose challenges.

What's needed to unlock participation:

Ongoing investment in education, digital infrastructure and inclusive employment policies will be critical. If reforms succeed, Saudi Arabia could emerge as a hub for innovation-led industries.

33

Brazil

Talent Participation

Rank: 33/35

Why it should be on your radar:

Brazil has a large, urbanised and youthful population. The government is investing in digital skills and innovation ecosystems, with cities like São Paulo and Recife are emerging as tech and services hubs, offering scalable talent pools for nearshoring and regional operations.

What's holding it back:

Participation and productivity remain low, particularly among women and informal workers. Regional inequality and limited access to quality education constrain workforce readiness.

What's needed to unlock participation:

Brazil is poised to become a regional talent powerhouse. With continued investment in vocational training, digital infrastructure and labour formalisation, it could offer a compelling blend of scale, affordability and innovation readiness.

35

India

Talent Participation

Rank: 35/35

Why it should be on your radar:

India boasts one of the world's youngest workforces, with skilled, globally competitive talent emerging from Tier 1 and Tier 2 cities. Government initiatives like the Pradhan Mantri internship scheme, labour reforms and Ayushman Bharat, are driving formal employment, improving quality of life and strengthening workforce resilience.

What's holding it back:

Labour force participation remains low, especially among women. Despite policy progress, issues around equity, implementation and resource access persist - evidenced by the dominance of private providers in outpatient care.

What's needed to unlock participation:

India is shifting from a cost-led to a capability-driven model. Early investment in education, infrastructure, and inclusive employment will position organisations to co-create long-term value in this high-potential market.

Pillar 1: Talent Value

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Matching people and potential: How to elevate Talent Participation

This pillar reveals both maturity and momentum. High-performing countries like Japan, Switzerland and the Netherlands offer strong policy frameworks and inclusive labour systems.

These markets come with clear advantages, but they are also not without their constraints. Japan may top the pillar, but factors like regulatory rigidity, cultural expectations and cost structures may mean it's not always an obvious choice for expansion. In the absence of a 'perfect' participation labour market, organisations must ask what they are willing to trade. Is it cost, agility, inclusion, risk?

Emerging markets like India, Brazil and Saudi Arabia show that participation isn't just a static number - it can be a signal of potential. While there is no 'one-size-fits-all' narrative, they share a common drive to bring more people into meaningful work. For organisations with a long-term view, these markets offer a chance to get ahead of the curve.

Explore the global talent landscape
Click here



Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

Pillar 3: *Talent Development*

Future-ready workforces don't happen by chance.

A country's ability to compete tomorrow depends on how it develops talent today.

The Talent Development pillar evaluates the strength and inclusivity of a country's education and training systems - and whether they're equipping people with the skills needed for a fast-changing world of work. It's an increasingly important pillar, given that the [World Economic Forum](#) anticipates disruption to nearly a quarter of all jobs by 2030, with 170 million new roles created and over 92 million displaced. As some roles expire and new ones emerge, countries that fail to effectively reskill their population risk widening skills gaps and a workforce unprepared for what's next.

This pillar is tightly linked to [Talent Participation](#), which shows the current availability of talent and how effectively a country is engaging and deploying its working-age population today. Talent Development looks ahead. It examines whether countries are preparing their workforce for future requirements.

How we measure development

We go beyond headline statistics to capture the depth, diversity and development of a country's talent pipeline. It captures key aspects such as:

- the educational attainment and qualifications of the adult population;
- access to vocational training and opportunities for continuous skill development;
- the inclusivity and diversity of the workforce, which expands the talent pool and enhances innovation potential; and
- a measure of talent retention and brain drain, capturing a country's ability to hold onto its skilled workers.

We also include female participation rates as part of this pillar, because it's a critical indicator of inclusive growth. Extensive literature illustrates how increasing women's involvement in the workforce boosts productivity, creativity and collaboration. Gender-diverse teams are often more innovative and effective, driving faster growth and greater resilience across sectors.

In essence, the pillar evaluates the accumulated education, skills and learning culture of a country's workforce. Education and vocational training have been found to enhance not only the technical proficiency of workers but also their adaptability, motivation and engagement levels. Workers with higher skill levels are typically more productive, require less supervision and are better equipped to use and implement new technologies.

In turn, this raises overall organisational efficiency and supports innovation by enabling workers to contribute more actively to problem-solving, process improvements and the development of new products or services.

Together, these factors make the Talent Development pillar not only a measure of qualifications, but a key driver of future economic competitiveness and resilience.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

What these scores mean for your workforce strategy

A high score in this pillar signals a country with a well-educated, highly skilled and continuously developing workforce. These are markets with strong foundations in formal education and vocational training, establishing a commitment to lifelong learning.

These countries are “blueprints for future-ready talent ecosystems.”

[Fig. 5](#) shows the ten countries that perform the best under this pillar. Nine of the top ten countries are in Europe, where coordinated education and workforce strategies ensure that individuals are continuously developing skills throughout their careers. These nations consistently score above average on both mean years of schooling and government investment in education, as shown in [Fig. 6](#).

The most surprising omission from this top ten is the United States, home to many of the world’s top universities and research institutions. However, its overall score in the Talent Development pillar is impacted by unequal access to education and training, lower vocational participation and persistent disparities in workforce inclusivity.

“

If you’re investing in future-ready talent, these countries offer compelling long-term value, even if they come at a higher short-term cost.

Ruth Munday, Global Head of Client Development, Enterprise Solutions, Hays

Ten best performing countries according to the Talent Development pillar*

01	Sweden	100.0
02	Switzerland	86.2
03	Denmark	85.5
04	Netherlands	85.5
05	Belgium	85.5
06	Germany	78.5
07	Luxembourg	76.0
08	France	75.7
09	Australia	75.3
10	Austria	73.8

*Source: Oxford Economics

Pillar 1: Talent Value

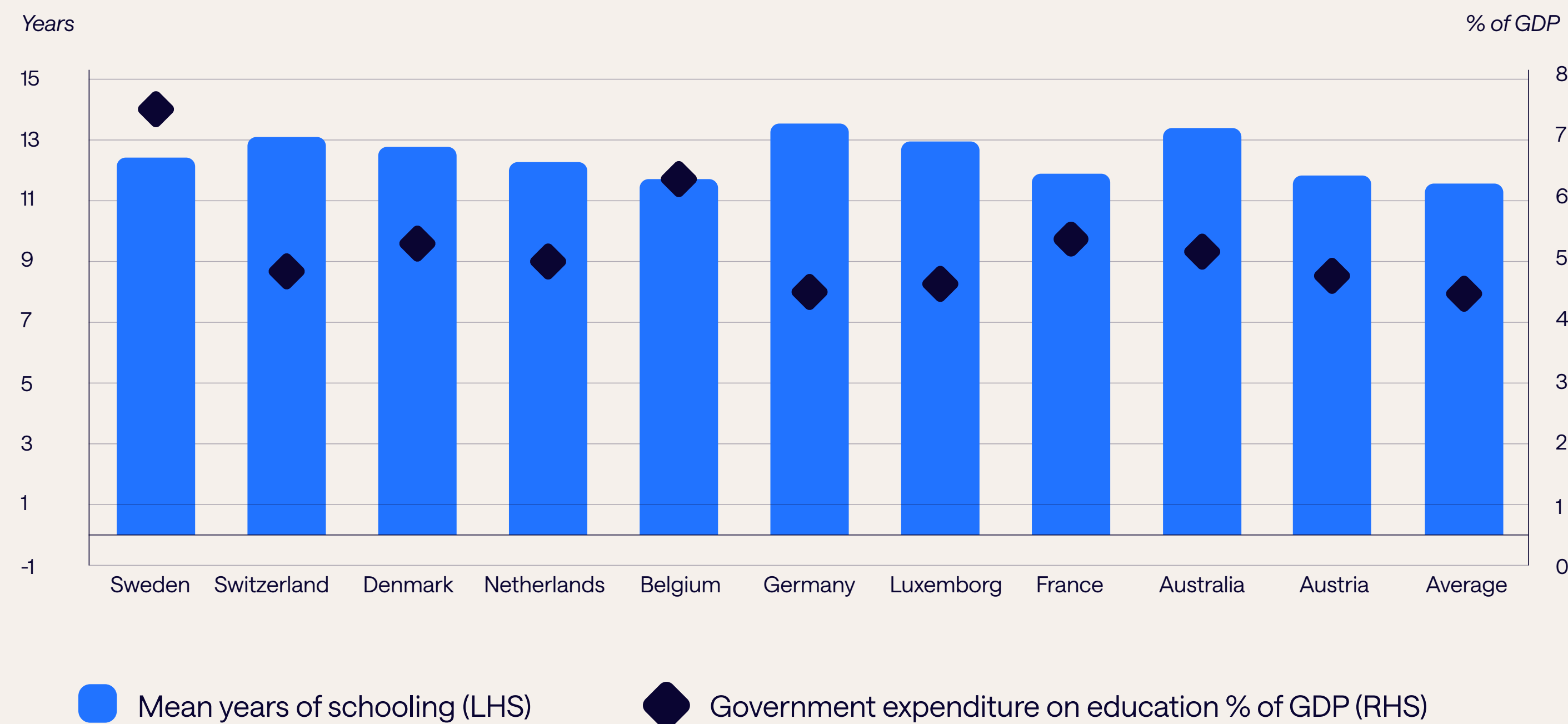
Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

Mean years of schooling and government expenditure on education of top ten countries according to the Talent Development pillar*



*Source: Oxford Economics

From scores to strategic opportunity: Where will you play?

