

THE TECHNOLOGY TALENT POOL- EVALUATION OF PILOT PROJECT

**A report to:
Scottish Enterprise**

**The Technology Talent Pool:
Evaluation of Pilot Project**

**A report to:
Scottish Enterprise**

SQW Limited
economic development consultants

19 Alva Street
EDINBURGH
EH2 4PH

Tel: 0131 225 4007
Fax: 0131 225 4077
Email: sbrown@sqw.co.uk
Website: www.sqw.co.uk

April 2004

CONTENTS

Section	Page
Summary	
1 Introduction	1
2 Background	3
3 Approach and methods used in the evaluation	5
4 Operation and delivery	7
5 Perspective of individuals using Talentscotland.com	21
6 Perspective of businesses using Talentscotland.com	30
7. Views of other stakeholders	46
8. The Talent agenda in Scotland and elsewhere	57
9. Conclusions, forward look and recommendations	63

Appendices

A - List of consultees

B – Review of monitoring data on operation and delivery

C - Survey of the views of individual clients

D - Survey of the views of business clients

Summary

This is the report of an evaluation of the **Technology Talent Pool** pilot project. It was conducted during early 2004 by SQW Limited on behalf of Scottish Enterprise. The initiative is better known in the public domain by the name of its web-site Talentscotland.com.

It provides an *ex post* evaluation of the pilot from its inception in July 2001 to end 2003. In addition, the study includes a strategic, "forward looking" element. The report provides a substantial 360 degree view of the initiative.

We discussed the rationale for Talentscotland.com and its continued relevance with a number of consultees. The original rationale was based on a perceived market failure around quite specific, high level skills shortages facing a small number of actual and anticipated, sophisticated inward investors: the burgeoning electronics sector in Scotland faced the prospect of having its growth seriously curtailed by an inability to hire enough people, notably experienced design engineers, with the right skills. The challenge was not about recruiting graduates or junior staff: it was for "top end" people with 5 plus years of experience. The role of the intervention by Scottish Enterprise was not to distort recruitment transactions but rather to increase the likelihood that a transaction would take place.

The key issue that Talentscotland.com faced was that of getting information on the talent pool.

Evaluation findings

Revised targets for web user sessions, CV's posted and job applications have been met or exceeded. Performance has largely met targets on registrations and fallen just short of actual jobs filled:

- however, this is based on matching target numbers with performance using gross figures only. Targets and achievements for the prime, high value add market segment - senior, international staff - should be differentiated and charted in future.

Based on the most comprehensive, recent data (post July 2003), there is a 2.3% conversion from applications made via Talentscotland.com to jobs filled:

- this may in part be due to the reluctance on the part of employers in Scotland to recruit from overseas: there is some evidence that candidates may be automatically screened out by some employers from applicants received via Talentscotland.com.

A high proportion of qualified targets (registrants) are located outside the UK in line with Talentscotland.com objectives. However, the career level of registrants shows lower proportions in the principal engineer/scientist or senior management groups relative to more junior levels. This seems to be at variance with original objectives. The career level most sought after by employers is principal engineer/scientist.

A high proportion of recruits appear to be located within Scotland prior to recruitment, with only a small minority sourced from outside the UK.

Although there is a wide array of monitoring information, a key question arises over fitness-for-purpose of the method chosen to categorise participating businesses:

- whilst defining individuals in terms of their position in the process of taking a job in Scotland, employers are categorised in terms of their willingness to advertise a vacancy. Categorising employers in terms of their readiness/willingness to recruit senior people from the international talent pool would be appropriate.

Around 97% of all individual clients responding to our survey would recommend Talentscotland.com to friends. Recruited individuals were also happy to make referrals. Although satisfied overall with the service it provides, employers note that Talentscotland.com delivers a large number of candidates for jobs but not always a large number of quality candidates.

There is cause for concern in the responses of 50% of our survey of individual clients, that employers in Scotland had been unhelpful or very unhelpful in their handling of their applications.

Our evidence indicates that employers who use Talentscotland.com continue to recruit without this assistance. Our survey respondents have recruited 130 staff since first learning about the initiative, 34 of which were recruited through Talentscotland.com.

Additionality

From a small sample of recruited individuals (nine) who responded to our query to test "additionality", arguably seven fulfilled posts demonstrate full additionality. Given that the recruits for whom Talentscotland.com was most important were recruited from overseas, this is especially positive if one takes the view that encouraging more diversity within the workforce in Scotland is in principal "a good thing".

However, this public sector intervention achieves at best partial additionality in terms of its support for businesses - the majority of firms (63%) would have recruited the individuals anyway, but it would have taken longer. Around a third (31%) would have recruited the individuals in the just the same way i.e. there is no additionality from the intervention.

This is compounded by the fact that businesses are unable, at present at least, to indicate the impact on business performance of the individuals recruited, beyond a general view that competitiveness has been enhanced.

Crowding out

Talentscotland.com is not seen as a competitor by the recruitment agencies we consulted, rather as a useful additional 'free' channel for advertising jobs. It is viewed however as a direct competitor by a firm supplying a web-platform to recruitment agencies.

Although most employers among survey respondents view Talentscotland.com simply as an additional recruitment channel, a significant minority (25%) indicated that they had reduced their use of recruitment agencies as a result of the Talentscotland.com service being available. Given that a majority of respondents view recruitment agencies as a successful means of recruiting and that most value the job alerting rather than the wider promotional role of Talentscotland.com, this finding indicates that a degree of crowding out of the private sector may be taking place.

Contributions to forward look

There is no evidence of demand for Talentscotland.com to be rolled out to other sectors. There is no strong demand for continuation of Talentscotland.com from informed stakeholders we consulted within the electronics and Life Sciences sectors, except among companies which indicated that Talentscotland.com can play a significant role in assisting with future recruitment transactions

It is important to give equal weight to job/career factors and place factors in the promotional mix of job opportunities in the international market. Information on jobs and on companies provided by Talentscotland.com is most highly valued. It is notable that the majority of recruited individuals had visited Scotland previously.

Although people's perceptions about Scotland were quite positive prior to visiting Talentscotland.com, the information it has provided has clearly done a good job in reinforcing this positive view, except for the impact on a small minority of users who now view Scotland as more remote or more expensive

Findings from individuals responding to our survey on how support might be improved related mostly to minor operational changes to Talentscotland.com. However, from the perspective of the recruited individuals, more practical support is required to help with relocation

Employers consider that Talentscotland.com can play a significant or highly significant part in meeting their recruitment needs in future. Many may be prepared to pay but only on a per transaction basis:

- the strategic promotional role played by Talentscotland.com may be regarded as useful by a minority but it does not appear to be something firms would pay for. Indeed a number of respondents have never visited the web-site
- although respondents point to the important role Talentscotland.com can play in their future recruitment, this appears to relate to its direct recruitment rather than its strategic talent attraction and promotional roles. Responding to employers' interests and adopting the business model this implies, would arguably shift Talentscotland.com closer to the market occupied by private sector recruitment agencies

According to a number of consultees, attraction of highly skilled people seems to require a more customised and/or personalised approach. Head-hunting and a customised proposition would appear to be more suitable for this group than broadly based online recruitment

A shortcoming in Talentscotland.com is the refusal to allow blind advertising: this is preventing the promotion of the full ‘thickness’ of the job market in Scotland

In Scotland, the Scottish Executive has launched the Fresh Talent initiative. This will involve a global promotion campaign; a relocation service; and targeting of specific audiences (tourists, business visitors, overseas students etc) and countries. We understand the initiative will not target specific skills/experience or sectoral categories:

- as we understand the Executive’s intentions, two functions of Talentscotland.com are outside the scope of the Fresh Talent initiative:
 - the development of a registered pool of international talent
 - promotion of industry sectors and individual businesses in Scotland.

Recommendations

We consider that the changes in market conditions, the findings of the *ex post* evaluation and the development of the talent attraction/retention agenda in Scotland and internationally, not least with the introduction very recently of the Fresh Talent initiative domestically, all point to the requirement for a fundamental reappraisal of the place of Talentscotland.com.

We propose the following two complementary directions:

- the development of business development support for strategic talent attraction/retention capability in Scottish companies and for the marketing by Scottish SMEs of their recruitment propositions towards senior, internationally mobile staff
- the continued maintenance of the quite different, although complementary activity of marketing Scotland and its industry sectors/clusters internationally

We envisage two sets of performance measures for these activities - an emphasis on outcome-oriented, business and economic impact metrics for the former (e.g. number of firms "ready" to engage in international talent attraction; increase in proportion of sales from new products as a result of taking on the new senior recruits, increase in turnover, increase in export earning), and activity metrics for the latter (e.g. number of unique web-site visitors, number of attendees at related events; number of enquiries).

Talent attraction as a strategic HR capability

We recommend that talent attraction (and retention) should be viewed as a matter of strategic management capability within firms, much as marketing and sale capability. Many of the businesses engaged in this study do not seem to be ready or willing to engage in international talent attraction - due at least in part to concerns about quality of candidates and the "hassle" and risks involved.

We consider that a much tighter focus on high value, experienced, internationally mobile recruits should be adopted, indeed closer to the original target audience for Talentscotland, but with an emphasis on assisting firms and their agents to market customised, attractive propositions on an as-needed basis in order to attract *hard to reach, hard to meet, hard to attract* and potentially very high value adding staff - the key difference between the original situation and now is that the businesses may not all be as "sophisticated" in their in-house HR capability as Cadence is likely to have been.

E-mail approaches to prospective job candidates inviting them to access more information about Scotland, about its industries and about the job vacancy/prospects should be continued but on a much more focused, as needed basis. We note that e-headhunting is now a recognised, if relatively new activity in the online recruitment market. It should be investigated. Care must be taken to avoid further crowding out.

Market segmentation

We recommend that segmentation is required to ensure that available marketing and communication channels towards "talent" are deployed optimally by the various initiatives, those in place or now emerging in Scotland. For example, as many employers are reluctant to employ individuals from overseas because of the costs of interview and other uncertainties that are difficult to resolve remotely, initiatives that take advantage of prospective candidates' residency in Scotland, for whatever period, may prove more attractive - these candidates are *easiest to meet*

A framework around residency and nationality/citizenship can be established which would help a fit-for-purpose marketing approach to be designed. Different parties/initiatives may be more appropriate to target the different segments - the need for public sector intervention will vary between segments:

- careful use of public funds to support work with *harder to attract, harder to reach* segments on behalf of SMEs should help avoid crowding out or otherwise distorting the commercial recruitment market
- the generic promotion of Scotland and its job/career prospects should be developed with substantial private sector input.

We suggest that there is a niche for Scottish Enterprise in helping SMEs and their agents in Scotland identify, contact, meet and attract highly experienced internationally mobile staff in the harder to reach/harder to meet domains - i.e. to assist SMEs and their agents with a sub-set of their recruitment transactions. It is in our view important to identify those firms that are ready/willing to engage in the international talent attraction market rather than simply provide support for arguably "non-exceptional" recruitment transactions.

Integrated approaches

From talent attraction initiatives elsewhere, we see linkage between jobs, career prospects and prospects for enterprise in Scotland, underpinned by promotion of "place". We would recommend finding ways to promote all in a more integrated way. A number of international talent attraction web

sites for regions include information relevant to entrepreneurs as well as for people looking for employment. For job seekers and entrepreneurs, the "thickness" of the Scottish labour market and other opportunities for earning a living if initial efforts fail to work out are all relevant. (Presently initiatives in Scotland towards attracting senior international staff and towards attracting international entrepreneurs, e.g. the AGES initiative, appear to be quite separate although the background attractive to both groups may have much in common.) The degree to which Fresh Talent will cover any or all of these issues needs to be clarified.

The promotion of career prospects is about highlighting the "thickness" of the job market - including the aggregate of jobs available. Availability of staff is highly relevant to those interested in investing in businesses in Scotland.

The promotion of career and business prospects involves promoting the nature of sectors/clusters in Scotland. There is a role here for businesses and their representative bodies working with the SE Network. Costs may need to be borne by the public sector as SMEs especially may not perceive enough bottom-line value being returned directly to them and to their individual recruitment transactions to justify bearing the costs.

