Investment in Education: A Strategic Imperative for Business

April 18, 2013
Meet the Speakers

Rebecca Winthrop
Senior Fellow and Director
Center for Universal Education
The Brookings Institution
Washington, Dc, USA

Gib Bulloch
Executive Director
Accenture Development Partnerships
Geneva, Switzerland

Pooja Bhatt
South Asia Regional Portfolio Manager
Accenture Development Partnerships
Mumbai, India
Session Objectives

In today’s session, we will:

• Discuss the strategic importance of equitable access and quality education to the Private Sector

• Understand the “Return on Investment” for investing in Education

• Explore innovative funding models for Private Sector investment in Education to bridge the funding gap in Education

• Agree on next steps to move forward to develop funding mechanisms for Education
Project Summary

With a proposition that Education is a ‘strategic business issue’, not just a ‘CSR’ initiative, we have explore the following two questions:

1. What is the business case for Private Sector Investment in Education?
2. What type of innovative funding mechanisms can be created for Private Sector Investment in Education?

Our findings highlight that:

- Urgent action is needed to address issues in Education such as, low education levels and dwindling funding support, in emerging economies where future talent exists given demographic shifts in working age population
- Equitable access and quality education are strategic growth constraints for business to secure future talent with the right skills and manage talent related costs
- Not only is there a strong ‘return on investment’, but there is also a potential to capture a huge ‘value gap’ by supporting Education
- There are opportunities to create multi-stakeholder funding models where investment/equity is a function of tangible social outcomes
Contents

Education and Human Development
The need for Urgent Action

The Importance of Education to the Private Sector
A Strategic Imperative for Growth

The Business Case for Private Sector Investment in Education
The Value Chain of Talent

Innovative Investment Models to support Education
Bridging the Funding Gap
Education is a fundamental building block for human development and poverty reduction

“Education is a major driving force for human development”
– United Nations Secretary-General BAN Ki-moon, Sept ‘12

- 0.37 percentage points increase in the avg. 40 year growth rate in GDP from each additional year of schooling – this equates to a boost of more that 10% considering that the world economic growth rate has been around 2-3% of GDP annually since WWII

- A country able to attain literacy scores 1% higher than the international average will achieve 2.5% rise in labor productivity and 1.5% rise GDP per capita than those of other countries

- It is estimated that every US$1 spent on a person’s education, yields US$10-15 in economic growth over that person’s working lifetime

- 171 million people could be lifted out of poverty if all students in poor countries had basic reading skills

Source:
2. OECD, Education at a Glance, 2006, p. 155
Yet...

Access to quality education remains a gap...

• 61 million primary-aged children are out of school
• 250 million children cannot read, write or count well
• 200 million young people leave school without the skills they need to thrive, contribute in society and find jobs
• About 71 million teenagers are not attending secondary school, missing out on vital skills for future employment.

Countries facing the greatest challenges....

**Goal 2:** Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Source:
Education levels in many of the GBC-ED focus countries are lagging behind the rest of the developing world.


Developed country avg. primary enrollment: 97%

Developing country avg. primary enrollment: 88%
Education in developing countries is relevant to businesses in developed countries due to migration trends.

Source: World Bank Data for Year 2010
Demographic Shifts in the Global Labor Force
2010-2060
Working age population is largest in China followed by India and USA

*Note: Working age population is defined by the OECD as ages 15-64

India and Brazil will increase their working age population by 17% and 11% respectively between 2010 and 2020.
By 2030, India will have the largest working age population – children born today will join the workforce.

Projected Working Age Population, 2030

By 2040, Chinese & Brazilian labor forces will shrink; Bangladesh & Indonesia will reach their highest level

Projected Working Age Population, 2040

Bangladesh, Pakistan & Nigeria will contribute about half the growth in the global labor force between 2010 to 2050.

Projected Working Age Population, 2050

Compared to 2020, Nigeria’s working population will triple while Ethiopia’s will double.
Furthermore, future trends regarding share of GDP show a shift from ‘Developed Economies’ to ‘Emerging Economies’

Private companies will need to focus more on emerging economies, going forward

![Graph showing share of global GDP (US $ Trillion at 2005 prices) from 1990 to 2030 (f)]

Share of Global GDP (US $ Trillion at 2005 prices)

The footprint of multinational companies has increased to capitalize on the greater revenue opportunities in Emerging Economies.