High scores in talent development signal strong foundations, but they’re just the beginning. What matters next is how these foundations translate into strategic opportunity.

Some countries are already reaping the benefits of sustained investment in education and skills. Others are building momentum, with reform agendas and employer partnerships reshaping the talent landscape. And in many cases, the real opportunity lies in spotting where capability is growing fastest.

To help you focus your search, we shine a spotlight on two key categories:

The front runners

Countries leading the Talent Development pillar.

Markets in motion

These countries fall outside the top ten but are making moves to strengthen skills development.

01 Sweden

02 Switzerland

03 Denmark

04 Netherlands

05 Belgium

01 Sweden
Talent Development
Rank: 1/35

What's working:

Sweden leads the pillar due to its progressive education system, strong digital infrastructure and consistent investment in future skills. It's a country where gender inclusion, STEM excellence and public-private collaboration aren't just ambitions, they're embedded in the way talent is developed.

What to watch:

Sweden's relatively small population means scale can be a challenge. High taxation may also deter some international employers, while labour market rigidity could limit flexibility in fast-moving sectors.

What's next:

Sweden is set to stay ahead in this pillar. Its inclusive, future-focused approach to workforce planning offers a blueprint for others, balancing quality, equity and readiness in a way few markets can match.

02 Switzerland
Talent Development
Rank: 2/35

What's working:

Switzerland blends academic excellence with real-world application. Its world-class universities, high R&D spend and strong education-industry alignment create a workforce that's both highly skilled and innovation-ready.

What to watch:

High costs and a small domestic workforce can limit scalability. For some employers, affordability may be a barrier to entry, especially when competing for talent in high-demand sectors.

What's next:

Switzerland sets the standard for future-ready talent ecosystems. While it may not be a volume play, it offers exceptional quality, making it a smart choice for organisations prioritising innovation, precision and long-term value.



The front runners

03

Denmark

Talent Development

Rank: 3/35

What's working:

Denmark stands out for its digital fluency, education quality and commitment to sustainability. Its inclusive social policies and high trust in institutions create a strong foundation for future-focused industries, from green tech to advanced manufacturing.

What to watch:

Like many Nordic nations, Denmark's small population and high cost of living can limit its appeal for large-scale operations. Employers may also face challenges scaling quickly.

What's next:

Denmark is set to lead in green and digital talent development. For organisations seeking a resilient, values-driven workforce, it offers a forward-thinking pipeline that's ready to deliver.

04

Netherlands

Talent Development

Rank: 4/35

What's working:

The Netherlands combines global outlook with local strength. Its internationalised education system, strong English proficiency and thriving tech ecosystem make it a magnet for talent.

What to watch:

Infrastructure strain and housing shortages could impact talent attraction. Wage inflation in key sectors should be monitored.

What's next:

With its global connectivity and scalable talent base, the Netherlands is well-placed to support digital, logistics and Life Sciences growth. It's a smart choice for organisations looking to build a skills pipeline at pace, without compromising on quality.

05

Belgium

Talent Development

Rank: 5/35

What's working:

Belgium offers a compelling mix of multilingual talent, strong university output and a central location in Europe. Its growing focus on digital transformation and innovation makes it an increasingly attractive destination for future-focused investment.

What to watch:

Complex labour laws and high taxation can be hurdles for employers. Regional disparities in education and employment outcomes may also affect the consistency of skills developed.

What's next:

Belgium's strategic position and skilled workforce make it a strong contender for EU-facing roles—especially in multilingual, digital and regulatory sectors. With the right support, it could become a go-to market for high-value talent.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



Markets in motion

12 **United Kingdom**

14 **United States**

31 **Malaysia**

32 **Romania**

35 **India**

12 **United Kingdom**
Talent Development
Rank: 12/35

Why it's worth watching:

The UK combines academic excellence with strong vocational pathways. Its globally recognised universities and diverse talent pool make it a natural fit for innovation-led industries. Public-private partnerships and a growing focus on learning are helping to future-proof its workforce.

What's holding it back:

The country misses out on a place in the top ten due to the challenges faced in aligning education with evolving industry needs. Regional disparities and underinvestment in technical skills have created pockets of mismatch. Rising costs and infrastructure strain may also impact talent attraction and retention.

What could shift the development dial:

The UK remains a strategic choice for organisations seeking talent in sectors like FinTech and Life Sciences. Continued investment in skills reform and regional development will be key to unlocking its full potential.

14 **United States**
Talent Development
Rank: 14/35

Why it's worth watching:

The US is known for its deep expertise in STEM and a strong culture of innovation. Its entrepreneurial spirit and scale make it a powerhouse for Talent Development—particularly in tech, healthcare and advanced manufacturing.

What's holding it back:

Access to education and training remains uneven, with significant gaps across income, geography and ethnicity. Vocational pathways are underutilised, and workforce inclusivity varies widely. These factors can limit the breadth of Talent Development across the country.

What could shift the development dial:

The US offers unmatched depth in specialist talent, but its long-term competitiveness will depend on expanding access and improving alignment between education and industry.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



Markets in motion

31

Malaysia

*Talent Development
Rank: 31/35*

Why it's worth watching:

Malaysia is gaining traction as a regional hub for digital services and shared operations, supported by strong English proficiency and strategic connectivity.

What's holding it back:

Higher turnover rate and retention issues, highlighted in the [Hays Salary Guide data](#), undermine workforce stability. Gaps in university–industry alignment and slower progress on reskilling also limit readiness.

What could shift the development dial:

Continued investment in digital infrastructure, education reform and regional talent development could position Malaysia as a leader in Southeast Asia's future skills landscape.

32

Romania

*Talent Development
Rank: 32/35*

Why it's worth watching:

Romania has earned a reputation for producing high-quality STEM graduates and fostering strong university–industry collaboration, particularly in tech and analytics.

What's holding it back:

Brain drain remains a major challenge, with skilled workers migrating to Western Europe. Regional disparities in education and infrastructure, along with limited investment in reskilling, also dampen long-term potential.

What could shift the development dials:

Addressing talent retention and expanding lifelong learning access could help Romania re-emerge as a top-tier destination for talent development.

35

India

*Talent Development
Rank: 35/35*

Why it's worth watching:

India is home to one of the youngest workforces globally, with Tier 1 and Tier 2 cities emerging as hubs for tech and engineering talent. Its scale, digital ambition, and internal mobility make it a market with vast potential.

What's holding it back:

National averages mask deep disparities. Low female participation, uneven access to quality education, and high levels of informal employment, particularly among women, continue to constrain progress.

What could shift the development dials:

Investment in inclusive education, vocational training, and regional talent ecosystems, especially in cities like Chennai and Pune, could unlock India's full potential as a future-ready talent powerhouse.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

Skills, meet strategy: How to unlock stronger development

Talent Development is more than a measure of qualifications - it's a signal of long-term potential.

It reflects how actively a country is investing in its people, how inclusive those efforts are and how well institutions are supporting continuous development.

High-performing countries offer mature, well-funded education systems and inclusive workforce strategies that support long-term resilience. But even the leaders have their limits. Small populations, high costs or rigid labour structures may constrain scalability. As with any market, organisations must weigh what matters most, be it quality, cost, agility or inclusion.

At the same time, rising stars like India, Romania and Malaysia are building momentum. While they may not top the rankings today, they're investing in digital infrastructure, expanding access to education and strengthening partnerships. For organisations with a long-term view, these markets offer a chance to shape, not just source, tomorrow's talent.