Promoting generic "quality of life" factors is also an activity that the public purse is likely to have to bear on behalf of SMEs. The interface with the Fresh Talent initiative is likely to be especially relevant here.

Broadcast versus narrowcast approaches

In considering the future shape of interventions, we are attracted to the differentiation between "broadcast" and "narrowcast" approaches. The latter seems to us to be relevant to addressing the wider demographic challenge and labour market "volume" issues. Talentscotland.com presently deploys a broadcast approach in our view. The *narrowcast* approach seems a more appropriate route for the international talent attraction agenda, whether for individuals into jobs or for individual entrepreneurs.

We recommend a narrowcast approach for attracting senior internationally mobile staff. A number of stakeholders informed about sectoral recruitment needs emphasised the requirement of a head-hunting approach to international talent attraction. If this approach is adopted in support of "committed" SMEs on an as-needed basis, then there is no need to limit the breadth of sectors that can be assisted.

We are not convinced of the need for a high volume approach to building a candidate pool receiving job alerts in the absence of need with respect to the harder-to-reach internationally mobile, higher level staff:

- we are not convinced of the need for a high volume approach to building a candidate pool of senior international talent in the absence of readiness/willingness of specific client firms in Scotland to fully engage
- we envisage that Fresh Talent will adopt a complementary broadcast approach to address wider demographic and labour market challenge.

Role for the public sector

There is merit in developing an integrated approach to this important national agenda, pulling together its different strands with roles for the public sector, for representative business organisations, for firms and their agents. We would differentiate ongoing broadcast communication on Scotland and its business sectors, where the value gained cannot be captured directly by the firm, from communication that needs to be firm specific - i.e. customised activity, that may include public sector business development support for SMEs.

We see merit in supporting those SMEs (and their agents) that are ready and willing to enter seriously the international talent market, including with help to research, identify and access a hard to identify and hard to reach candidate pool.

As more information emerges on Fresh Talent, it is possible that close integration of the generic functions with respect to quality of life and sector/cluster promotion, and also with respect to re-location information and advice can be achieved.

We recommend the development and roll-out of customised strategic business development support for selected SMEs that are "up for" international talent attraction - both support for acquiring strategic HR capability and marketing support for customised "attraction" packages.

The promotion of enterprise development opportunities, e.g. from Proof of Concept (PoC) projects, is an appropriate activity for the body funding the PoC initiative. Customised attraction of entrepreneurs to take up PoC related business opportunities should also be explored more deeply.

High value add but lower volume (narrowcast) activities should be done in parallel with the quite different but complementary activity of the generic marketing of Scotland as a place to live and work; of the thickness of its labour market and wider career prospects; of its industries/clusters, of generic prospects for enterprise development and of information and assistance with re-location matters. The latter generic marketing should be designed and taken forward with the activities proposed for the Fresh Talent initiative in mind.

1 Introduction

- 1.1 This is the report of an evaluation of the **Technology Talent Pool** pilot project. It was conducted during early 2004 by SQW Limited on behalf of Scottish Enterprise. The initiative is better known in the public domain by the name of its web-site, Talentscotland.com.
- 1.2 The report provides an *ex post* evaluation of the pilot from its inception in July 2001 to end 2003. We assess whether *things were done in the right way* during the pilot but also whether *the right things were done*, i.e. the study addresses both operational and strategic issues. In addition, the study included a forward looking element: in this report we assess whether the original rationale for the pilot is still valid - *are these still the right things to do?* The report provides a substantial 360 degree view of the initiative.
- 1.3 The brief from the client placed considerable emphasis on the importance of determining qualitative benefits arising from the pilot project. We were asked to accord these comparable profile to the set of quantitative measures of achievement which are, arguably, more readily interpreted.
- 1.4 A key element in strategic evaluation is to take into account shifts in context since initial rationale and objectives were set. For this study, these include changes in global market conditions within the target technology sectors for the pilot, namely electronics and Life Sciences. Shift in context also includes, notably, that resulting from the Scottish Executive's recently launched *Fresh Talent* initiative which aims to attract people to live and work in Scotland, primarily to address the demographic challenges facing the country.
- 1.5 In the following sections of this report we provide a summary of the background to the initiative and of our methods of evaluation. We then provide insights into Talentscotland.com from four perspectives:
- that provided by the monitoring data held on the conduct of the pilot
 - individual visitors to the Talentscotland.com web-site, including job seekers and those who have been successful in finding jobs
 - businesses in Scotland that have to some degree engaged with the initiative
 - other stakeholders - staff in the Scottish Enterprise Network, the Scottish Executive, business organisations and recruitment agencies.
- 1.6 This results in a substantial amount of data and information, especially gained from surveys of individual and business clients of Talentscotland. We provide these fully in Appendices to

this report. In the chapters that follow, we draw out what in our view are the key findings that bear most directly on the evaluation and forward look elements of the study.

- 1.7 We also provide a brief insight into the "talent agenda" as it is being pursued in Scotland and elsewhere before setting out our conclusions and "forward look" recommendations.

2 Background

- 2.1 The Technology Talent Pool initiative, better known publicly by the name of its associated web-site, www.Talentscotland.com, received £1.55m for a three year pilot in May 2001. The initiative pre-dates, but now contributes to the *Global Connections* priority set out in the Scottish Executive's *A Smart, Successful Scotland* strategy of encouraging more people to choose to live and work in Scotland.
- 2.2 The need for the initiative had been identified originally by research undertaken by the Microelectronics, Optoelectronics and Communication Technologies (MOCT) cluster team within Scottish Enterprise (SE). This identified:
- 200 companies in Scotland active in the sector requiring an additional 5,000 employees over a period of 3 years
 - 50% of these would need to be met from outside Scotland
 - the skills required were in demand globally and classed as "skill shortage occupations" by the Home Office, with Tier 1 status for work permit eligibility.
- 2.3 The challenge of attracting staff to Scottish companies was further emphasised by research conducted by the Alba Centre, Livingston into perceptions of Scotland. The sample of highly skilled, target staff regarded a career in Scotland as high risk. Factors influencing this perception included lack of understanding of company activity in Scotland - Scotland was viewed as having a few large, less innovative companies - and few options to move between firms in Scotland if the first post failed to work out.
- 2.4 The initiative was designed and launched when the electronics sector in Scotland and internationally was enjoying very positive market conditions. There was a demand for expert staff from Cadence, an inward investor newly arrived in Scotland, and another inward investor was in prospect.
- 2.5 The Technology Talent Pool initiative was funded to address a perceived market failure at a national level associated with an information deficit. This was based on the view that electronics companies in Scotland would struggle to compete for staff internationally because of misconceptions or limited knowledge about Scotland as a place to live and work. The Talentscotland.com initiative was intended to be complementary to the existing activity undertaken by the MOCT companies and their recruitment agents.
- 2.6 In January 2003, the scope of the pilot was extended to include the Life Sciences sector.

Objectives and benefits

2.7 The overall objectives for the initiative were as follows:

- **access:** to improve Scotland's access to internationally mobile skilled scientists and engineers
- **attraction:** to improve the collective ability of Scottish-based companies to attract internationally-based scientists and engineers
- **promotion:** to undertake integrated actions to improve the understanding of these individuals about Scotland as a place to live and work, including
 - to improve their understanding of the breadth and scale of the career opportunities on offer in Scotland.

2.8 The pilot set out to secure active engagement with most electronics and Life Science companies in Scotland. It aimed to improve Scotland's image as a career destination. It wished to share marketing with companies and intermediaries to enhance their own activities. It aimed to assist in attracting additional foreign direct investment.

3 Approach and methods used in the evaluation

3.1 The *ex post* evaluation set out to test the following hypotheses:

- that the Talentscotland.com initiative is *doing the right thing*:
 - there is a demand for skilled individuals
 - there is a shortage of skilled individuals in the electronics and Life Sciences sectors
 - individuals have a poor perception of Scotland as a place to live and work
 - there is a market failure in attracting high skilled workers to Scotland which justifies public intervention
 - Talentscotland.com should be promoting Scotland as a place to live and work to attract highly skilled workers
 - Talentscotland.com should focus on the electronics and Life Sciences sectors
- that Talentscotland.com is *doing things in the right way*:
 - the Talentscotland.com initiative should be undertaking the activities, at the scale and in the manner done at present
 - Talentscotland.com should focus on ‘place’ and ‘career’ factors in influencing individuals’ decision to relocate to Scotland
- that Talentscotland.com is achieving significant business and economic benefit and impact
 - employers' recruitment of skilled staff is attributable to Talentscotland.com
 - highly skilled individuals recruited by employers in Scotland via Talentscotland.com result in significant business and economic benefit.

3.2 Our approach has involved a mix of primary and secondary research methods. With the collaboration of the Talentscotland.com project team, we conducted a survey of individuals registered with the web-site. A questionnaire was posted on the web and an e-mail alert sent to registered users, inviting them to visit the site and completed the online questionnaire. Participation was encouraged by a prize draw for respondents. Of c.18,000 people contacted, only 190 (1%) completed the questionnaire. We understand from the Talentscotland.com team that this is a good response to a survey of their clients using this approach.

- 3.3 In addition, telephone interviews were held with thirty Scottish businesses participating in the initiative and with twelve individuals who have joined Scottish companies with the help of Talentscotland.com.
- 3.4 We have also consulted by phone or in face-to-face meetings a number of stakeholders within the Scottish Enterprise Network, the Scottish Executive, business organisations and recruitment agencies in Scotland. A list of the consultees is given in Appendix A.
- 3.5 During the study, we met with client representatives at an Inception Meeting (9 January 2004) and at an interim reporting meeting (6 February 2004). SQW staff attended and made a short presentation on the evaluation at a Business Forum convened by Talentscotland.com in Edinburgh on 17 February 2004. A workshop with the client group was held on 8 March 2004, in advance of submitting the draft final report.

4 Operation and delivery

4.1 In this chapter we assess the operation and delivery of the Talentscotland.com initiative based on monitoring records (see also Appendix B). We assess the effectiveness of the pilot in meeting quantitative targets.

Characteristics of the operation

4.2 The operation of the Talentscotland.com pilot has the following characteristics:

- operated and managed from within SE by a team of four people
- actual salary costs are £120k per annum, or c. 30% of project costs
- clients include both individuals (prospective recruits to firms in Scotland) and employers in Scotland
- the team delivers the following activity and outputs:
 - identification of qualified individuals internationally - by researching and on occasions purchasing third party databases and publications for contact data
 - initial e-mail contact with these individuals, inviting them to visit the Talentscotland web site and register
 - development and maintenance of the web-site
 - production of information content for the web-site, monthly e-newsletter and the quarterly magazine, *„Scot*
 - administration of web user traffic, including registrants
 - promotional events towards Scottish companies and their agents
 - promotional events towards potential recruits overseas
 - distribution of job alerts to registrants
 - ongoing liaison with Scottish companies recruiting through Talentscotland.com

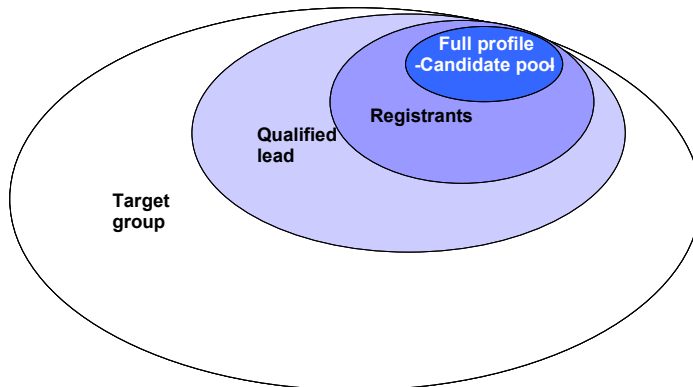
4.3 Individual clients are categorised on the basis of career level or experience: undergraduate, graduate, junior or senior engineer/scientist etc. Employers are characterised on the basis of their involvement in research, product design and development plus their sector of activity: electronics or Life Sciences.