Revenues by Geographic Regions for Five select MNCs

Source: Company Annual Reports, Dow Jones Factiva
The Education financing gap...

There is a major financing gap even if governments invest in education at expected levels.

In 2011, the total aid decreased by 3% in real terms; official development assistance (ODA) to the education sector will be reduced as 2015 approaches, reflecting the 3% fall in total development aid since 2010-2011.

Source: UNESCO Education for All Global Monitoring Report 2012
The Private Sector has a stake in Education in ‘Emerging Economies’

- There is a quality and capacity challenge - in terms of weak education systems
- There are demographic shifts and movement of people
- Traditional aid flows are reducing
- Hence, due to the timing challenge – we need to act now
Contents

- **Education and Human Development**
  The need for Urgent Action

- **The Importance of Education to the Private Sector**
  A Strategic Imperative for Growth

- **The Business Case for Private Sector Investment in Education**
  The Value Chain of Talent

- **Innovative Investment Models to support Education**
  Bridging the Funding Gap
The importance of equitable access and quality education to the private sector

Achieve Strategic Growth

Secure Talent to Maximize Revenue
- Enhance size and quality of talent pool needed for strategic growth
- Mitigate talent supply/demand mismatch

Manage Talent Management Costs
- Reduce talent acquisition and retention costs
- Reduce learning and development costs

Foster Economic Growth
- Improve/accelerate economic growth (GDP, tax revenues, infrastructure, etc.)
- Reduce poverty/shift poverty levels

Enable Social Outcomes
- Improved health outcomes (Infant/child mortality, morbidity, prevention, etc.)
- Stable, society with less crime/conflict

Realize Indirect Benefits

Importance of Equitable Access and Quality Education to the Private Sector

NON-EXHAUSTIVE

Not included in the ‘Business Case for Private Sector’
Issue #1: Secure Talent to Maximize Revenue

Strategic growth and expansion may be limited by availability of talent with the right skills
Business leaders are unable to pursue market opportunities & strategic initiatives due to ‘Talent Constraints’

- 1 in 4 CEOs globally felt that they were unable to pursue a strategic initiative or market expansion opportunity due to talent shortage
- In emerging economies of India and ASEAN this percentage was higher than the global average
- CEOs across industries expressed greater difficulties in hiring employees
- CEOs are currently attempting to counter these challenges by moving experienced employees from mature to emerging markets

“Talent is the most strategic issue for a country like India. The country is tremendously short of talent. There is a gap between industry needs and what comes out of technical institutions.”

Baba Kalyani, CEO, Bharat Forge

---

How Talent Constrains impacted growth and profitability of a company – Survey of 1258 CEOs in 2012

- Talent related expenses rose
- Quality standards fell
- Could not achieve growth at home
- Could not achieve growth overseas
- Not able to innovate effectively
- Unable to pursue market opportunity
- Cancelled/ delayed key strategic initiative

% of respondents saying Yes

- Brazil
- ASEAN
- India
- Global Average

Source: Web Reports, PwC CEO Survey 2012
In emerging economies, while talent demand may be met by supply, ‘Employability’ is a major challenge.

Global Talent Demand/Supply Projection: 2011 to 2021

- Medium employability challenge
- Strong employability challenge

Without intervention, challenges in securing talent with ‘appropriate’ skills are projected until 2030

Global Talent Demand/Supply Projection: 2021 to 2030

- Medium employability challenge
- Strong employability challenge

Low secondary and tertiary school enrolment levels are indicative of a future talent supply without required ‘foundational’ and ‘transferable’ skills.

Enrolment Ratios by Education Levels for Select Countries

- In growing **Asian economies**, Secondary Education enrolment rates are much lower compared to developed nations reflecting the inability of education systems to absorb and retain students in these countries.

- In **African nations** such as Nigeria and Ethiopia, that are beginning to realize their growth promise, almost half the students appear to be dropping out after completion of only primary education level.

Source: World Bank, Nation Master

Add’l info on slide 56
Issue # 2: Manage Talent Management Costs

Rising Talent Management costs will impact profitability
Rising talent related expenses pose a critical constraint to growth and profitability.