This pillar helps you to assess not just where talent is today, but where it's going. The data identifies markets with the right mix of capability, inclusivity and institutional support to fuel long-term growth. And in a world where skills are constantly evolving, that's a competitive advantage worth investing in.



The challenges linked to this pillar, such as gender inequality or regional access gaps are universal. They require considered, consistent effort, but they are essential to develop and retain skills in large, dynamic economies.

Ruth Munday, *Global Head of Client Development, Enterprise Solutions, Hays*



Explore the global talent landscape
Click here



Pillar 4: *Talent Market Flexibility*

Markets move fast. The right labour market helps you move faster.

Whether it's scaling operations, pivoting output or implementing new technologies, flexibility is what keeps businesses moving forward. That's what the Talent Market Flexibility pillar measures: how easily a country's labour market can respond to shifting business needs, industry trends and evolving ways of working. It looks at the legislation and structures that shape how quickly organisations can hire, restructure or redeploy talent.

But policy is only part of the picture. While our data focuses on structural and regulatory factors, we recognise that true flexibility also depends on less tangible qualities, like entrepreneurial spirit or cultural alignment. These are harder to quantify, but no less important.

How we measure market flexibility

This pillar cuts through complexity, focusing on the structural and policy levers that shape labour market agility, including:

- employment and worker protection laws, which shape the rights, security and protections available to employees;
- labour market dynamics, including the prevalence of different contract types and the supply of labour on a temporary or part-time basis;
- wage flexibility, such as the ability of wages to respond to changes in economic conditions; and
- flexibility around workforce adjustments, including the ease of onboarding new employees and the cost and complexity of dismissals.

Together, these factors help determine how quickly organisations can respond to demand shifts, scale operations or adopt new ways of working.

The countries that are flexing to fit

The high-performers in this pillar tend to reflect employer-centric flexibility, with labour markets structured to allow organisations to move quickly. But in most cases, this flexibility comes at the expense of worker protections, raising questions around long-term workforce sustainability and ethical employment practices.

In countries such as China, Thailand, Saudi Arabia, Malaysia and the UAE, labour regulations offer:

- Low administrative and legal barriers to hiring and firing.
- Minimal redundancy costs.
- A high prevalence of temporary and part-time contracts.
- Limited worker protections in some sectors.
- Streamlined visa or employment processes, particularly for high-skilled expats.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

For employers, this level of flexibility can be a strategic advantage, particularly in sectors where speed to market is critical. But there are trade-offs to consider. For organisations under scrutiny to demonstrate responsible supply chains and fair working practices, a lack of robust worker protections may raise reputational or operational risks.

That said, more established markets aren't without their own challenges. Many 'mature' locations are becoming less agile and inadvertently reducing their appeal. In contrast, markets like Saudi Arabia and the UAE are taking a more deliberate approach, working to actively position themselves as "destinations of choice" for growth-focused organisation. They are combining employer-friendly regulations and lower taxation to attract investment. This strategic use of flexibility is reshaping the global talent landscape, particularly for organisations seeking speed, simplicity and scale.

It's also important to recognise the limitations of the data. The nuances of global data means that the focus is on how easily organisations already operating in a country can adapt - it doesn't fully capture the complexity faced by new entrants. China is an obvious example, offering internal flexibility across the labour market. But for new entrants, challenges such as regulatory opacity and market unfamiliarity can make operational agility far harder to achieve.

That's why local insight matters. Policy may set the terms of engagement, but it's how those rules are experienced that determines how flexible a market really is.



To really understand what's happening on the ground, you need a physical presence or a trusted partner in-market. That's the only way to navigate the nuance – what looks like white space might actually be a red flag.

Tim McGrath, *Chief Commercial Officer, Enterprise Solutions, Hays*

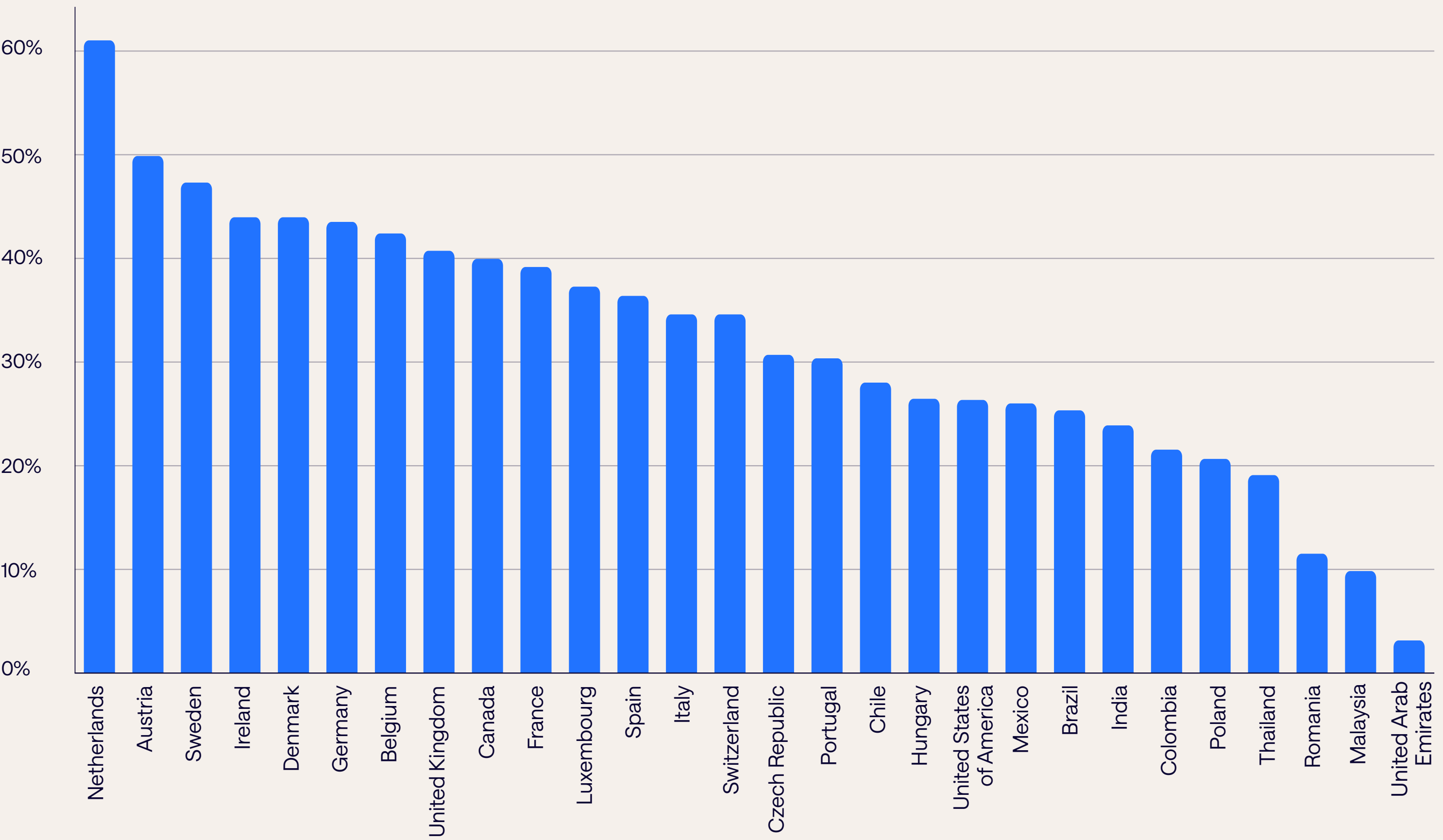
Ten best performing countries according to the Talent Market Flexibility pillar*

01	China	100.0
02	Thailand	83.1
03	Saudi Arabia	82.1
04	Malaysia	81.2
05	United Arab Emirates	79.6
06	Colombia	77.5
07	India	73.3
08	Hong Kong SAR	71.9
09	United States of America	66.3
10	Brazil	63.4

*Source: Oxford Economics

Incidence of part time employment in the countries selected for the Tracker¹

% of the labour force



¹Source: Oxford Economics. Please note that some of the 35 countries are missing due to lack of data availability.

Flexibility by design, or necessity?

Fig. 8 shows the incidence of part-time employment, which is often seen as a key marker of market flexibility. For employers, part-time labour can offer the agility to adapt staffing levels to demand fluctuations, supporting operational efficiency. For workers, it offers flex to build a work-life balance that accommodates different needs, whether that be part-time study, caregiving duties or health-related challenges.