4.4 In the Talentscotland.com process, individuals are also categorised as one of the following:

- **qualified targets** - individuals known to be active/qualified in the target sectors of science, engineering and technology
- **qualified leads** – individuals that have been ‘cold called’ by e-mail and invited to visit and register with Talentscotland.com
- **qualified target group (registrants)** – individuals who choose to register with Talentscotland.com, these can be either
 - **‘basic’** registrants who simply register to receive the newsletter and ‘.Scot’, or
 - **‘full’** registrants who provide a much higher level of information and have the option of posting a CV
- **candidate pool (CV’s posted)** – individuals that have provided their CV to Talentscotland.com and who have asked to receive job alerts. This group therefore demonstrates much more engagement with the initiative

4.5 Figure 4.1 illustrates categories within the individuals' client group. The task facing Talentscotland.com has been to attract qualified leads and encourage their transfer to the candidate pool.

Figure 4.1 Individual client group by category



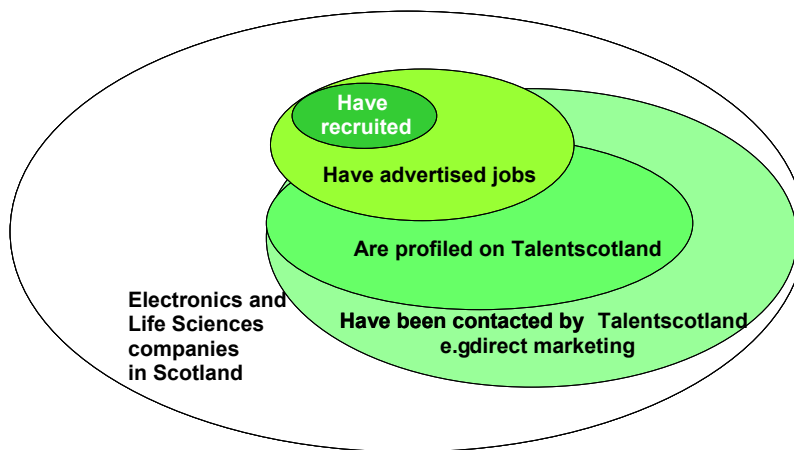
4.6 Business clients can also be grouped into categories that reflect their level of engagement with Talentscotland.com:

- those contacted by Talentscotland.com staff
- firms profiled on Talentscotland.com
- those firms advertising jobs via Talentscotland.com

- firms that have recruited successfully through Talentscotland.com.

4.7 The relationship between the categories is shown in Figure 4.2.

Figure 4.2 Employer client group by category



Client engagement and outcomes

- 4.8 The process of progressive individual and employer engagement with Talentscotland is illustrated in Fig 4.3. It sets out the actions that lead to increased engagement of clients with activities and services. Table 4.1 summarises performance against targets according to the monitoring records provided. Targets have been altered on a number of occasions during the project's life, notably with respect to the target number of fulfilled posts. For the purposes of our study, we have assessed performance against the most recent version as outlined in the consultants' brief.
- 4.9 Assessing performance against the following metrics - web user sessions, CVs posted and job applications made - targets with respect to individuals appear to have been met and exceeded. Registration goals have largely been achieved during the life of the project. Jobs filled have struggled slightly more than registrations, with actual results at 85% of the aggregate target.
- 4.10 Overall, business participation has fallen slightly short of target. There has been a levelling off in the numbers of electronics companies both targeted and participating after an initial surge at the project's inception. The time frame for Life Sciences activity has been too short for meaningful conclusions to be drawn concerning any falling off in company numbers after initial surge. Table 4.2 shows company engagement over time.

Figure 4.3: Actions from Talentscotland.com to increase individual and company involvement

Actions from Talentscotland.com

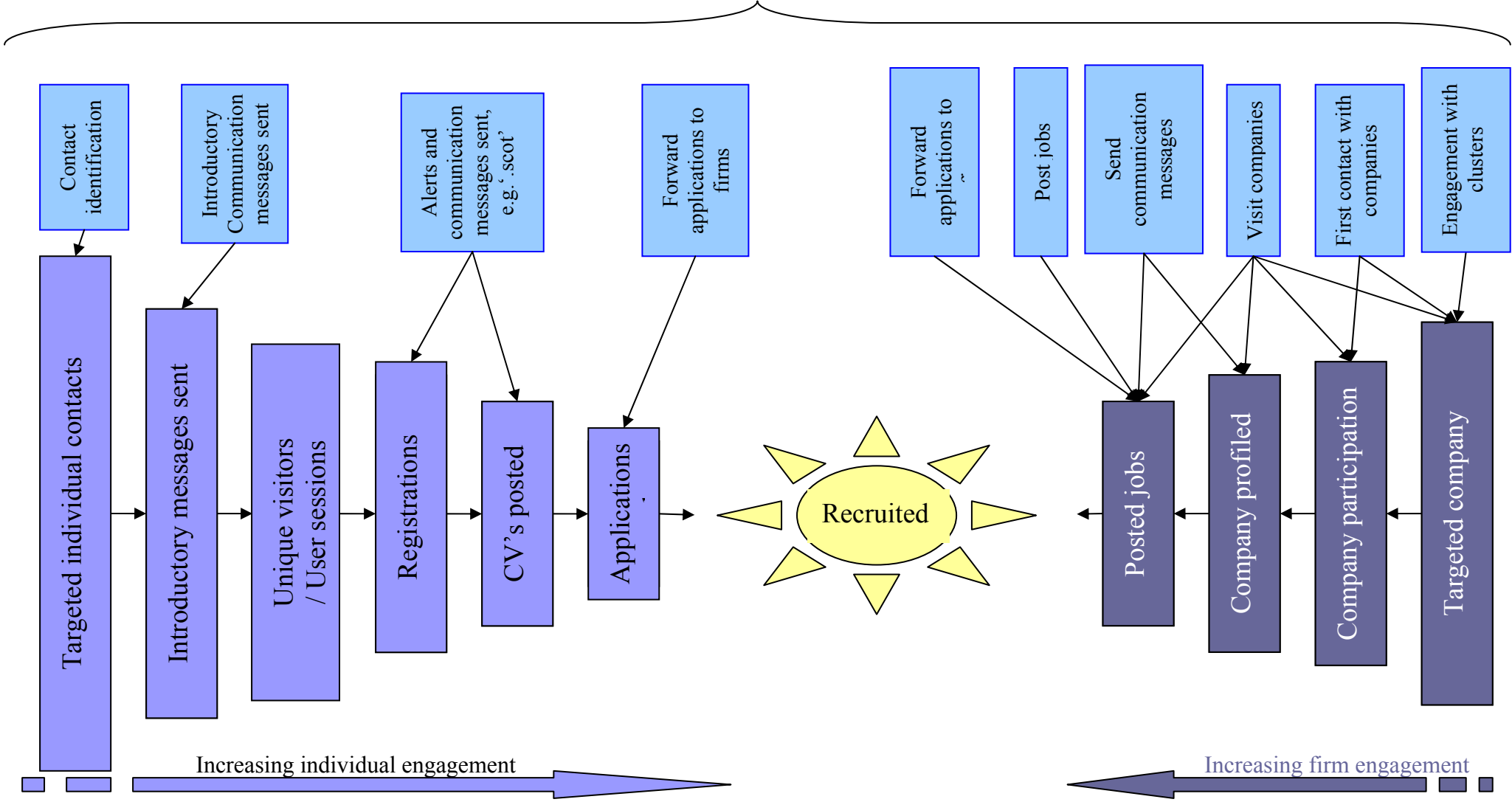


Table 4.1 : Activities, targets and outcomes of the Talentscotland.com initiative

	Planned contact	Actual contacts	Web user sessions	Unique visitors	'Qualified target audience' (reg's)	'Candidate pool' (CV's posted)	Applications made	RECRUITS	Firms posting jobs	Firms profiled	Firms participating	Target firms	
Targets													Targets
<i>Initial</i>													<i>Initial</i>
Electronics			75000		25000	1250	2200	500			300		Electronics
Life sciences			30000		3000	250	1000	1000			150		Life sciences
<i>Revised</i>													<i>Revised</i>
Electronics			140000		19000	2350	950	250			370		Electronics
Life sciences			20000		3000	500	300	300			100		Life sciences
<i>As in the brief</i>													<i>As in the brief</i>
Electronics					20000	1250		200			Most'		Electronics
Life sciences					3000 (Yr 1)	1000		50			Most'		Life sciences
Performance	1070000	892043	197357	161830	21350	5645	3688	212	75 ¹	115 ²	114 ³	321	Performance

Increasing engagement of individuals

Increasing engagement of companies

¹ From sample July- December 2003

² The monitoring data suggests that at 31st December 2003, 115 companies were profiled. Yet on the Talentscotland.com website, there are c.151 life science profiles and 121electronics firms, there is a discrepancy between the numbers displayed in the monitoring data and those on the Talentscotland.com website

³ Monitoring data only available up to June 2003

Table 4.2: Breakdown of companies targeted, participating, profiled and total vacancies posted over the lifespan of the project¹

	Oct- Dec 2001	Jan- Mar 2002	Apr- June 2002	July- Sept 2002	Oct- Dec 2002	Jan- March 2003	Apr- June 2003	July- Sept 2003	Oct- Dec 2003
Total number of target companies in each quarter ²	200	180	168	169	167	169	169	321	321
Total companies participating (running total) ³	73	96	127	115	108	111	113	261	261
Total companies profiled (running total) ⁴	52	70	80	88	94	98	101	111	115
Active companies not yet profiled per quarter ⁵	21	26	47	27	14	13	12		
Total number of job vacancies posted (running total) ⁶	47	83	125	153	164	201	224	313	419
Web site promotion									
Total news updates for companies (cumulative)				1338	2544	2972	3908		
Total visits to companies (cumulative)	17	25	34	49	57	69	72	88	90

Conversion to higher value adding activities

4.11 Examining the progressive engagement of individuals and employers with the Talentscotland.com process may help to reveal potential for improving performance. We have examined the conversion at each stage in the process in order to highlight higher and lower points of conversion. Lower conversion intuitively indicates steps meriting closer attention. Overall findings are shown in Table 4.3.

¹ Source: Quarterly monitoring reports

² Gives the absolute number of targeted companies identified by the cluster teams in each quarter

³ Gives the running total of all companies who have been contacted by Talentscotland.com and agreed to participate

⁴ Gives a running total of the number of companies that have been profiled on the talentscotland.com website according to the monitoring data

⁵ Gives the difference between the running total of companies participating and the running total of companies profiled at each quarter

⁶ A running total of all the job vacancies posted on Talentscotland.com by all companies participating

Table 4.3: Levels of interaction and conversion to higher value levels of engagement

	<i>Levels of interaction</i>	<i>Numbers</i>	<i>% converted to higher level</i>
Individuals	Targeted Contacts	1,070,000	
	Actual contacts	892,043	83%
	Unique website visitors (confirmed contacts)	161,830	18%
	'Qualified Target audience', registrations	21,350	13%
	'Candidate pool', CV's posted	5,645	26%
	Applications made	3,688	65%
	Recruited individuals	<u>212</u>	<u>6%</u>
Companies	Companies posting jobs	75 ⁷	65%
	Companies profiled	115	100%
	Companies participating	114	36%
	Targeted companies	321	

4.12 A review of conversion at each level of interaction within the Talentscotland process highlights two points with lower rates relative to the other stages:

- the difference between the numbers of website visitors and registrants (13% of unique web site visitors decide to register)
- the difference between the numbers of applications made and positions filled (6% of applications result in a post being filled).

4.13 These stages of lower conversion can be seen more clearly in Figures 4.4 and 4.5. Note, Figure 4.5 only plots data on jobs filled since July 2003 when a more robust monitoring system was introduced. This uses 'cookies' to monitor which users are applying for which jobs. (Prior to this period, information on applications made and jobs filled was only available through feedback provided directly by individuals or employers. Feedback was partial and data incomplete.)

4.14 Analysing pre- and post- July 2003 data separately gives two rates for jobs filled from applications received. Prior to July 2003, conversion was c. 18%, i.e. between 5 and 6 applications for every successful job filled. Post July 2003, conversion decreases substantially to 2.3%, or 44 applications on average for every job filled. Since the second ratio reflects the introduction of more robust monitoring, designed to capture more of the application and recruitment traffic, this is likely to be a more accurate account.