Survey Response from 1258 CEOs around the World (2012)

Note: In this survey, 1,258 CEOs in 60 countries participated. 440 interviews were conducted in Asia Pacific, 291 in Western Europe, 236 in North America, 150 in Latin America, 88 in Central and Eastern Europe and 53 in the Middle East and Africa. Question: Have talent constraints impacted your company’s growth and profitability over the past 12 months in the following ways?

<table>
<thead>
<tr>
<th>Issue</th>
<th>Brazil</th>
<th>ASEAN</th>
<th>India</th>
<th>Global Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent related expenses rose</td>
<td>39</td>
<td>39</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Quality standards fell</td>
<td>21</td>
<td>24</td>
<td>29</td>
<td>37</td>
</tr>
<tr>
<td>Could not achieve growth at home</td>
<td>23</td>
<td>24</td>
<td>29</td>
<td>30</td>
</tr>
<tr>
<td>Could not achieve growth overseas</td>
<td>23</td>
<td>24</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Not able to innovate effectively</td>
<td>26</td>
<td>31</td>
<td>35</td>
<td>42</td>
</tr>
<tr>
<td>Unable to pursue market opportunity</td>
<td>23</td>
<td>31</td>
<td>33</td>
<td>52</td>
</tr>
<tr>
<td>Cancelled/ delayed key strategic initiative</td>
<td>24</td>
<td>30</td>
<td>42</td>
<td>41</td>
</tr>
</tbody>
</table>

Source: 'Delivering results through talent The HR challenge in a volatile world’, PwC, 2012
In fact, the wages in emerging markets such as India, Philippines and Indonesia have been rising.

Annual Rate of Change in Wages
(from previous year)

Note: Rate of increase reflects change from previous year.

*Source: Analysis of ILO data from Global Wage Database, 2012.*
Wage increases across industries, in India for example, have been as high as 15% in some industries.

Annual wage increments in India for 2012-13 compared to 2011-12

Furthermore, high attrition rates, across industries in India creates a perpetual talent acquisition cycle; creating a significant burden for businesses.

In India, junior management attrition rates were significantly high - as high as 34% in the Information Technology Enabled Services Sector.

Training and development spend is an additional cost that is rising, especially for new hires – as exemplified by IT-ITeS Industry data from India.

Indian IT-ITeS Training Spend ($ Billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Indian IT-ITeS Training Spend ($ Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$1.0</td>
</tr>
<tr>
<td>2008</td>
<td>$1.2</td>
</tr>
<tr>
<td>2009</td>
<td>$1.4</td>
</tr>
<tr>
<td>2010</td>
<td>$1.6</td>
</tr>
<tr>
<td>2011</td>
<td>$2.0</td>
</tr>
</tbody>
</table>

Training Spend per FTE in 2011

1 IT-ITeS: Information Technology- Information Technology enabled Services,
2 Indian Pure Plays include companies such as TCS, Infosys and Wipro
Education needs to be a strategic imperative for the Private Sector

- Growth will be inhibited due to a lack of qualified talent
- Costs could rise dramatically through wage inflation caused by a talent crunch
- Business performance will be negatively impacted
- Hence, the private sector must backward integrate to secure its future strategic growth, especially in emerging economies
Contents

Education and Human Development
The need for Urgent Action

The Importance of Education to the Private Sector
A Strategic Imperative for Growth

The Business Case for Private Sector Investment in Education
The Value Chain of Talent

Innovative Investment Models to support Education
Bridging the Funding Gap
Opportunities are lost with each generation due to child mortality and inadequate education

Each year, 27 million children are born in India.¹

- 1.7 million will die before the age of 5.²
- Over 5 million will never attend school.
- Over 1 million will start primary school but not finish.
- Nearly 9 million will begin secondary education but not finish.³

More than two-thirds of the children born annually in India will not complete the secondary level of education.

Notes:
Education figures based on a sample group of the 15-19 age population. Figures analyzed based on remaining surviving population.

Sources:
3. EFA Global Monitoring Report 2012
The ‘opportunity cost’ for ‘lost talent’ has a significant impact on the economy

A combination of weak education systems and a lack of investment in education in emerging economies has created an annual “value gap” of over $100 billion in the market for talent.