In this sense, part-time work can represent flexibility by design, a feature of a well-functioning labour market that supports both business needs and worker choice.

However, high levels of part-time employment may also reflect “flexibility by necessity”, where workers are in part-time roles due to a lack of full-time opportunities, not by preference. This can point to deeper structural issues: underemployment, job insecurity or systemic barriers that prevent certain groups, such as women, young people, or informal workers, from accessing high-quality, stable employment.

Part-time employment is therefore a double-edged indicator, signalling either empowered choice or constrained opportunity. It reflects flexibility, but not always quality. Organisations need to look beyond headline figures and consider:

- Underemployment rates (i.e. workers seeking more hours than they can get).
- Wage parity between part-time and full-time roles.
- Access to social protections or benefits for part-time workers.

In summary, part-time work can be a strength – but only when it’s an active choice, not a constraint.

From scores to strategic opportunity: Where will you play?

Labour market flexibility can be a powerful enabler, but only if it aligns with your wider workforce strategy. Whether you're looking to scale quickly or enter new markets, this pillar helps you identify where agility is built into the system.

To help you navigate this, we've grouped countries into two categories:



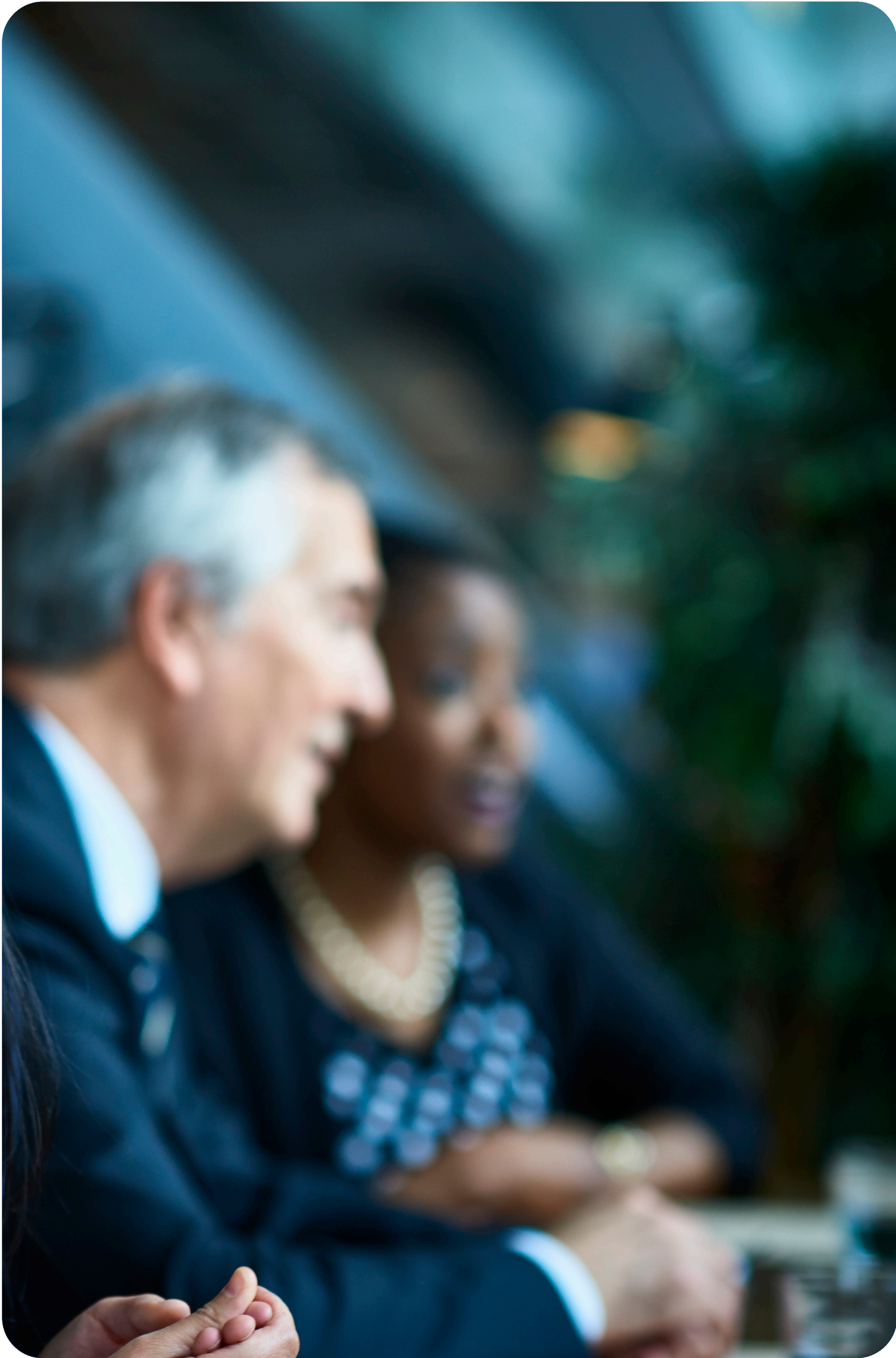
The front runners

These are the countries topping the flexibility rankings, offering fast, frictionless hiring environments and minimal regulatory barriers.



Markets in motion

These are countries actively working to strike a balance-building flexibility into their systems while strengthening fairness, protections and workforce quality.



Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



The front runners

01 China

02 Thailand

03 Saudi Arabia

04 Malaysia

05 United Arab Emirates

01 China
Talent Flexibility
Rank: 1/35

What's working:

China leads in labour market flexibility for domestic firms, with minimal legal barriers to hiring and firing, a vast workforce and a state-led model that enables rapid policy shifts. Strong digital infrastructure and a growing gig economy also support responsiveness.

What to watch:

Labour protections are uneven, especially for informal and migrant workers. For new entrants, regulatory opacity, data restrictions and unfamiliar legal frameworks can limit flexibility. Cross-border talent mobility also remains constrained.

What's next:

China is likely to maintain its edge for domestic firms, especially in tech and manufacturing. For international organisations, flexibility may remain limited unless regulatory transparency improves.

02 Thailand
Talent Flexibility
Rank: 2/35

What's working:

Thailand scores highly due to flexible employment laws. A mix of formal and informal work allows businesses to scale quickly. Strong outsourcing and BPO sectors further boost agility, especially in services and tech.

What to watch:

Job quality and worker protections are inconsistent. Widespread informal employment and uneven regulatory enforcement may limit long-term workforce stability and development.

What's next:

Thailand is well-positioned to support agile workforce models. To sustain competitiveness, it will need to balance flexibility with fairness through stronger worker protections, skills investment and labour formalisation.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



The front runners

03

Saudi Arabia
Talent Flexibility
Rank: 3/35

What's working:

Saudi Arabia offers contract flexibility, low taxes, and minimal regulation, attracting employers seeking speed and simplicity. Labour reforms have streamlined hiring and supported private sector growth. Vision 2030 is reshaping the labour market, focusing on diversification and foreign investment.

What to watch:

Cultural and legal constraints can limit workforce participation, especially for women and underrepresented groups. While the market appeals to high-skilled expats, conditions for lower-wage migrant workers remain restrictive, raising equity and inclusion concerns.

What's next:

As reforms continue, Saudi Arabia's agility is set to grow. Long-term success, however, depends on balancing flexibility with inclusive workforce development. Expanding participation while staying employer-friendly could make it a regional benchmark for agile, future-ready labour markets.

04

Malaysia
Talent Flexibility
Rank: 4/35

What's working:

Malaysia combines employer-friendly labour laws with a growing digital economy. It offers low dismissal costs, a strong outsourcing ecosystem and government support for workforce digitalisation and upskilling. These factors make it a compelling choice for organisations seeking operational agility in Southeast Asia.

What to watch:

Labour protections for informal workers are limited and enforcement can be inconsistent. Regional disparities in workforce readiness may also affect scalability, particularly for organisations looking to expand beyond urban centres.

What's next:

Malaysia is likely to remain a top performer in agility, especially in sectors like tech, finance and shared services. To sustain this position, it will need to continue investing in education, strengthen protections for vulnerable workers, and formalise employment structures to ensure that flexibility doesn't come at the cost of fairness.

05

United Arab Emirates
Talent Flexibility
Rank: 5/35

What's working:

The UAE offers a flexible labour market with few hiring or dismissal restrictions. It benefits from a large expat workforce and efficient visa processes. Recent reforms have introduced more flexible contracts and better employer services.