4.15 We are not in a position to comment on whether the various conversion rates are reasonable with respect to industry benchmarks. Initial web searches suggest that benchmarks of web-based marketing performance are available, but on commercial terms: there is now also a

⁷ 55 companies posting jobs from July-December 2003

substantial literature on the performance of online recruitment. Without in-depth literature research, we are not in a position to recommend appropriate, authoritative sources of benchmarking data beyond suggesting that the National Online Recruitment Audience Survey (NORAS: www.noras.co.uk), the Workthing E-Recruitment Study (2003: www.workthing-peoplebank.co.uk) and the web pages on internet recruitment published by the Chartered Institute of Personnel and Development (www.ipd.c.uk) may be useful starting points.

- 4.16 On the conversion rate from applicants to jobs filled, we draw attention to evidence from our contacts with employers: some companies using Talentscotland.com for their recruitment screen out candidates from international locations in order to avoid work permit issues and other perceived costs and risks. This may be a contributing factor to the 2.3% conversion rate, especially if Talentscotland has been successful in attracting a large percentage of its applicants from overseas (see later).

Figure 4.4: Unique website visitors and registrations per quarter

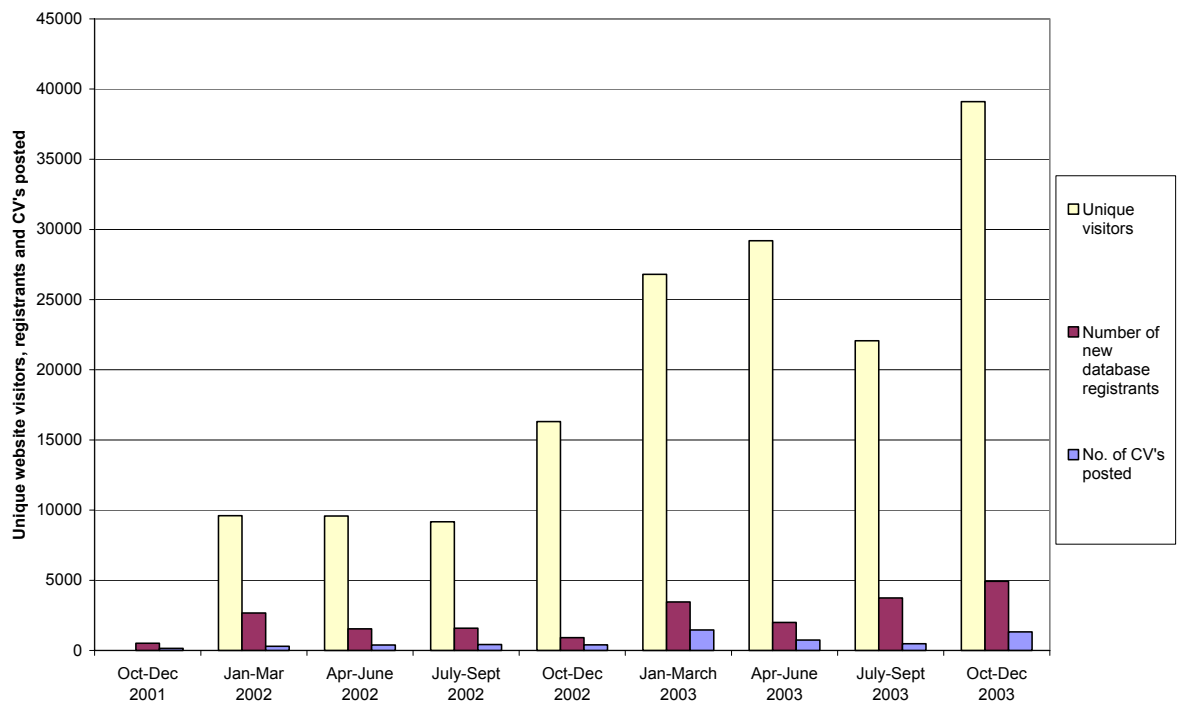
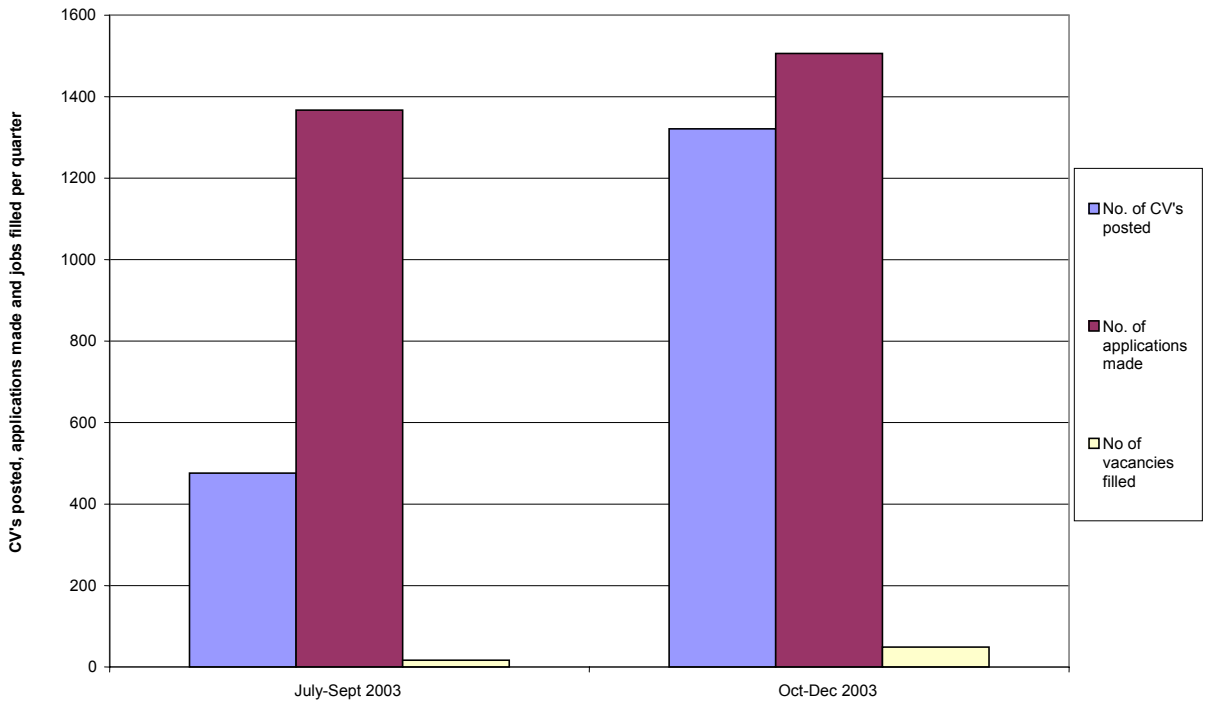


Figure 4.5: Applications made and vacancies filled for jobs per quarter July-Dec 2003 (since a new, more complete monitoring system was introduced)



Profile of individuals registering with the web-site and gaining jobs

- 4.17 The monitoring data allow us to characterise the qualified target group (registrants) throughout the life of the project but not directly the full candidate pool (CV registrants). To characterise the latter group, we have used a sample of 1,913 individual applications, out of all the applications that have been made for jobs since July 2003, which was provided by Talentscotland.com. We have also compared this with our own survey of employers. Although small, the latter provides an additional useful proxy for the location of individuals recruited during the period by Scottish firms, albeit not all recruited through Talentscotland.com. The profiles of the two groups are summarised in Table 4.4.
- 4.18 The results show that individuals from outside the UK form the largest group of registrants (57%), in line with Talentscotland.com’s international objectives. However, most recruits have been based in Scotland just prior to recruitment (73%). Only a small minority of staff have been recruited from beyond the UK. It also shows that individuals from overseas generally apply for more jobs relative to applicants from the UK and Europe.

Table 4.4: Breakdown of target group and employer recruits by location (%)

<i>Location</i>	<i>'Qualified target audience'- Registrants</i>	<i>Employers' source of recruits</i>	<i>Job applicants since July 2003</i>
Scotland	9%	73%	12%
UK (Excluding Scotland)	34%	12%	3%
Europe (EU and EFTA member states excl. UK)	15%	7%	10%
The rest of the World	42%	5%	75%
Null response		3%	

4.19 In addition, monitoring information is available for career level for the qualified target group (registrants) and for jobs filled. Results are shown in Table 4.5. The results reveal poorest match between numbers of registrants and recruits at junior and principal/senior levels. Registrants with Talentscotland.com are dominated by the graduate and engineer/scientist groups. Staff most often recruited by employers fall into the junior engineer/scientist and principal engineer/scientist groups. We acknowledge that it takes only one high quality candidate to satisfy an employer's requirements for filling a post. However, given that Talentscotland.com was originally set up to target more senior staff, the efficacy of the marketing approaches to attracting a higher proportion of senior people should be reviewed.

Table 4.5: Breakdown of target group and employer recruits by career level (%)

<i>Career Level</i>	<i>'Qualified target audience'- Registrants</i>	<i>Employer recruits in last 3 years</i>	<i>Electronics jobs posted on TS since July 2003</i>
Under Graduate	7%	-	1%
Graduate	22%	-	12%
Junior Engineer/Scientist	8%	28%	25% ⁸
Engineer/Scientist	29%	12%	25%
Principal/Senior Eng/Scientist	10%	39%	32%
Junior Management	9%	4%	2.5% ⁹
Senior Management	11%	5%	2.5%
Corporate	4%	4%	-
Other	-	8%	-
Total	100%	100%	100%

⁸ Data for electronics jobs posted only given as 'Engineer' level with no specification of junior or senior: these have been distributed equally

⁹ Data for electronics jobs posted only given at 'Management' level with no specification of junior or senior: these have been distributed equally between the two categories