Notes:
*Value gap calculated based on differential between India’s GDP per employed person and GDP per capita. Figures reported for 2011 at PPP in international dollars.\(^1\)\(^2\)
**Figures adjusted to account for rate of anticipated unemployment across the population.\(^3\)

Notes:
1. CIA World Factbook, 2011.
2. IMF World Economic Outlook Database, 2012, India GDP at PPP.
The Value Chain of Talent

The ‘Value Chain of Talent’ concept illustrates benefits to individuals, business, governments, and society through investments in Education.

**Investments**
- Housing & Food
- Housing, Health, Food & Education costs
- Healthcare
- Public spend on education

**Benefits**
- Lesser youth resentment; civic sense; peace & stability
- Salary and benefits received, higher standard of living
- Greater productivity, national income and tax revenues
- Peaceful and stable social system with less conflict; better health parameters
- Greater revenue and profitability

Legend:
- Individual/Family
- Society
- Government
- Businesses

Copyright © 2013 Accenture  All rights reserved.
Quantification of benefits to the Private Sector with a ‘Value Chain of Talent’ approach

Early investments in education yield greater benefits to the business throughout the individual’s career.
Methodology: Analyzing potential returns to the Private Sector for investments in Education

**Inputs**

- **Educational Costs**
  - Costs to attend school in the public system over the educational career of the student, including:
    - Public spend on education per pupil
    - Costs incurred by the student or family (e.g., fees, supplies, uniforms, transport)

- **Value to Business Created**
  - Contribution to the firm’s revenues for each year worked. Working ages assumed 22-64.

**Calculations**

- **Calculate costs during schooling years**
  - Includes pre-primary level (age 3) through university (age 21).

- **Calculate additional value created through costs averted**
  - Decrease in employee acquisition, training and retention costs

**Outputs**

- **Conduct Sensitivity Analysis**
  - Estimate return
    - Net Present Value (NPV)
    - Internal Rate of Return (IRR)
    - Future Economic Value of Talent

Note: This approach employs the “full discounting method” referred to by as opposed to the Mincerian earnings function commonly used by labor economists. “The Profitability Of Investment In Education: Concepts and Methods.” G. Psacharopoulos, World Bank, 1995.

Copyright © 2013 Accenture All rights reserved.
Initial findings: Return on Investment across industries from investments in Education

Using a cross-industry group of nine Indian corporations, we have analyzed the return on investment in education to the business in the form of value generated and costs averted.

Our initial findings show that investments in education return approximately 42% annually.

Cross-industry average: 42%

Note: Annual returns shown use Internal Rate of Return (IRR) calculation. Analysis using a sample of firms from the Bombay Stock Exchange; figures publicly reported for FY 2012. Education costs include 2010 public education expenditures and average family-paid costs reported in 2008 adjusted for annual inflation.

Sources:
1. FY12 company financial statements via Business Week
2. EFA Global Monitoring Report 2012
Future Economic Value of Talent

Using data from a typical Private Sector organization in India, our research has shown that investments in education yield significant future benefits.

<table>
<thead>
<tr>
<th>Costs and Revenues Generated</th>
<th>Total (NPV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPV of total investment in education* (At start of education)</td>
<td>$10,543</td>
</tr>
<tr>
<td>NPV of total value returned to the business^ (20th year after start of education)</td>
<td>$530,999</td>
</tr>
<tr>
<td>Value generated to business in the 20th year, from $1 invested at start of education</td>
<td>$53</td>
</tr>
</tbody>
</table>

Every $1 invested at the start of education returns about USD 53 at start of employment

Notes:
*NPV computed on investment in education from age 3 to 21 years of the person. NPV computed in age 3.
^NPV computed on value to business from age 22 to 64 of the person. NPV computed in age 22.
Our analysis suggests that Education is, in fact, a significant untapped investment opportunity

- Value gaps exist that can be readily addressed
- There appears to be a substantial Return on Investment (ROI) for businesses who “backward integrate” into the development of talent
- We propose that collaborative action by business will yield improvement in desired outcomes
- The role of national governments and donors will be important in providing the right fiscal incentives for business to engage
Open Discussion