What to watch:

Labour conditions vary by worker type. While high-skill expats benefit from mobility, lower-wage workers often face limited protections.

What's next:

The UAE will continue to attract agile workforces, particularly in finance, tech and construction. To maintain its edge, it must strengthen protections across the workforce and support a more balanced, sustainable model of flexibility.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



Markets in motion

10 **Brazil**

20 **Australia**

29 **Canada**

33 **Netherlands**

35 **Switzerland**

10 **Brazil**
Talent Flexibility
Rank: 10/35

Where complexity lies:

Brazil's labour market offers high regulatory flexibility, but enforcement is uneven and informal employment remains widespread. While this supports short-term adaptability, it can undermine job quality and long-term workforce stability. Political and economic volatility also adds layers of complexity for employers planning sustained operations.

Why it's worth watching:

Recent labour reforms have simplified hiring and dismissal processes, expanded contract types and reduced employer costs, making Brazil one of the more agile markets in Latin America. Its large, urbanised workforce add to its responsiveness, particularly in sectors like construction, logistics and digital services.

What's needed to enhance agility:

Brazil's next step is to formalise its workforce and strengthen protections without compromising flexibility. As standards around ethical employment rise, the ability to balance scale with sustainability will be key.

20 **Australia**
Talent Flexibility
Rank: 20/35

Where complexity lies:

Australia's labour market is moderately flexible, but regulatory frameworks around dismissal and contract types can slow workforce adjustments. While protections support job quality and inclusion, they may limit agility in sectors that require rapid scaling or contingent workforce models.

Why it's worth watching:

Australia performs strongly across other pillars, particularly in Talent Development and Participation. Its workforce is well-educated, diverse and digitally capable. With a growing tech sector and strong infrastructure, it's well-positioned to support agile operations, especially in knowledge-based industries.

What's needed to enhance agility:

To strengthen its flexibility profile, Australia will need to modernise employment frameworks and expand support for hybrid and contingent work. For organisations seeking both quality and scalability, it's a market to watch closely.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



Markets in motion

29 Canada Talent Flexibility Rank: 29/35

Where complexity lies:

Canada's labour laws vary by province and tend to favour worker protections, which can slow rapid workforce adjustments. While this supports workforce stability and quality, it may limit agility in fast-moving sectors or project-based environments.

Why it's worth watching:

Despite its lower ranking, Canada is seen as one of the least complex contingent markets in the Americas, [according to SIA](#). It offers strong governance, solid tech infrastructure, and a favourable pricing environment. Though less deregulated than top performers, its clear frameworks may make workforce planning easier than the score suggests.

What's needed to enhance agility:

Canada's path to greater agility lies in embracing digital transformation at scale. As technology reshapes workforce models and demand for contingent talent grows, Canada's structured approach could evolve into a more dynamic system - one that balances protection with responsiveness.

33 Netherlands Talent Flexibility Rank: 33/35

Where complexity lies:

The Netherlands has a highly structured labour market, with formalised hiring and dismissal processes and tight controls on temporary contracts. While this limits rapid scaling, it supports workforce quality, retention and long-term engagement.

Why it's worth watching:

Flexibility in the Netherlands is built through social dialogue and widespread part-time work, particularly among women. Its model of "structured flexibility" allows for negotiated agility across sectors, making it attractive for employers seeking predictability.

What's needed to enhance agility:

The Netherlands may not rise significantly in these rankings, but its models suits organisations focused on long-term workforce engagement. Investment in digital tools, hybrid work and inclusive practices can boost responsiveness without compromising worker protections.

35 Switzerland Talent Flexibility Rank: 35/35

Where complexity lies:

Switzerland ranks lowest for flexibility due to protective labour regulations and tightly controlled hiring and contract processes. While this supports workforce stability and quality, it limits agility for organisations needing to scale or adapt quickly.

Why it's worth watching:

Despite low flexibility, Switzerland excels in Talent Development and Innovation. For high-value, precision-driven sectors, it offers unmatched quality - even if agility is harder to achieve.

What's needed to enhance agility:

Switzerland's challenge is evolving its labour market without compromising on its strengths. Introducing more adaptable workforce models, especially in tech and innovation, could help balance quality with responsiveness.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

Making talent market flexibility your competitive advantage

Flexibility isn't just about reacting first - it's about building a workforce that can evolve with your business.

The countries that score highly in this pillar offer organisations the ability to scale, restructure and innovate with minimal friction. For employers, this translates into greater control and a quicker path to growth.

But agility isn't a one-size-fits-all advantage. For some organisations, stability, inclusion and long-term workforce quality may outweigh the benefits of rapid responsiveness.

Every market will come with a unique set of choices. There is undoubtedly greater flexibility in some markets which will offer short-term gains, but it may also signal reputational or operational risk.

Ultimately, these are strategic decisions must be influenced by your organisation's risk appetite, values and ESG commitments- including how you approach inclusive employment and responsible sourcing.

And even as we get to grips with flexibility, technology is reshaping our collective understanding of what it means in workforce planning. Digital platforms are restructuring how organisations source, manage and scale talent. Freelancer marketplaces and automated CV screenings are reducing friction. But with this acceleration comes fresh concerns.

Flexibility is powerful, but without fairness, it is incredibly fragile. Use this pillar to identify where agility is evident, but layer in your own strategic priorities, values and risk appetite.

The most competitive organisations won't just move fast, they'll move smart.

Explore the global talent landscape
Click here



Pillar 5: *Talent Innovation*

Innovation is no longer a competitive differentiator; it’s a baseline expectation.

A country’s ability to keep pace with technological change determines whether it remains relevant on the global stage.

The Talent Innovation pillar therefore offers a measure of how well a country’s workforce and institutions are positioned to power technological progress. We also shine a spotlight on where momentum is building. That includes countries making strategic investments in digital capability and strengthening their education systems, laying the groundwork for long-term transformation.

How we measure innovation

This pillar goes beyond traditional metrics to examine both the digital capability of the workforce and the strength of the surrounding innovation ecosystem. It focuses on:

- digital and STEM skills across the labour force;
- access to knowledge-intensive employment and Research and Development (R&D) infrastructure; and
- institutional support for innovation, such as effective governance, tech investment, and scientific output.

Together, these factors reveal how effectively a country’s workforce can adapt to new tools, contribute to emerging industries and drive productivity in a tech-enabled economy. This includes the ability to work with advanced digital systems, adopt new platforms and software and respond to evolving technological demands across sectors, especially in AI.

Unlike other technology-focused indices, our approach adopts a broader lens. It includes infrastructure readiness, government investment, R&D spending and institutional support for innovation, not just AI maturity.

If you were to isolate a single source that makes up this pillar, such as the [Stanford HAI AI Index Power Rankings](#), the overall results would look significantly different. The United States would score first followed by China, United Kingdom, India and UAE. But that’s the point - our pillar isn’t designed to mirror other AI rankings.

Rather, it paints a more comprehensive picture of how well-positioned a country’s workforce is to lead iterative waves of innovation.



What these scores mean for your workforce strategy

Top performers such as Switzerland, Sweden and the Netherlands lead due to strong academic ecosystems and infrastructure, as well as sustained cross-sector investment.

For organisations, this means access to talent that can contribute to innovation and operate in modern, technology-rich environments. Countries scoring well here are particularly attractive for businesses in fast-evolving sectors like Fintech, Advanced Manufacturing and Digital Health.

Singapore and Ireland also place in the top ten. These locations play host to thriving tech ecosystems and offer business-friendly environments that support innovation at speed. Their compact size gives them a unique edge, making them more agile and better equipped to deploy and scale emerging technologies at pace.

This is one of the more volatile pillars, given the near-instant impact that new technologies can have on our ways of working. James Milligan, Global Head of Technology, Engineering and Contracting at Hays, anticipates that as AI extends its reach into other indicators within this pillar, countries like the United States, China and India will continue to climb the rankings.

These locations also benefit from lower regulatory friction. With the red tape reduced or largely removed, these locations can move quickly to rewrite the rules of work. In contrast, many of today’s top performers rank lower on the Talent Market Flexibility pillar, due to strong worker protections and cautious regulatory environments. This can slow the pace of AI implementation, especially where legislation is designed to guard against job displacement.

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You cannot ignore India. It’s home to a vast pool of STEM graduates and is attracting growing attention and investment in its various AI technologies. Cities like Bengaluru and Hyderabad are increasingly central to global networks of innovation.