Business use of the web site and alerting facility

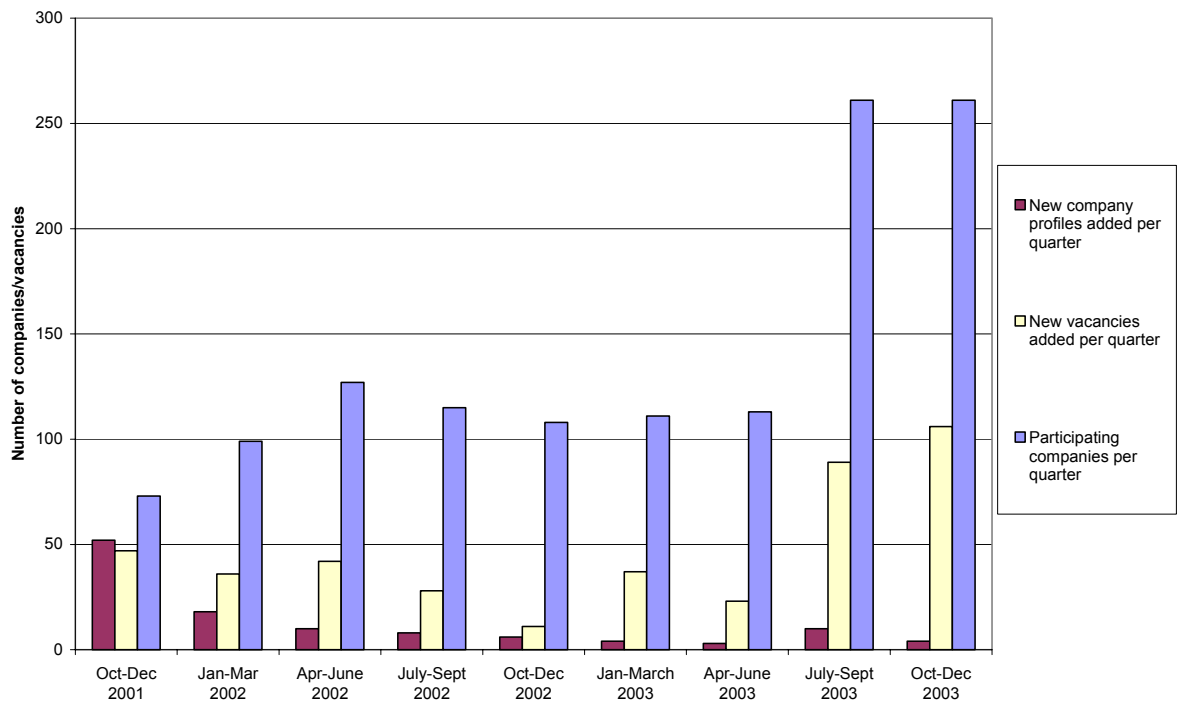
- 4.20 Scottish companies are profiled on the web-site and businesses also use the associated service to alert potential recruits to job opportunities. Table 4.6 summarises the statistics obtained from the Talentscotland.com team on number of companies targeted, participating and profiled, plus the total number of job vacancies posted.
- 4.21 The expansion of Talentscotland.com into Life Sciences in 2003 is evident from the data on company participation, which shows a sudden rapid rise after this period. This is also due to the importance of getting the site up and running for Life Sciences to enable TalentScotland.com to target a specific biotechnology event in the USA. The data also highlight the downward trend in job vacancies from 2001.
- 4.22 The data illustrate partial correlation only between number of companies participating (contacted by Talentscotland.com) and number of vacancies posted: the correlation is strongest from April 2003 onwards. However, there is no correlation apparent between number of companies profiled and job vacancies posted. Nor is there a correlation between number of participating companies and number profiled. This may suggest firms view recruitment via Talentscotland.com simply in terms of individual transactions, rather than as an integrated approach to international talent attraction.
- 4.23 Based on direct examination of the Talentscotland.com website 121 electronics companies have been profiled over the past 2 years, around 70%¹⁰ of the Scottish company base in the sector. In the Life Sciences sector, 151¹¹ firms have been profiled in the past year, 42%¹² of firms in the sector - only companies undertaking core biotechnology work, regulatory and clinical trial services were specifically targeted for inclusion (service providers supporting the Life Sciences sector were not targeted, although these firms have been included in the 360 companies identified within the biotech cluster in Scotland).
- 4.24 From July-December 2003 since the new monitoring system was introduced, 41 electronics companies and 34 Life Sciences companies used Talentscotland.com to send out alerts for 195 different job opportunities, 102 in life sciences and 95 in electronics. In response to these alerts, 2,873 applications were made up to December 2003 - 1,932 in electronics and 941 in Life Sciences. Therefore, the number of applications per job is on average 20 in electronics and 9 in Life Sciences.

¹⁰ Based on circa 170 companies in the industry in Scotland, from the SE website

¹¹ Taken from talentscotland.com website

¹² Based on circa 360 companies in the industry in Scotland, from the SE website

Figure 4.6: Number of companies targeted, participating, profiled and total vacancies posted over the life of the project



The relative importance of each marketing channel per career level

4.25 From our web survey data, we have examined the relative numbers of registrations from each career group for four different marketing channels which were found to be relatively more important (see also Appendix B):

- word of mouth
- advertising
- e-mail broadcasts, and
- conferences.

4.26 Examining the data indicates that all channels are of similar importance for higher level groups, from the principal engineer level upwards. E-mail broadcasts are most important in terms of securing overall volume of registrations. Advertising and conference marketing channels are of far less importance in terms of gaining absolute numbers of registrants but again retain some significance in securing individual registrants from higher career groups.

Conclusions

4.27 The findings from monitoring records on the operation and delivery of Talentscotland.com reveal:

- ***performance against targets:***
 - assessing performance against the following metrics - web user sessions, CVs posted and job applications made - targets with respect to individuals appear to have been met and exceeded
 - registration goals have largely been achieved during the life of the project
 - on jobs filled, 85% of the aggregate target figure has been reached
 - overall, business participation has fallen slightly short of target
- ***conversion and value-add:*** conversion at each level of interaction within the Talentscotland process highlights two points with lower rates relative to the other stages:
 - the difference between the numbers of website visitors and registrants (13% of unique web site visitors decide to register)
 - the difference between the numbers of applications made and positions filled (6% of applications result in a post being filled)
 - however, based on the most comprehensive, recent data (post July 2003), there is a 2.3% conversion from applications made via Talentscotland.com to jobs filled - we draw attention to evidence that some employers using Talentscotland.com screen out candidates from international locations. This may be a contributing factor to the 2.3% conversion rate
- ***profile of registrants and recruits:***
 - 57% of registrants are from outside the UK
 - 73% of recruits have been based in Scotland just prior to recruitment, and therefore arguably are more easily reached by standard recruitment methods
 - 12% of recruits are sourced from outside the UK
- ***experience level of registrants:*** registrants are dominated by the graduate and engineer/scientist groups. Staff most often recruited by employers fall into the junior engineer/scientist and principal engineer/scientist groups. The efficacy of the marketing approaches to attracting more senior staff, the original target audience, should be reviewed

- **profile of company usage:**
 - over the period of the first year of the initiative, the number of vacancies posted on Talentscotland.com fell steadily. However, numbers posted rise again in mid-2003 after the expansion of the initiative into the Life Sciences sector and the decision to incorporate post-graduate academic vacancies
 - there is a partial correlation only between number of companies participating (contacted by Talentscotland.com) and number of vacancies posted: the correlation is strongest from April 2003 onwards
 - there is no correlation apparent between number of participating companies and number profiled
 - there is no correlation apparent between number of companies profiled and job vacancies posted
 - these findings may suggest that firms view recruitment via Talentscotland.com simply in terms of individual transactions, rather than as an integrated approach to international talent attraction.
- **marketing and communication:** the number of marketing channels adopted by Talentscotland.com is extensive. For the most junior level groups (undergraduates and recent graduates), student recruitment fairs and careers services are, not surprisingly, the most cost effective means of promotion. For all registrants, e-mail broadcasts are the most efficient means of attracting new registrants to the website. All channels are of similar importance for higher level groups, from the principal engineer level upwards

4.28 Although the pilot has achieved success with respect to attracting individual clients, this is based on comparing gross target and performance figures. Given that the rationale for the initiative was focused on international and senior staff, we would recommend that charting performance with respect to specified target market segments would be more appropriate.

4.29 Although there is a wide array of monitoring data and information, we question the fitness-for-purpose of the method chosen to categorise participating businesses. Employers are categorised in terms of their willingness to advertise a vacancy with a service that makes no charge. Categorising employers in terms of their readiness/willingness to recruit overseas candidates to senior positions would be more appropriate.

5 Perspective of individuals using Talentscotland

5.1 In this chapter we explore the views of the individuals using Talentscotland.com, those who to date have registered with the initiative as well as those who have found a job in Scotland, with more or less assistance from Talentscotland.com. Our findings are based on both a web-survey and telephone interviews. They include evidence on perceptions of Scotland as a place to live and work, and on how Talentscotland.com has influenced these perceptions, if at all. They also include evidence on the importance or otherwise of Talentscotland.com in promoting jobs with Scottish companies and facilitating recruitment.

5.2 The results of our survey with individual clients of Talentscotland.com are set out in full in Appendix C. In this chapter we draw out those findings we believe to be most important for the *ex post* evaluation and the strategic forward look.

Profile of individual clients

5.3 Through the web survey we sought to profile the individuals using Talentscotland.com by age, gender and notably career level:

- the largest group of respondents are in the 25-34 age bracket (46%); the majority are male (78%) and there is a balance between those individuals that are single (55%) and those married/co-habiting (44%)
- there is a balance of industry representation among respondents, with 58% of respondents in the electronics sector and 42% in Life Sciences
- the most frequent career/job levels amongst respondents are recent graduates (30%) and Engineers/Scientists (25%).

5.4 For those individuals that have found a job through Talentscotland.com, most also fall into the 25-34 age range. A very high proportion of this group is male (91%). There is also a higher share of individuals with expertise in design electronics. The profile of recruited individuals shows them to be largely junior or principal/senior engineers/scientists.

5.5 Also of importance to the study is the nationality and location of those using Talentscotland.com. From the web survey, the largest single national group among respondents is Scottish (c. 23%), followed by British (excl. Scots: 18%). Indian nationals are also well represented, responsible for around 10% of the responses. When grouped by major region, the findings show that 77 (41%) of respondents are nationals of countries outside the EU (see Table 5.4). The most common present location of respondents is Scotland (36%)

followed by UK (excl. Scotland: 20%). Other locations to figure are India (5%) and the USA (6%).

Table 5.4 Nationality of respondents and region in which currently domiciled

	<i>Nationality</i>	<i>Domiciled</i>
Scotland	42 (23%)	66 (36%)
UK (excluding Scotland)	33 (18%)	37 (20%)
EU	34 (18%)	22 (12%)
Rest of World	77 (41%)	60 (32%)
Total	186	185

5.6 Of recruited individuals, just under half are Scottish. The nationalities of the remaining individuals are UK nationals (excluding Scots), Italian and American (USA). One UK national is an ex-patriot who wanted to return to the UK.

5.7 In summary, the findings indicate:

- a male dominated client group
- a sizeable proportion (c. 16%) of non-Scots clients likely to be based in Scotland
- with the exception of the USA and India, the spread of individuals across countries in the ‘rest of the world’ is broad and thin
- just under half of the recruits among respondents are Scots.

Motivations

5.8 The web survey sought to establish the extent to which individuals were actively looking for work in other countries and the factors that would influence their choice of country:

- relatively few respondents to the web survey are actively looking for work
- just over a third (37%) had applied for a job in the last three years in a country other than where they were currently living.

5.9 The importance of various factors influencing individuals’ choice of country in which to live and work was examined. Overall, there are no significant differences in importance across the various factors tested:

- a "safe country" and "providing jobs with an adequate remuneration package for job skills" are highlighted as slightly more important than other factors
- ‘career’ factors appear slightly more important than ‘place’ factors – but only just.

5.10 For recruited individuals, the most important factors in choice of country were:

- *an attractive cultural environment*
- *providing jobs with adequate remuneration*
- *offering a high quality of living.*

5.11 Amongst Scots recruited locally, many appeared willing to sacrifice career opportunities in favour of maintaining a quality of life in Scotland. Of particular value were friends and family.

Perceptions and experience of Scotland

5.12 Our study investigated individuals' perceptions and experience of Scotland. Of specific interest was the extent to which individuals had been to Scotland - on holiday, business or for study/education - or had some other connection with the country. For non-Scots, the majority of individuals had never visited Scotland (59%). Of those that had, it is interesting to note that nearly a third (29%) had been to Scotland on holiday. A small number (only 5%) had visited Scotland for educational purposes.

5.13 Survey respondents were also asked the nature of any other connections they had with Scotland. A majority (56%) had no connections with the country. Of those that had, a quarter had a connection through friends. Connections through business were relatively small (5%).

5.14 The survey findings also reveal that a large majority (86%) had considered living and working in Scotland: a substantial minority (47%) would consider moving immediately. Around a quarter (26%) had previously applied for a job in Scotland.

5.15 Of recruited individuals, the majority had visited Scotland previously. In contrast, a minority of two (both Italian) had no connections whatsoever with the country. Indeed one of these individuals knew nothing of Scotland and thought it was the same as England. A large proportion of this group of recruits (10 of 13) had applied for a job in Scotland previously.

Role of Talentscotland in changing perceptions

5.16 An important role for Talentscotland.com is in changing perceptions of Scotland for the better and our study sought to test this. The web survey asked respondents the extent to which they agreed with a set of statements about Scotland *before they had visited Talentscotland.com*. The statements were based on the factors that influenced individuals' choice of country. .

5.17 At the broadest level, respondents (excluding Scots) tend to agree with statements concerning quality of life but agreed less on career statements. There was a clear tendency to disagree that Scotland was "a remote country". Perceptions about Scotland prior to visiting Talentscotland.com were generally positive.