- What messages resonate with you?
- Are there gaps in the analysis which need to be addressed?
- How can the value proposition to business be strengthened?
- What is stopping business from investing in education, at present?
Contents

Education and Human Development
The need for Urgent Action

The Importance of Education to the Private Sector
A Strategic Imperative for Growth

The Business Case for Private Sector Investment in Education
The Value Chain of Talent

Innovative Investment Models to support Education
Bridging the Funding Gap
Traditional funding model, aid/grants are typically giveaways with a commercial return of ~100%, that is, there are no commercial returns linked to achievement of social outcomes.
GAVI AMC model: Overcoming the cost barrier to provide vital products to poor communities

Traditional Research & Development driven Pricing Model

GAVI Advance Market Commitment (AMC) Pricing Model

- Initial R&D spend subsidized by AMC funds from donors
- Lower prices for poor countries due to market commitment

Source: The Brookings Institution
Studienaktie: Financial support for tertiary education based on future income

Studienaktie’s Education Financing Model

Investors
(Individuals, Foundations, Corporations)
• Provide financial support
• Act as mentor

Aspirants
• Select funding option
• Pay investor future income earned (typically 5%)

Emerging innovations......

New financial instruments could be developed to translate the future economic value of talent into one of the most significant un-tapped investment opportunities for businesses and impact investors TODAY.
1. An implementer creates a limited liability company (L3C) to issue a Social Yield Option Note (SYON) based on its ability to achieve future savings or benefits by meeting social goals according to an agreement with government/donors.

2. Investors fund the most qualified solution providers by purchasing SYON’s from L3C’s they believe can accomplish the goal, injecting competition to the goal.

3. Outcomes of the intervention are measured by an Independent auditor and reported to Public Sector.

4. The Government (or donor) pays out returns based on level of contractual outcome achieved. Quicker the impact, higher the return.

5. Just like regular bonds, the instruments can be traded in a secondary market, bringing added liquidity to social services.
New possibilities are emerging to develop innovative financing instruments for Education

- Successful funding mechanisms created for other sectors could be applied to education
- New proprietary models are being developed with ability to blend economic return with educational outcomes
- More work needs to be done to evaluate viable alternatives
- Is there an opportunity to develop a “Stern Report for Education”? 
Conclusions and Next Steps

- General reactions and feedback are welcome
- A more comprehensive report will be developed by Brookings and Accenture in the next two months
- Would you support further work in advance of Education events at the annual UN Summit in September?
- How should we proceed
Additional Reference Information
Talent gaps across geographies are hampering the ability of employers to fill critical operational jobs

The key reasons for recruitment challenges around the world are ‘lack of availability’ and ‘lack of hard/soft skills’

- Globally, employers are facing difficulty in recruiting Engineers, Sales Representatives, IT Staff, Accountants and Technicians
- In APAC, employers are facing difficulty in recruiting above roles as well as Research & Development and Marketing & Public Relations
Varying skill-level requirements between advanced and emerging economies will lead to different types of talent supply challenges

**By 2020, advanced economies will have too few college educated workers**

<table>
<thead>
<tr>
<th>Tertiary</th>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>166</td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Secondary</th>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>253</td>
<td>288</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary or Lower</th>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>59</td>
<td></td>
</tr>
</tbody>
</table>

**By 2020, demand for high skill labor will grow faster than supply in China**

<table>
<thead>
<tr>
<th>Tertiary</th>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>140</td>
<td>117</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Secondary</th>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>509</td>
<td>514</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary or Lower</th>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>172</td>
<td>192</td>
<td></td>
</tr>
</tbody>
</table>

**By 2020, availability of medium-skilled labor will lag behind in India**

<table>
<thead>
<tr>
<th>Tertiary</th>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>74</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Secondary</th>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>133</td>
<td>120</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary or Lower</th>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>319</td>
<td>346</td>
<td></td>
</tr>
</tbody>
</table>

**Demand supply mismatch for college educated workers will be highest in the Western Europe zone of France and Germany will the gap reaching 10-11% of the workforce.**

**Gap to be less severe in countries such as the US where migration and a stable workforce will maintain it at 3%**

**Growth in services sector and upward movement of the manufacturing sector in the value chain shall drive the demand in China.**