James Milligan, Global Head of Technology, Engineering and Contracting, Hays

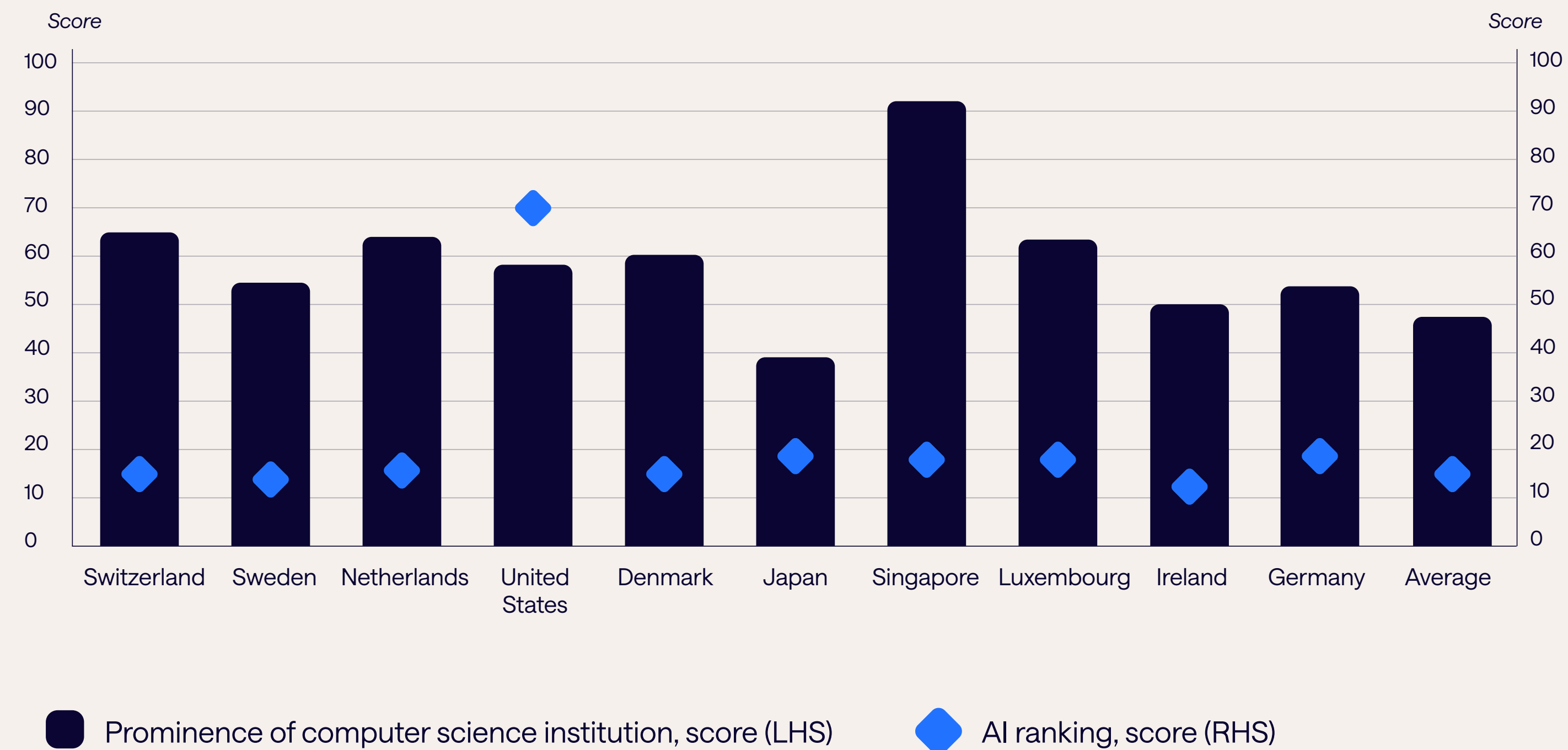
Fig. 10 shows a relationship between the prominence and quality of technology institutions and AI capability rankings, across the leading countries in the pillar. Most of these countries score above average in both dimensions, suggesting that investment in top-tier academic and research institutions directly supports innovation ecosystems.

Ten best performing countries according to the Talent Innovation pillar*

01	Switzerland	100.0
02	Sweden	86.3
03	Netherlands	83.5
04	United States of America	82.2
05	Denmark	79.2
06	Japan	78.5
07	Singapore	77.7
08	Luxembourg	67.3
09	Ireland	66.1
10	Germany	62.9

*Source: Oxford Economics

Prominence of research institutions and AI power ranking
of top 10 countries*




*Source: Oxford Economics


From scores to strategic opportunity:
Where will you play?

The top ten are highly educated, highly skilled - and often come at a higher cost. These countries offer a model for innovation, but they aren't the only destinations of choice. Pinpointing your next opportunity will require you to layer in own strategic considerations.

- How important is it that talent remains in country?
- Which cultures does your organisation most easily align with?
- How much are you willing to invest in developing digital skills?

To help you focus your search, we shine a spotlight on two key categories:

 **The front runners**
Countries topping the Talent Innovation pillar.

 **Markets in motion**
These are the countries to keep firmly on your radar. While they may not lead the pillar today, they're laying the groundwork to ensure they compete tomorrow.

01 Switzerland

02 Sweden

03 Netherlands

04 United States

05 Denmark

01 Switzerland
Talent Innovation
Rank: 1/35

What's working:

Switzerland leads this pillar, with exceptional scores in the Global Innovation Index, high patent activity and strong IP protections. World-class institutions like ETH Zurich and robust academia-industry collaboration reinforce its position.

What to watch:

High labour costs and a cautious regulatory environment may slow tech adoption and could deter start ups and limit cost-sensitive sectors.

What's next:

Switzerland's outlook remains strong, with continued investment in AI, Life Sciences and Advanced Manufacturing. Sustaining momentum will depend on attracting global talent and clients despite rising costs.

02 Sweden
Talent Innovation
Rank: 2/35

What's working:

Sweden's strong performance is underpinned by a world-class education system, high digital fluency and extensive, government-driven investment in R&D. A culture of continuous learning and strong public-private collaboration further supports its thriving tech ecosystem, which includes both global firms and startups.

What to watch:

An ageing population could strain future talent availability. High tax burdens may discourage private investment, while a relatively small domestic market could limit scalability for fast-growing digital organisations.

What's next:

Sweden is well-positioned to remain in a podium position. Proactive green tech investments and a proactive AI strategy are key pillars of future performance.



The front runners

03

Netherlands

Talent Innovation

Rank: 3/35

What's working:

The Netherlands ranks highly for knowledge-intensive employment, STEM talent and research output. Backed by world-class digital infrastructure and supportive government policies, it's a magnet for startups and scale-ups alike.

What to watch:

Environmental challenges such as housing shortages and climate adaptation costs may hinder talent attraction and long-term growth, if left unchecked.

What's next:

With targeted investment in AI, biotech and logistics, the Netherlands is set to remain at the forefront of European innovation. Its compact geography and efficient governance allow for agile policy-making and fast implementation.

04

United States

Talent Innovation

Rank: 4/35

What's working:

The US leads globally in tech innovation, powered by world-renowned institutions like MIT and Stanford and a thriving entrepreneurial ecosystem centred around hubs like Silicon Valley. A standout performance in AI rankings significantly boosts its position in this pillar, highlighting leadership in frontier technologies.

What to watch:

Persistent gaps in access to digital education alongside regulatory pressures on big tech present challenges. Uncertainty around immigration policy could also restrict the inflow of global talent that has powered innovation.

What's next:

The US is expected to remain a top-tier innovator, with continued investment in Quantum Computing, Biotech and AI. Ensuring equitable access to opportunities and greater policy stability will be key to sustaining long-term leadership.

05

Denmark

Talent Innovation

Rank: 5/35

What's working:

Denmark stands out for its high R&D investment, effective public institutions and digitally skilled workforce. It performs well on research output indicators, including the number of researchers and published scientific articles.

What to watch:

A small domestic market and a high cost of living may limit startup scalability and international talent attraction.

What's next:

Denmark is likely to remain a leader in sustainable innovation. Continued investment in digital infrastructure and global partnerships will shape an ecosystem that continues to thrive.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



Markets in motion

15 **Canada**

26 **Portugal**

32 **Spain**

33 **Romania**

35 **India**

15 **Canada**
Talent Innovation
Rank: 15/35

Why it needs to be on your radar:

Canada is a global leader in AI research and digital innovation, home to top-tier institutions and consistently ranked among the top five for AI investment. Its high quality of life and innovation-friendly environment make this mid-tier ranking somewhat surprising.