Table 5.8: Perceptions of Scotland before visiting Talentscotland.com (excluding Scots)

	<i>Strongly Agree</i>	<i>Agree</i>	<i>No view</i>	<i>Disagree</i>	<i>Strongly disagree</i>	<i>Total</i>
a modern vibrant country	30	54	21	0	1	106
a safe country	37	56	10	2	0	105
offer an attractive cultural environment	42	45	12	2	0	101
offer a high quality of living	33	48	19	2	0	102
offer attractive leisure pursuits	26	50	26	2	0	104
offer a family friendly environment	35	41	27	1	0	104
offer a stable political/economic environment	41	43	20	0	0	104
be an expensive country	18	23	45	15	3	104
be a remote country	9	19	33	40	5	106
an established/scientific industry	26	52	20	4	2	104
a substantial range of career opportunities	23	44	30	9	0	106
provides jobs with adequate remuneration packages for your job skills	25	39	34	5	1	104

- 5.18 Individuals were also asked the extent to which information provided by Talentscotland.com had changed their views of the country. A large majority (81%) felt Talentscotland.com had changed their views of Scotland, with nearly 15% indicating this change was significant.
- 5.19 The study sought to establish whether this change in perceptions was positive or negative. Individuals were asked whether Talentscotland.com had changed their perceptions of Scotland for the better or for the worse. For the majority (81%) of individuals, their views had been changed by the information provided by Talentscotland.com, and for the better.
- 5.20 In general, views of Scotland had been changed for the better slightly more in ‘place’ factors than ‘career’ factors. Notably, for a significant minority, views had been changed for the worse in two factors - Scotland now considered to be an expensive country (16%) and now considered to be a remote country (16%). Notwithstanding this, the vast majority (91%) would move to Scotland given the right opportunity.

- 5.21 Beyond perceptions of Scotland itself, we were interested in how Scotland was perceived against other countries. Individuals were asked to specify how attractive other countries were compared to Scotland. The findings reveal that overall:
- England, Canada and the USA are considered to be as attractive as Scotland
 - India and Singapore are considered to be less attractive.
- 5.22 Non-Scots viewed most countries as being less attractive than Scotland. The exceptions were England and Canada which were viewed slightly more positively than Scotland.
- 5.23 Scots respondents felt the USA and Canada to be more attractive than Scotland. Ireland and the Netherlands were seen to be on a par with Scotland. Many European countries, including England, were seen as less attractive.
- 5.24 Interviews with recruited individuals revealed that Scots judge other countries on the basis of language and whether the individual had visited the country. Language barriers made countries unattractive. If the individual had experience of the country through a visit this tended to raise its attractiveness.

Information and support received

- 5.25 Having secured individuals interest in Scotland and the Talentscotland.com website, the study was keen to establish how individuals had used Talentscotland.com. Of particular interest was how often they visited the site, what information and support were received, the value of the services provided and why individuals might use some services rather than others.
- 5.26 Other than those that were visiting the website for the first time, most individuals visit Talentscotland.com weekly (30%) or monthly (25%) rather than daily. Individuals used Talentscotland.com for the most part to look for a job (86%), for information and news about companies (67%), and less so for information about Scotland (31%).
- 5.27 Consultations with recruited individuals also emphasised their weekly visits to the Talentscotland.com site. Looking for a job and information on companies were also the main interests.
- 5.28 Most individuals (93%) were aware they could register on Talentscotland.com to receive a newsletter and/or job alerts - and a majority (83%) had done so. For those registering, this was primarily motivated by:
- job opportunity information, and
 - to keep up to date with developments in Scotland.

5.29 For the minority that had not registered, this was largely because individuals were:

- first time visitors and intended to register soon after
- they remain undecided about moving to Scotland.

Increasing value add

5.30 Sending out the email newsletter and job alerts was designed, at least in part, to encourage individuals to visit/revisit the website and follow up opportunities with employers. For the most part individuals were prompted by the e-mail newsletter and/or job alerts to visit Talentscotland.com. Although for the majority (53%) they were prompted only on some occasions rather than always. This fits with the feedback gained from the recruited individuals. Findings were mixed on whether individuals followed up job alerts with prospective employers on the Talentscotland.com site - 48% had never followed up job alerts.

5.31 For those that did follow up with employers after receiving a job alert, 50% found employers responses to be helpful. Notably however 50% felt employers to be not very helpful or unhelpful. When asked to explain this unhelpfulness, individual comments included the following:

- ‘Never received a response’
- ‘Never received a letter even after application had been acknowledged’
- ‘Still waiting to hear from over a year ago’.

5.32 Of particular interest was the value of different elements of the Talentscotland.com service. Across the board, the largest group of respondents (c. 33%) found information provided on the Talentscotland.com site to be useful. Information on jobs and companies was seen to be the most useful. Case studies, information on living in Scotland and the student zone were least useful.

5.33 An important test of value is the extent to which a resource is recommended to friends. Recommendations are also an important marketing channel. When asked whether they would recommend Talentscotland.com to friends, a large majority (97%) of respondents said they would do so.

5.34 A similar sentiment was expressed by the recruited individuals, with all individuals prepared to recommend the site to friends. Importantly, four individuals (c. 33%) still visit Talentscotland.com even though they have secured employment.

Additionality of Talentscotland.com

5.35 An important component of the consultations with recruited individuals was the level of additionality Talentscotland.com had contributed to (a) their considering living and working in Scotland and (b) their securing employment in Scotland. Additionality was mixed:

5.36 In terms of considering Scotland as a place to live and work, there is a range of full through partial to little or no additionality provided by Talentscotland.com for the nine individuals responding. In the absence of Talentscotland.com:

- two individuals would not have considered living and working in Scotland (both Italian) - 100% additionality
- one individual would have considered Scotland but the time taken to decide would have been longer (a Scots ex-pat living in the USA) - partial additionality
- two individuals would have considered Scotland anyway but would not have been given so many job opportunities (an English ex-pat in the USA and a Scot based in Scotland)
- four individuals would have considered Scotland anyway (three of these were either Scottish or based in Scotland, the other an American with a Scots spouse) - little or no additionality.

5.37 In terms of employment, there are also variable levels of additionality:

- one individual would have learned of the job anyway - no additionality
- two indicated partial additionality - it would have taken them longer to learn of the job
- several individuals felt they would not have learned about the job if Talentscotland.com had not existed (four of these individuals were based abroad, in the US and Italy) - full additionality.

5.38 Those that would have learned of the job anyway would have done so through newspapers or through the web.

Improvements in support

5.39 Of particular interest to Talentscotland.com is the additional support individuals feel they need in moving to Scotland. The findings from the web survey suggest individuals are generally very happy with the service as it is. Specific suggestions for improvement include:

- more company information.
- features for doctoral level students e.g. details of national and international conferences and events
- those securing jobs should be profiled in subsequent newsletter/job alert publications to demonstrate the success of Talentscotland.com and encourage more visitors
- more emphasis on Scotland being an "immigrant accepting" country.

5.40 One foreign national highlighted the need for more practical help in locating to Scotland. Day-to-day issues such as opening a bank account, dealing with national insurance and claiming child benefit for example become major obstacles. What are often straightforward tasks become complicated in the 'flux' of moving and when possessions are in storage. This individual found little support and had to rely on work colleagues, some of whom had moved to Scotland some years ago.

Conclusions

5.41 The following conclusions can be drawn from research into the views of individual clients:

- **international reach:** most respondents are domiciled in Scotland but a significant number (60 or 32%) are living outside the EU. On nationality, 75 (40%) of respondents are UK nationals
- **job versus place factors:** it is important to give equal weight to job/career factors and place factors in the promotional mix: 'career' factors appear slightly more important than 'place' factors – but only just.
 - information on jobs and on companies is most highly valued.
 - although people's perceptions about Scotland were quite positive prior to visiting Talentscotland.com, the information it has provided has clearly done a good job in reinforcing this, except for the impact on a minority of users who now view Scotland as more remote or more expensive
 - non-Scots viewed most countries as being less attractive than Scotland, although England and Canada were viewed slightly more positively. Scots respondents felt the USA and Canada to be more attractive than Scotland; Ireland and the Netherlands were seen to be on a par with Scotland and other European countries, including England, were seen as less attractive
- **profile of recruits:** of recruits responding to the survey, it is notable that the majority had visited Scotland previously. Most had applied for a job in Scotland previously

- **responses from employers:** there is cause for concern in the responses of 50% of our survey respondents that employers in Scotland had been unhelpful or very unhelpful in their handling of applications
- **willingness to recommend:** 97% of survey respondents would recommend Talentscotland.com to friends. Recruited individuals were also happy to make referrals
- **additionality:** in terms of considering Scotland as a place to live and work, there is a range of full through partial to little or no additionality provided by Talentscotland.com for the nine individual recruits responding. In terms of facilitating recruitment all but one point to full or partial additionality
- **room for improvement:** findings from web survey respondents on how support might be improved related to essentially minor operational changes to Talentscotland.com. From the perspective of the recruited individuals, more practical support is required to help relocation.

5.42 The findings on additionality are more positive than those gained from a business perspective (see Chapter 6), perhaps not surprisingly since help for an individual to find a job is highly specific and personal. Given that the recruits for whom Talentscotland.com was most important were recruited from overseas, this is especially positive, regardless of the views of business, if one takes the view that encouraging more diversity within the workforce in Scotland is in principal "a good thing".

6 Perspective of Scottish businesses using Talentscotland.com

6.1 In this chapter, we report on findings gained from our survey work and interviews with businesses in Scotland that have either used Talentscotland.com. for their recruitment or have expressed an interest in doing so (see also Appendix D). For those that have utilised Talentscotland.com, we explore the value of having this initiative available to the individual business and the value to their sector in Scotland as a whole. For those that have utilised Talentscotland.com to recruit successfully, we also explore the nature of the business and economic impact resulting from the recruit brought into the firm.

Summary of survey results and employers interviews

6.2 Table 6.1 provides a summary of the employer contacts we were given, those contacted by web survey and those contacted by telephone, together with number of responses received.

6.3 The population of employers was characterised in relation to their engagement with Talentscotland.com. This ranged from those with marginal/passive involvement - receiving Talentscotland.com marketing material for example - to those who are known to have recruited through the initiative. Those employers that had a closer relationship with Talentscotland.com were selected for telephone interview, the less engaged employers were targeted by web survey.

6.4 The response to the web survey was disappointingly low (6). Indeed a number of employers for which we were given contact details denied any involvement with Talentscotland.com. This is probably due to the very "light touch" nature of the contact with these employers. The number of telephone interviews completed with employers (32) was rather more useful. The majority had placed vacancies and in some cases recruited through Talentscotland.com.

Table 6.1 Employers used in fieldwork

	<i>Recruited</i>	<i>Advertised</i>	<i>Profiled</i>	<i>Unprofiled</i>	<i>Total</i>
Population	20	48	162	54	284
Employers contacted by web survey	0	27	147	39	213
No. refused/failed to respond					41
No. completing survey return					6
Employers contacted for telephone interview	20	15	9	10	54
No. refused	2	3	3	1	9
No. arranged	16		2	4	8
No. of interviews completed	15	12	1	4	32
Total employer responses					38

6.5 We characterised the employers by factors such as industry, age of firm and size of workforce. The findings revealed that the majority of employer contacts (85%) are in the electronics sector, the remainder in Life Sciences.

6.6 Table 6.2 shows the age profile of the firms. The findings reveal a wide spread of firms, with 36% having been established in the last 1-3 years. Respondents employ a total of 638 staff. Nearly half (46%) of firms had fewer than 10 employees. Nearly two thirds (63%) had a single office location, in other words operating solely from Scotland.