**With slower population growth, the flow of students entering college shall decline, thus leading to demand supply imbalance.**

**Low secondary school graduation rates and faster growth in higher education than in the industrial sector would drive demand supply imbalance.**

**Growing surplus of low skilled workers could result in adverse social outcomes and low overall productivity.**

Completion of Primary and Secondary education provides the ‘basic skills’ needed for employment

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Nature of skill acquired</th>
<th>Nature of work opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal technical education, higher</td>
<td>Deep skills in a particular area for example engineering,</td>
<td>Well paying professional jobs as well as entrepreneurial</td>
</tr>
<tr>
<td>education, vocational studies</td>
<td>computers etc.</td>
<td>opportunities</td>
</tr>
<tr>
<td>Secondary school education</td>
<td>Skills transferable across jobs – problem solving,</td>
<td>Beginner level jobs that require basic capabilities</td>
</tr>
<tr>
<td></td>
<td>communication, ideation</td>
<td></td>
</tr>
<tr>
<td>Primary and Lower secondary education</td>
<td>Literacy and numeracy skills; Pre-requisites for further</td>
<td>Jobs that meet daily needs</td>
</tr>
<tr>
<td></td>
<td>education</td>
<td></td>
</tr>
<tr>
<td>Uneducated and unschooled</td>
<td>None</td>
<td>Subsistence level work; obtain wages that trap individuals in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>poverty</td>
</tr>
</tbody>
</table>

‘Pathways to Skills’ Framework

*It is thus imperative for education systems of a country to ensure a high enrolment of its population in the primary and secondary school levels to equip them with basic employment skills*
High salary/benefits expectations and lack of appropriate skills among candidates are key reasons for recruitment challenges

In a study carried out by Economist Intelligence Unit, business leaders in Brazil and China cited the following factors as most likely to hinder their company’s ability to recruit talented employees over the next three years.

<table>
<thead>
<tr>
<th>Brazil*</th>
<th>China*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Candidates lack appropriate skills/qualifications</strong></td>
<td><strong>Inability to meet salary expectations</strong></td>
</tr>
<tr>
<td><img src="graph1" alt="Bar Graph" /> 57%</td>
<td><img src="graph2" alt="Bar Graph" /> 51%</td>
</tr>
<tr>
<td><strong>Inability to meet salary expectations</strong></td>
<td><strong>Candidates lack appropriate skills/qualifications</strong></td>
</tr>
<tr>
<td><img src="graph3" alt="Bar Graph" /> 47%</td>
<td><img src="graph4" alt="Bar Graph" /> 41%</td>
</tr>
<tr>
<td><strong>Inability to meet benefits package expectations</strong></td>
<td><strong>Inability to meet benefits package expectations</strong></td>
</tr>
<tr>
<td><img src="graph5" alt="Bar Graph" /> 41%</td>
<td><img src="graph6" alt="Bar Graph" /> 38%</td>
</tr>
<tr>
<td><strong>Undesirable work-life balance (long hours, frequent business trips, etc)</strong></td>
<td><strong>Undesirable work-life balance (long hours, frequent business trips, etc)</strong></td>
</tr>
<tr>
<td><img src="graph7" alt="Bar Graph" /> 32%</td>
<td><img src="graph8" alt="Bar Graph" /> 32%</td>
</tr>
<tr>
<td><strong>Lack of career opportunities and development paths</strong></td>
<td><strong>Lack of career opportunities and development paths</strong></td>
</tr>
<tr>
<td><img src="graph9" alt="Bar Graph" /> 30%</td>
<td><img src="graph10" alt="Bar Graph" /> 30%</td>
</tr>
</tbody>
</table>

Note: Results are based on EIU’s ‘Competing on Talent’ survey conducted in 2008 in which a total of 944 executives participated. Of these, 357 respondents hailed from China, India, Russia and Brazil.

Copyright © 2013 Accenture. All rights reserved.

Source: ‘People for growth- The talent challenge in emerging markets’, EIU.
Similar concerns are echoed by companies in India and Russia as well.

Business leaders in India and Russia also cited the following factors as most likely to hinder their company’s ability to recruit talented employees over the next three years.