What's holding it back:

Despite strong foundations, Canada faces a digital fluency gap. Innovation is concentrated in major hubs like Toronto, Montreal and Vancouver, with slower momentum elsewhere.

What's needed to drive innovation:

Canada must close its digital fluency gap and expand innovation beyond urban centres. Streamlining regulation and creating clearer pathways into high-growth industries will be key.

26 **Portugal**
Talent Innovation
Rank: 26/35

Why it needs to be on your radar:

Portugal is gaining traction as a tech and innovation hub, particularly in Lisbon, with high levels of academic achievement and a growing international workforce.

What's holding it back:

Innovation is still emerging at scale. Youth unemployment, regional disparities and moderate R&D investment are slowing progress and limiting the reach of its innovation ecosystem.

What's needed to drive innovation:

Portugal must deepen investment in digital infrastructure, expand regional development and strengthen links between academia and industry to turn growing academic strengths into scalable innovation.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation



Markets in motion

32

Spain

Talent Innovation

Rank: 32/35

Why it needs to be on your radar:

Spain offers a strong academic foundation and vibrant urban hubs like Barcelona and Madrid, which are attracting international tech talent and investment.

What's holding it back:

Innovation remains uneven across regions. Limited R&D spending, high youth unemployment and slow adoption of emerging technologies are holding back its position in the pillar.

What's needed to drive innovation:

Spain needs to accelerate digital adoption and boost investment in innovation across regions. Strengthening vocational pathways, improving youth employment outcomes and supporting tech entrepreneurship will be key to building a more balanced and resilient innovation ecosystem.

33

Romania

Talent Innovation

Rank: 33/35

Why it needs to be on your radar:

Romania is often cited as a destination for software development and IT outsourcing, backed by a strong tradition in technical education and a fast-growing startup ecosystem.

What's holding it back:

Despite strong digital skills, investment in R&D and infrastructure remains low. The country faces a high risk of brain drain, as skilled professionals migrate to better-paying opportunities in other EU markets.

What's needed to drive innovation:

Romania excels in niche specialisms, but without stronger talent retention and systemic investment, much of its potential risks being realised elsewhere.

35

India

Talent Innovation

Rank: 35/35

Why it needs to be on your radar:

India is home to one of the world's largest pools of STEM graduates and a rapidly expanding tech ecosystem. Cities like Bengaluru and Hyderabad are central to global innovation networks.

What's holding it back:

Despite scale and capability, India's innovation score is held back by uneven infrastructure, low R&D investment and persistent challenges in talent retention.

What's needed to drive innovation:

India must translate its scale into sustained impact. That means investing in inclusive infrastructure, expanding innovation hubs beyond Tier 1 cities and creating stronger incentives for talent retention.

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

From digital skills to driving innovation

The question isn't just where talent is today, but how ready it is to evolve. This pillar goes beyond conventional AI rankings to pinpoint how effectively a country equips its workforce to champion innovation. Combining digital fluency, development capabilities and institutional support, it highlights the countries that are shaping our future.

But to turn potential into performance, you'll need to dig deeper, layering in broader strategic and operational considerations. James Milligan offers the starting point for your checklist:



01

Is the country actively investing in retention strategies?

An impressive pipeline of tech talent means very little if it's leaving before it can make an impact.

02

Is the infrastructure fit for purpose?

Rule of law, digital connectivity and institutional stability are non-negotiables. You need to ensure these hygiene factors are present in your focus countries.

03

How much are you willing to invest?

Innovation thrives when talent is embedded, not just outsourced. Cultural alignment and a 'one team' mindset matter, but they require sustained effort.

04

What skills do you actually need right now?

Digital natives are blazing the trail. They'll require different capabilities – and different markets – to match their needs. Do you need unicorn candidates, or are you just replicating what others are doing?

05

What's your risk appetite?

Some of the markets in motion may offer speed and scale - but they also come with increased volatility. Are you prepared to trade certainty for competitive edge?

Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

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AI will be the great leveller. Skills will transcend borders, and tasks will be redefined. As an organisation, this adds another layer of consideration. You need to understand what these countries are doing to help people move up the value chain and stay ahead of what's coming next – and what role your organisation will play in that journey.

James Milligan, *Global Head of Technology, Engineering and Contracting, Hays*

Innovation is powerful, but only when it's matched by investment and infrastructure.

Use this pillar to identify where the potential lies. Then build the strategy to unlock it.

Explore the global talent landscape
Click here



Pillar 1: Talent Value

Pillar 2: Talent Participation

Pillar 3: Talent Development

Pillar 4: Talent Market Flexibility

Pillar 5: Talent Innovation

Conclusion

Global labour markets are shifting fast, shaped by economic pressures, demographic change and evolving workforce expectations. There is no such thing as a perfect labour market - each brings a different combination of opportunities and challenges. Some offer scale and capacity, while others lead on innovation or digital readiness.

What matters is finding the right fit for your organisation.

The Hays Global Talent Tracker is designed to help you do just that. But it's only the first step. You'll need to layer in country-specific sectoral and skills-level data to understand the specific talent dynamics at play. While the tracker can't answer every question, our specialist experts can. Whether you're planning to scale, consolidate operations, or explore new markets, we're here to help you.

Let's move forward, together.



Appendix I: Index components and data sources

1.1 Talent Value

The Talent Value component reflects the economic efficiency of the labour market. It aims to capture aspects not limited to just the wage paid to workers but also taxes, social security and other employment-related expenses that can affect hiring and firing processes.

Breakdown of Talent Value components and data sources

Pillar	Indicator	Source	Rationale
Salary compensation	Average earnings (US\$ PPP)	Oxford Economics databank	Directly reflects the compensation workers receive. Translated into US\$ for comparison and accounting for purchasing power parity.
	Premium for overtime work (% of hourly pay)	World Bank Group	Reflects an additional financial burden placed on employers when employees work beyond standard hours.
Productivity	Output per hour worked (GDP constant 2021 international \$ at PPP)	International Labour Organization	Provides general information about the efficiency and quality of human capital in the production process for a given economic and social context.
Hiring and firing	Severance pay for redundancy dismissal (weeks of salary)	World Bank Group	Captures other costs faced by employers to be considered when hiring and managing employees.
	Minimum length of probationary period (months)	World Bank Group	Captures the financial commitment required by employers when hiring new employees.
Employer costs	Proportion of population covered by social protection systems (%)	International Labour Organization	Reflects the extent of employer contributions to social welfare programmes, providing a more comprehensive overview of the total cost of labour.

Appendix I: Index components and data sources

1.2 Talent Participation

Talent Participation provides insight into the size of the labour force and its ability to meet the needs of employers. It captures aspects such as education, demographic factors, migration patterns and diversity that all determine the availability of human resources in a country.

Breakdown of Talent Participation components and data sources

Pillar	Indicator	Source	Rationale
Demographic trends and population	Working age population (% of total population)	World Bank Group	Directly captures the pool of individuals eligible to participate in the labour force currently.
	Labour force participation rate (%)	Oxford Economics databank	Allows isolation of the proportion of the working age population that is already contributing to the labour market and, therefore, to identify any possible gaps.
	Unemployment rate (%)	Oxford Economics databank	Measures proportion of labour force that is actively seeking employment and unable to find it, which identifies part of the missing potential of a labour force.
Labour market characteristics	Migrant population	United Nations	Functions as a good indicator of a diverse and globally competitive workforce as well as an indicator of population growth trends.
	Net migration rate (/1,000 population)	CIA World Factbook	Reflects the movement of people in and out of a country which contributes to the availability of talent.
	Tertiary inbound mobility ratio	Unesco	Reflects the proportion of foreign individuals moving into a country for education, work, or other opportunities and indicates that a country is successfully attracting skilled workers, students.
	Brain retention	World Economic Forum	Assesses the long-term availability of talent in a country, as it measures the ability of a nation to retain its highly skilled and educated workforce.