Table 6.2 Age of businesses

	<i>No.</i>	<i>%</i>
1-3 years	13	36
4-10 years	9	25
10+ years	14	39
Total	36	100

6.7 Of specific interest to the study were recent trends in turnover by firm and by industry in Scotland and worldwide. These trends are suspected to have been a key underlying influence on the success of the Talentscotland.com initiative. The findings suggest that over the last three years (Table 6.3):

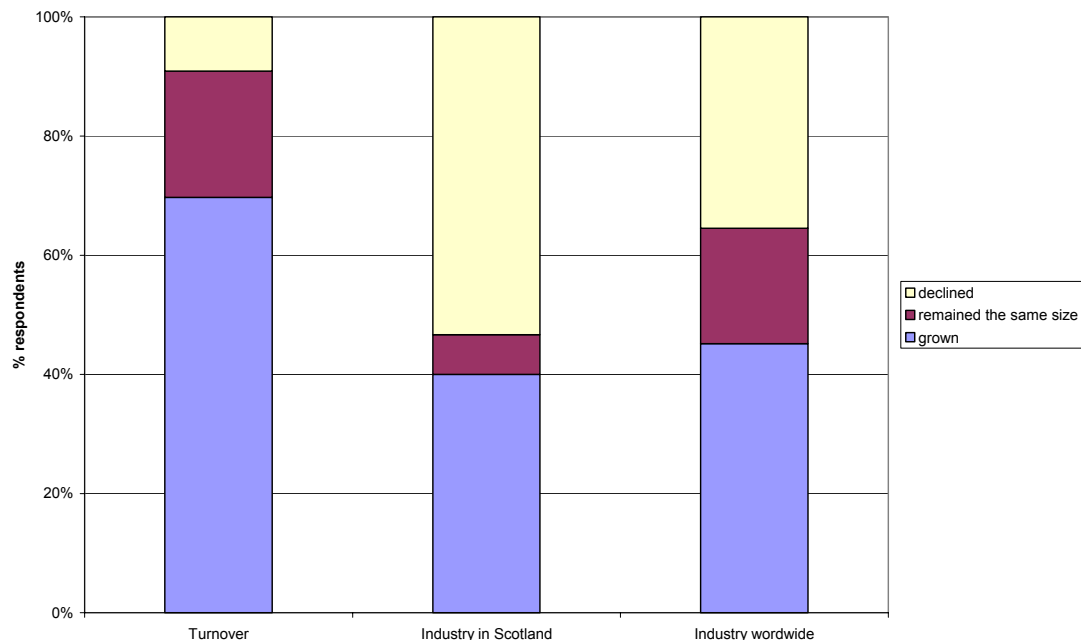
- the majority of employers (70%) had experienced growth in turnover
- however despite this, nearly two thirds of respondents felt their industry in Scotland to have been declining (53%) or static (7%) in recent years
- views on their industry worldwide were mixed, with 45% perceiving growth and 35% perceiving decline.

6.8 This suggests the Talentscotland.com initiative, designed and launched to cope with recruitment pressures in a buoyant market, has been serving an employer base largely enjoying growth in turnover albeit in markets in which views on recent growth are quite divided.

Table 6.3 Views on trends in turnover - for firms and for industry in Scotland and worldwide over the last three years

	<i>Company turnover</i>	<i>Industry in Scotland</i>	<i>Industry worldwide</i>
grown	70%	40%	45%
remained the same size	21%	7%	19%
declined	9%	53%	35%

Figure 6.1 Trends in turnover, industry in Scotland and worldwide over the last three years



6.9 In addition to firm-level and industry trends, the study established the scope of employer operations. The results reveal that the employers are operating in an international environment in terms of customers and competitors. It is notable that on average competitors outside the UK feature prominently:

- c. 59% of customers are outside the UK
- c. 63% of competitors are outside the UK
- c. 30% of suppliers are outside Scotland.

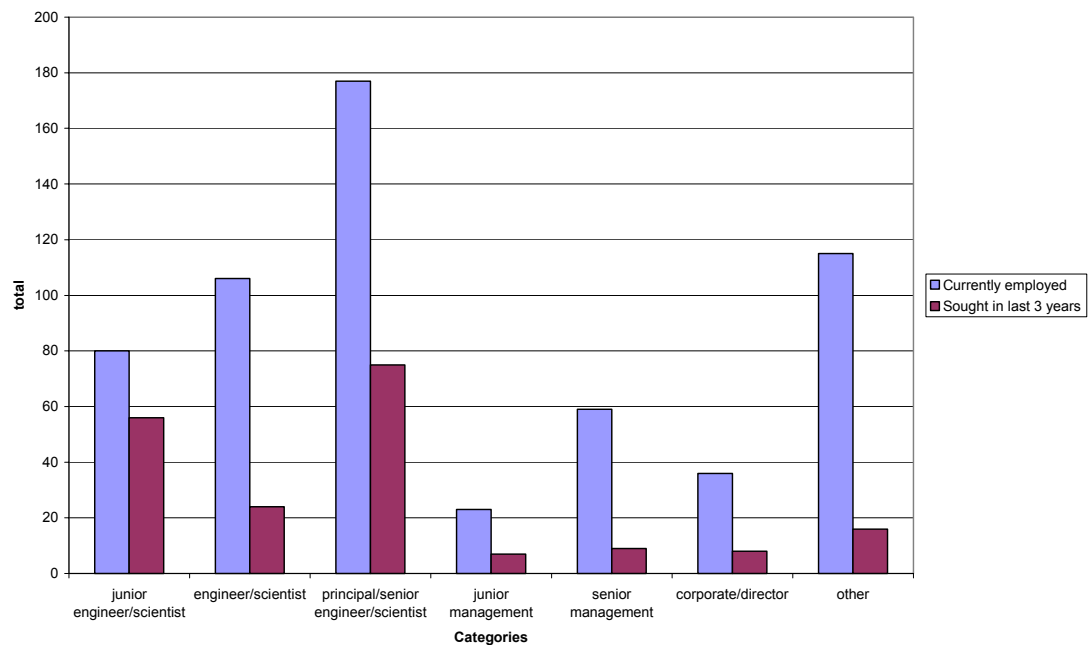
Demand for Talented Staff

- 6.10 Having established employer characteristics and recent trends in their industry, the study explored the profile of new staff required by employers and the types of staff recruited in the last three years. The results are presented in Table 6.4. More principal/senior engineers/scientists are employed presently than staff in other categories.
- 6.11 Moreover, our respondents had recruited 195 staff, by all methods, over the last three years. Of these, more junior and principal/senior engineers/scientists have been recruited than other staff categories.

Table 6.4 Staff employed and recruitment in the last three years

	Currently employed	Recruited in last three years
junior engineer/scientist	80	56
engineer/scientist	106	24
principal/senior engineer/scientist	177	75
junior management	23	7
senior management	59	9
corporate/director	36	8
other	115	16
Total	596	195

Figure 6.2 Staff employed and recruitment in the last three years



- 6.12 Employers were asked about difficulties in recruiting staff to these positions in the last three years: their responses were rather mixed. A large minority, around 43%, had experienced difficulty. These included obtaining suitable candidates and experienced individuals.

- 6.13 Employers were also asked about the source of recruits (Table 6.5). The majority (73%) said their recruits had been sourced from Scotland. A minority (12%) had recruited from outside the UK. The extent to which staff have been recruited locally raises an issue for the role of Talentscotland.com, given its original objective to target internationally mobile staff. No doubt the state of the industry and its labour market locally and internationally impacts on firms' ability to recruit locally. However this may not be the only variable as other findings demonstrate: there appears to be a built-in preference to recruit locally or at least from within the UK whenever possible (see below).

Table 6.5 Source of recruits in the last three years

	%
Scotland	73
Rest of UK	12
Rest of EU	7
Rest of World	5
Null response	3
Total	100

Views on recruitment support

- 6.14 As well as establishing the characteristics of employers and their recruitment patterns, we were also interested in how recruitment is supported. Of particular interest are the recruitment methods deployed and how effective these prove to be. The results are shown in Table 6.6.
- 6.15 Personal contacts were used most frequently and advertising in trade journals was used least. The success of recruitment methods also varied, with the most successful found to be personal contacts, then Talentscotland.com followed by other web advertising. Advertising in trade journals was viewed as the least successful.

Table 6.6 Success of various recruitment methods in meeting recruitment needs

	<i>Very successful</i>	<i>Successful</i>	<i>Not successful</i>	<i>Don't use</i>	<i>Total</i>
Web advertising (N=33)	15	46	18	21	100
Newspaper advertising (N=32)	9	31	22	38	100
Trade journal advertising (N=26)	4	15	31	50	100
Recruitment Agency (N=32)	22	31	22	25	100
Personal contacts (N=28)	50	43	4	4	101
Talentscotland.com (N=34)	27	41	21	12	101

6.16 Of critical importance in any public intervention is the extent to which this may lead to crowding out of existing provision in the market place. The study set out to assess the extent to which Talentscotland.com has reduced the use of other recruitment methods (see Table 6.7).

6.17 For the majority, the availability of Talentscotland.com had not reduced the use of other recruitment channels. Our interviews with employers suggest Talentscotland.com is another method employed in their recruitment armoury. Notwithstanding this, a significant minority have reduced their use of newspaper advertising (35%) and recruitment agencies (25%). This is an important finding as recruitment agencies are viewed as a reasonably successful recruitment method by 53% of respondents (Table 6.6). The reasons given for reducing the use of other recruitment methods refer to Talentscotland.com being:

- free
- more targeted, and
- attracting a higher calibre candidate.

Table 6.7 The extent to which the availability of Talentscotland.com reduces the use of other recruitment methods

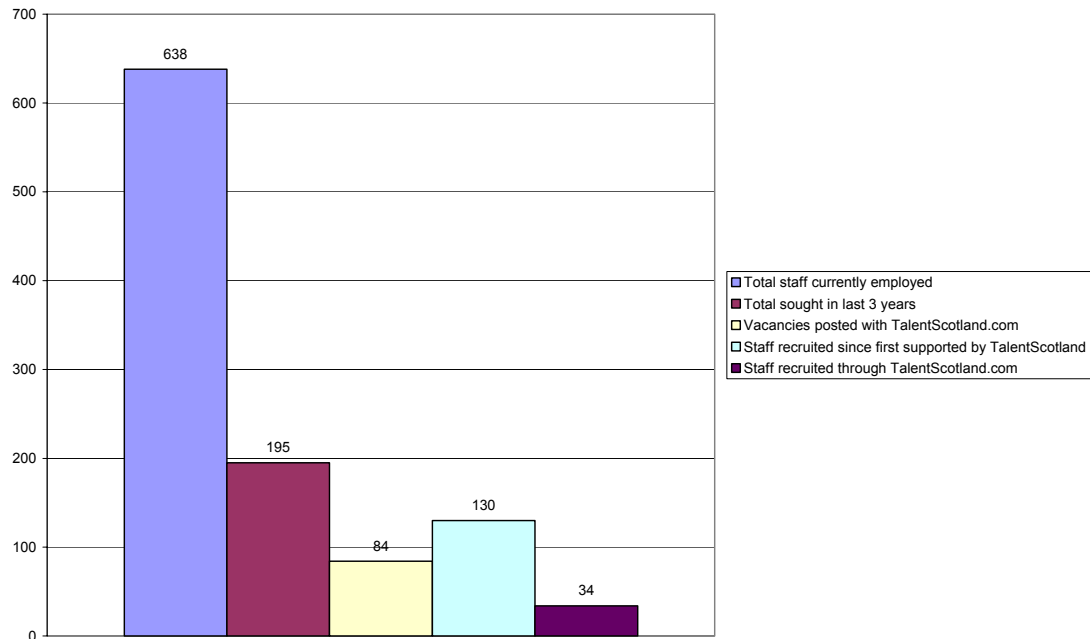
<i>Reduced use?</i>	<i>Yes</i>	<i>No</i>	<i>Total</i>
Web advertising (N=24)	8	92	100
Newspaper advertising (N=23)	35	65	100
Trade journal advertising (N=12)	17	83	100
Recruitment Agency (N=20)	25	75	100
Personal contacts (N=23)	0	100	100

- 6.18 Employers were also asked when and how they had learned of Talentscotland.com. The response reveals half the employers had learned about Talentscotland.com in 2003. Employers largely learned of Talentscotland.com through a direct approach (32%) or through their Local Enterprise Company (27%). Other routes (32%) included awareness raised through the Alba Centre, past experience in another organisation or through networks/colleagues.
- 6.19 Table 6.8 shows the profile of recruitment among our respondents over the last three years. The figures illustrate that only a proportion of their vacancies are posted with Talentscotland.com (84 out of 130). Of the staff recruited over the last 3 years, a lower proportion of these had been recruited with the help of Talentscotland.com - overall 130 staff had been recruited by our respondents since first learning of Talentscotland.com, the recruitment of only 34 during this time is attributed to Talentscotland.com. The statistics are influenced by the number of employers first hearing of Talentscotland.com in 2003 and/or because the support it provides is used as one of a number of recruitment methods.