**India***

- Inability to meet salary expectations: 61
- Candidates lack appropriate skills/qualifications: 46
- Inability to meet benefits package expectations: 40
- Lack of career opportunities and development paths: 32
- Undesirable work-life balance (long hours, frequent business trips, etc): 28

**Russia***

- Inability to meet salary expectations: 61
- Candidates lack appropriate skills/qualifications: 59
- Inability to meet benefits package expectations: 27
- Lack of career opportunities and development paths: 25
- Undesirable work-life balance (long hours, frequent business trips, etc): 24

*% respondents, top 5 responses

Note: Results are based on EIU’s ‘Competing on Talent’ survey conducted in 2008 in which a total of 944 executives participated. Of these, 357 respondents hailed from China, India, Russia and Brazil.

Source: ‘People for growth- The talent challenge in emerging markets’, EIU.
Speaker Bios
Rebecca Winthrop, a Senior Fellow and Director at the Center of Universal Education at the Brookings Institution, is an international expert on global education, particularly in contexts of armed conflicts. Her work focuses on education quality and equity, humanitarian assistance, children’s well-being, forced migration and state fragility. Dr. Winthrop works to promote equitable learning issues for young people in developing countries. She advises governments, foundations and corporations on education and development issues, and provides guidance to a number education policy actors. Prior to joining Brookings in June 2009, Dr. Winthrop spent 15 years working in the field of education for displaced and migrant communities, most recently as the head of education at the International Rescue Committee. She has actively been involved in developing global policy for education in emergencies filed, the United National humanitarian reform process for education, and the evidence base for understanding education’s role in fomenting and mitigating conflict. She has served on the UN secretary-general’s Technical Advisory Committee for his global education initiative, Education First, on the Inter-Agency Network for Education in Emergencies Working Group on Education and Fragility, MasterCard Foundation’s Youth Learning Advisory Committee, and the UNHCR’s Safe Learning environment advisory group. She has field experience in a variety of contexts including Afghanistan, Costa Rica, Croatia, Eritrea, Ethiopia, Guinea, Ivory Coast, Kenya, Kosovo, Liberia, etc.
Gib Bulloch
Executive Director, Accenture Development Partnerships
Managing Director, Accenture

Gib Bulloch is the Founder and Executive Director of Accenture Development Partnerships (ADP), a ring-fenced not-for-profit consulting group within Accenture, whose clients include many of the major international NGOs and development agencies. ADP’s main focus is bringing affordable business and technology expertise to the international development sector and promoting private sector engagement in sustainable development. Launched in 2003, ADP’s “self-sustaining” business model has been used as an example of corporate best practice in social innovation in a number of publications including WhatIf’s book “Everyday Legends” highlighting the stories of 20 leading social entrepreneurs and by John Elkington in “The Social Intrapreneur: A Field Guide for Corporate Changemakers”. In 2007, ADP was awarded the Management Consulting Association (MCA)’s Corporate Social Responsibility Award and in 2008, Gib was named as the Sunday Times sponsored Management Consultant of the Year in the Best Partner/ Director category. With 15 years experience in the field of Corporate Responsibility, Gib travels and works extensively in developing countries and is a regular speaker on the role of business in development, cross-sectoral partnerships and social entrepreneurship in a corporate context. He is a Visiting Fellow at the Doughty Centre for Corporate Responsibility and serves on the US Board of the END Fund and the Board of DFID’s Business Innovation Facility.
Pooja Bhatt, based in Mumbai, India, is the South Asia Geographic Lead for Accenture Development Partnerships, a corporate social enterprise that channels Accenture’s business and IT consulting skills and capabilities to clients in the development sector. She is an experienced industrial organizational psychologist with a strong background in change management, training design and organizational development. She joined Accenture’s Talent and Organization Performance practice in Reston, Virginia in 2006 and moved to India in 2008. Through various engagements and interactions with clients in the development sector, Pooja has developed a deep understanding of the challenges and success factors in implementing social business initiatives. Her specialty is projects that integrate development goals with traditional business models, thus creating need based solutions with sustainable impact. Recently, she has served as a juror for the 2012 Nasscom Social Innovations Honors and a panelist for the WomenChangeMakers program in India.