Appendix I: Index components and data sources

Education and skills	Educational attainment (% of population 25+ who completed at least primary)	World Bank	Assesses the size and diversity of the labour pool, as it highlights the number of individuals who are prepared to take on roles that require specific levels of education.
	Vocational training enrolment (%)	Unesco	Same as above but capturing a different skill set of the labour pool.
Health and quality of life	Healthy life expectancy	Global Burden of Disease	Reflects the number of years individuals can expect to live in good health, which directly impacts workforce participation and productivity.
	Human Development Index	UNDP	Composite measure that considers factors such as life expectancy, education and income levels, providing a broad view of the overall development and well-being of a population. A higher HDI often correlates with a more educated, healthier and economically active population.
Labour market under utilisation	Labour supply (% of working age population)	Oxford Economics databank	Refers to total quantity of labour available, including willingness and ability of individuals to work. Therefore, also captures those that are not actively seeking and may be discouraged.
	Non-accelerating inflation rate of unemployment	Oxford Economics databank	Captures specific level of unemployment that is considered to be consistent with stable inflation in an economy.
	Youth unemployment (% of labour force ages 15-24)	World Bank Group and ILO	Highlights the percentage of young people currently excluded from employment who may be facing structural barriers or a mismatch between skills and job opportunities.

Appendix I: Index components and data sources

1.3 Talent Development

The Talent Development pillar provides valuable insight into the quality and skill level of a country’s workforce. It includes the expertise, education and quality of the labour force.

Breakdown of Talent Development components and data sources

Pillar	Indicator	Source	Rationale
Workforce composition	Female participation rate (%)	World Bank	Assesses effectively if a country is utilising its entire talent pool by providing insights into potential barriers to female workforce participation, such as societal, cultural, or policy-related constraints and building a picture of the diversity of the workforce.
	Mean years of schooling	Wittgenstein Centre	Evaluates the educational foundation of the labour force, which influences both the availability of skilled workers and their ability to adapt to changing job demands.
Skills and development	Labour force by level of education (%)	International Labour Organization	Measures skills and development by reflecting the educational attainment of the workforce which influences the quality of talent available.
	Firms offering formal training (%)	World Bank Group	Indicates how businesses invest in enhancing the capability and expertise of their workforce, directly contributing to the experience of the labour force.
Talent competitiveness	Global Skills Index	Coursera	Assesses the country’s skill development relative to global standards, highlighting its strengths and areas for improvement.
	Global Talent Competitiveness	Insead	Assesses how competitive a country’s labour market is in terms of talent acquisition and retention.
Education system performance	Research institution prominence (total score / number of institutions in each country)	Scimago	Assesses the environment in which the labour force is shaped, as strong institutions contribute to workforce development through education, research and innovation.
	PISA scores	PISA	Evaluates the academic performance of 15-year-olds in reading, mathematics, and science across participating countries.
	Education expenditure	World Bank	Assesses how well a country is preparing its future workforce through adequate funding for schools, universities and vocational training programmes.

Appendix I: Index components and data sources

1.4 Talent Market Flexibility

Talent Market Flexibility is essential to understand how easily a workforce can adapt to changes in economic conditions, technological advancements and industry demands. A flexible labour market supports an efficient allocation of talent, which ultimately contributes to the competitiveness of the labour force.

Breakdown of Talent Market Flexibility components and data sources

Pillar	Indicator	Source	Rationale
Employment and worker protection laws	Level of national compliance with labour rights	International Labour Organization	Assesses how a country's commitment to worker protections influences its ability to maintain a flexible labour market.
	Workers' rights	ITUC	Measures the extent to which workers' rights are safeguarded, including issues such as fair treatment, non-discrimination, health and safety standards and the right to organise.
Wage flexibility	Minimum wage	International Labour Organization	Captures challenges in adjusting labour costs, potentially leading to less flexibility in hiring and employment practices.
	Incidence of part-time employment (%)	International Labour Organization	Reflects the flexibility to a worker to work a specific number of hours but also the flexibility to the employer of adapting their workforce to business needs and economic conditions.
Contract flexibility	Incidence of temporary contracts (% of all contracts)	International Labour Organization	Reflects ability of both employers and workers to adjust to short-term needs, economic shifts and fluctuating demand for labour.
	Cost of redundancy dismissal	Global Innovation Index	Captures how easily employers can adjust their workforce in response to changing economic conditions or demand.
	Index of Economic Freedom	The Heritage Foundation	Measures the extent to which economic policies including labour market regulations allow employers and employees to adapt to changing market conditons.

Appendix I: Index components and data sources

1.5 Talent Innovation

Talent Innovation is composed of several key pillars which are vital to understand a country’s capacity to foster and leverage technological advancement. it includes aspects covering the readiness of human capital through their skills and digital literacy and the level of public investment and innovation in relevant fields.

Breakdown of Talent Innovation components and data sources

Pillar	Indicator	Source	Rationale
Human capital and digital literacy	Prominence of computer science institution (score)	Times Higher Education	Assesses the strength and global competitiveness of a country's higher education institutions in preparing students for roles in the technology sector, or for technology-related skills required in the job market, which enhances the quality of the labour force.
	Knowledge-intensive employment (%)	Global Innovation Index	Reflects the concentration of highly skilled employment which would be qualified to meet the demands of a digital economy.
	Graduates in science and engineering (%)	Global Innovation Index	Reflects the country's capacity to produce skilled talent equipped to drive technological innovation and meet the demands of a digital economy.
Public investment	Government effectiveness (score)	World Bank Group	Measures ability of government to deal with the implementation of digital infrastructure and enforcement of supportive tech policies.

Appendix I: Index components and data sources

Innovation	Number of researchers per million inhabitants	Unesco	Captures a country’s capacity for innovation and technological advancement through the readiness of the labour force to drive development and adaptation of new technologies.
	AI power rankings	Stanford HAI tool	Assesses how well a country is fostering the development of AI technologies and how its workforce is positioned to capitalise on AI advancements.
	Patent applications per million inhabitants	WIPO Intellectual Property Statistics	Assesses how actively a country is contributing to technological progress and how its workforce is engaged in innovation-driven industries.
	World Competitiveness Ranking	IMD	Measures the competitiveness of global economies by assessing how effectively they create long-term value for their people through factors such as infrastructure, institutions and government policies; and their ability to foster an environment that encourages sustainable enterprise and value creation.
	Global Innovation Index	WIPO Intellectual Property Statistics	Reflects a country’s overall ability to create and apply new technologies.
	Intellectual property payments, % total trade	WIPO Intellectual Property Statistics	Indicates the extent to which a country values and protects technology innovations.
	Scientific and technical articles/bn PPP\$ GDP	WIPO Intellectual Property Statistics	Reflects the level of research output and dissemination of new knowledge which is essential for fostering technological advancement and innovation.

Appendix II: Methodology

Defining the scope and focus areas

We began by identifying the main themes that capture the core aspects of labour market performance. The themes were selected to provide a balanced and multi-dimensional view of each market. Through this we built the pillars included in the Tracker.

We were then provided with a list of 35 countries of interest by Hays, based on their operational footprint. The Tracker covers only these markets. The results are designed for relative comparison within this specific group and do not represent a global ranking. The absence of other countries does not imply they are less relevant; rather, the selection reflects the scope of Hays business operations.

Data collection and selection criteria

For each pillar we then identified and evaluated multiple data sources to ensure they meet standards of statistical reliability and come from reputable sources. The data was included in the study if:

- It was available for all 35 countries from the same source, ensuring comparability.
- It represented the most recent year available, allowing the index to reflect current conditions as closely as possible.

While this approach provides a consistent and credible dataset, it also means that very recent policy changes or labour market shifts may not yet be captured.

Constructing pillar scores with principal-component analysis

The selected data points for each pillar were then combined into a pillar score using Principal Component Analysis (PCA) - a statistical technique that reduces complex, multidimensional datasets into a single composite measure. PCA identifies patterns in the data and determines weights based on the statistical structure of the dataset, avoiding the need for subjective weight assignments.

Benefits of PCA:

- Simplifies the comparison of data expressed in different units or scales.
- Objectively assigns weights based on data relationships rather than personal judgement.

Limitations of PCA:

- Smooths over country-specific dynamics, meaning unique features of individual markets may not be fully visible.
- Extremes can offset – strong performance in one area can offset weaker performance in another.
- Cannot attribute a precise percentage of a country’s score to a single data point. While correlations can be shown, we cannot calculate exact contributions.

Creating the overall Tracker score

The pillar scores for each country were then averaged using a simple mean to generate the overall Tracker score. This provides a broad comparative view of labour market performance across the 35 countries.

However, this single score should be viewed as a summary indicator. It is not designed to capture the full complexity of individual labour markets or the nuances of specific sectors within them.

Let's shape your talent strategy, *together.*

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