Table 6.8 Profile of recruitment over the last three years

	<i>Total</i>
Total staff currently employed	638
Total sought in last 3 years	195
Vacancies posted with Talentscotland.com	84
Staff recruited since first supported by Talentscotland.com	130
Staff recruited through Talentscotland.com	34

Figure 6.3 Profile of recruitment over the last three years

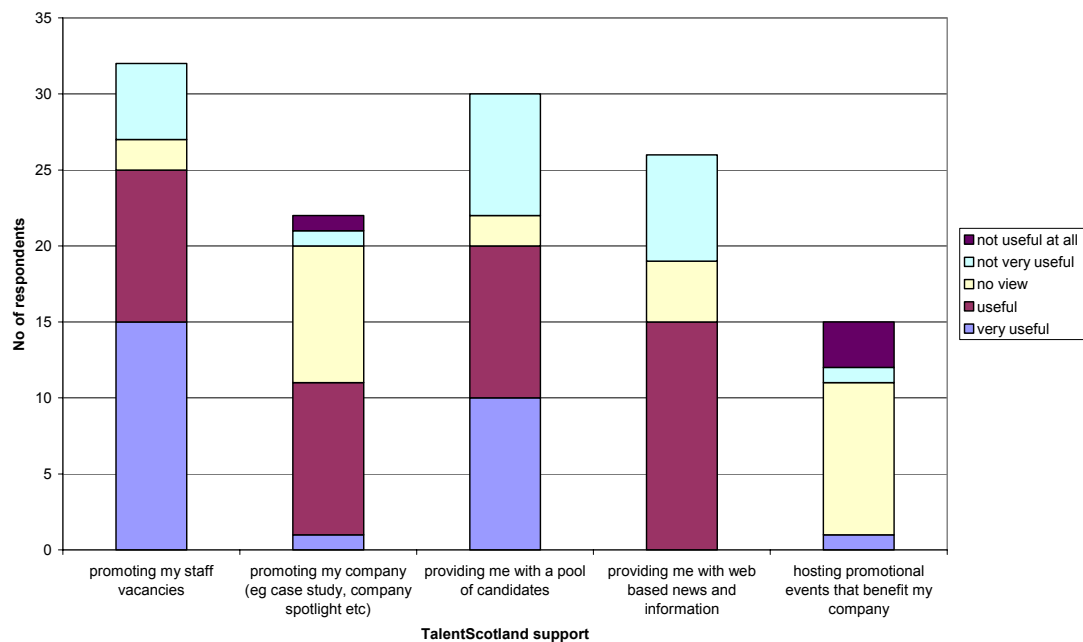


6.20 Employers were asked to assess the usefulness of various Talentscotland.com's services. Promoting staff vacancies and providing a pool of candidates tended to be the most useful. Hosting promotional events is seen as least useful. The results are shown in Table 6.9: they illustrate the employers' focus on using Talentscotland.com operationally as a recruitment vehicle.

Table 6.9 Use and usefulness of Talentscotland.com support

	<i>very useful</i>	<i>useful</i>	<i>no view</i>	<i>not very useful</i>	<i>Not useful at all</i>	<i>Total</i>
promoting my staff vacancies	15	10	2	5	0	32
promoting my company (e.g. case study, company spotlight etc)	1	10	9	1	1	32
providing me with a pool of candidates	10	10	2	8	0	30
providing me with web based news and information	0	15	4	7	0	26
hosting promotional events that benefit my company	1	0	10	1	3	15

Figure 6.4 Use and usefulness of Talentscotland.com. support



6.21 When asked about their first use of Talentscotland.com, half the employers had used the support for the first time in 2003 (Table 6.10). A notable feature is the apparently low take-up by employers in 2001. This does not seem to fit with the figures listed in the monitoring data for company participation, which suggest a high initial take-up of TalentScotland.com and then a levelling off, before a further rise after the introduction of Life Sciences. This could be explained by the low level of involvement assigned to firms who were classified by Talentscotland.com as ‘participating’. Firms may not feel that they had ‘used’ Talentscotland.com unless they had used a specific service i.e. for recruitment. Perhaps it has taken time to establish Talentscotland.com with many employers as a resource in recruiting staff, or perhaps the industry was in a stagnant employment market until 2003.

6.22 The majority of employers (66%) had posted between one and three staff vacancies. Over half (53%) felt Talentscotland.com always resulted in a high number of candidates. Employers were more circumspect about the quality of candidates. Rather fewer felt Talentscotland.com always resulted in a *high quality of candidates*. Notwithstanding this, a large majority (73%) were satisfied with the services they had received.

Table 6.10 Date when first used Talentscotland.com services

	Year
2001	9%
2002	31%
2003	50%
2004	9%
Null response	1%
Total	100%

Business and economic impact

6.23 Any evaluation of a public intervention must take account of business and economic impact. Given the "upstream" nature of the Talentscotland.com intervention with respect to bottom-line business benefit, we were under no illusions over how difficult business and economic impact would be to quantify. This proved to be the case. Nevertheless, there are anecdotes from employers which illustrate, in a more general sense, the difference recruited individuals have made to businesses. Comments suggested recruits had:

- ‘helped to define the products that the company is now making, and to that extent have moved the business forward’
- ‘provided manufacturing experience specific to medical devices’
- ‘brought different working methods (a business can get quite insular) and organisational skills to the laboratory. New recruits have brought in different perspectives’
- ‘brought new ideas gained from their previous employment’
- ‘formed a world-competitive team’.

6.24 Quantifying business and economic impact requires use of a standard algorithm that contains:

- estimates of turnover change, net of displacement and multiplier effects
- attribution of this net change to the intervention (i.e. to enabling the successful recruitment of the individual) and
- an allowance made for deadweight (non-additionality).

6.25 Our findings reveal that whilst employers can provide some data for the above algorithm, with the exception of one or two they could not provide all that is necessary. Our attempts to conduct a quantitative impact evaluation has therefore proved fruitless. Employers found

particular difficulty in attributing any net changes in business performance to individuals. This was mainly because of one of two reasons:

- recruits had often been taken on recently (two or three months) and so had not had time to make any bottom line impact, or
- they genuinely found it difficult to ‘unbundle’ individual contributions from team efforts.

6.26 Nevertheless, the exercise did provide some important insights for the nature of the public sector interventions. Of the public sector support provided by Talentscotland.com:

- the intervention is only *partially additional* to employers’ recruitment efforts (Table 6.11) - the majority of firms (63%) would have recruited the individuals anyway, but it would have taken longer. Around a third (31%) would have recruited these individuals in the just the same way i.e. there is no additionality from the intervention
- attribution of the change in business performance to the individual recruit is given as between 1% and 25%, partly because of many recruits being taken on only very recently
- the majority of recruits (77%) have made some positive impact on the competitiveness of the employer. Around a third (33%) have made a major positive impact.

Table 6.11 Extent to which employers would have recruited these individuals in the absence of Talentscotland.com (N=16)

	%
would have recruited in just the same way anyway	31%
would have recruited but would have taken longer	63%
would have recruited but of a lower quality	0
would not have had as many candidates	0
would not have recruited as many individuals	6%
would not have recruited at all	0
Total	100%

Forward look

6.27 In addition to employers’ recent experience of business and industry performance, of recruitment and the support available, we wished to explore their views on the future. Of particular interest was how key aspects of their business might change.

6.28 Table 6.12 shows expected trends in firms' turnover and in industry performance in Scotland and worldwide over the next five years. Key results are that:

- almost all employers expected their turnover to grow
- a large majority (c.71%) of employers expected their industry in Scotland to grow
- almost all employers expected their industry worldwide to grow.

Table 6.12 Forecast trends in turnover and in industry performance in Scotland and worldwide in the next five years

	<i>Turnover</i>	<i>Industry in Scotland</i>	<i>Industry worldwide</i>
Grow	100%	71%	97%
remain the same size	0%	14%	3%
Decline	0%	14%	0%

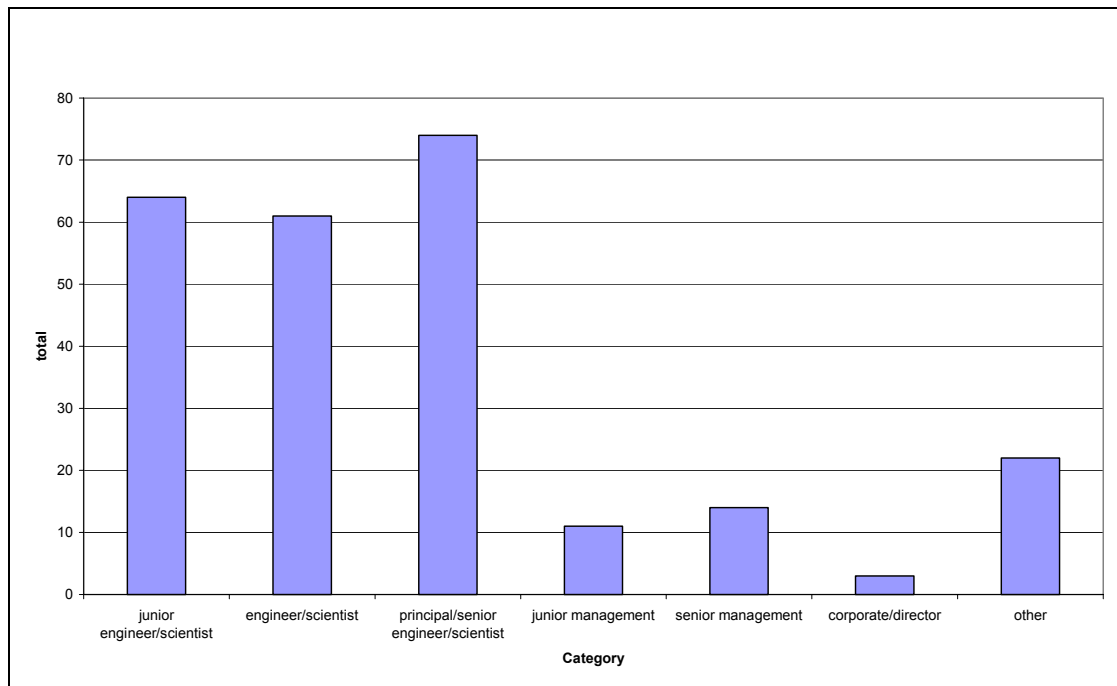
6.29 When asked about recruitment needs over the next five years, among twenty-four respondents there is an expectation of recruiting c. 249 additional staff, or on average 10 per company. The categories of staff likely to be sought over the next five years emphasises the need to fill principal/senior as well as junior engineers/scientists posts (Table 6.13) rather than management positions. Staff mentioned in the ‘other’ category indicated a range of sales/marketing roles, these included people that could bring:

- business development skills
- customer/technical support
- commercial skills.

Table 6.13 Staff sought in the next five years

	<i>No</i>
junior engineer/scientist	64
engineer/scientist	61
principal/senior engineer/scientist	74
junior management	11
senior management	14
corporate/director	3
Other	22
Total	249

Figure 6.5 Staff sought in the next five years



- 6.30 We do not consider it safe to extrapolate from the above estimates of staff recruitment from our sample to the Scottish business-base in the target sectors as a whole. We are aware however that surveys of anticipated staff requirements are made from time to time in parts of the SE Network. For example, during our consultations, we were informed that a survey of firms in the Life Sciences cluster around Dundee estimated that over the next 3 years a 17% growth in employment was anticipated for the business plus the research, amounting to c.250 jobs in local businesses. Of these, it was anticipated that all could be sourced from the UK.
- 6.31 Another important component of our approach was to gain the views of employers as to how significant Talentscotland.com might be in helping them recruit talented individuals in the future. As part of this forward look, the majority (63%) of employers felt Talentscotland.com would be *significant* in helping them recruit to these positions. Moreover, 21% felt Talentscotland.com would be *highly significant*.
- 6.32 When asked whether they would be willing to pay for Talentscotland.com, employers were less uniformly positive. There were mixed views on whether employers would pay for the continuation of Talentscotland.com - 47% said they would pay. Of these, most would only pay on the basis of payment per recruitment transaction e.g. a fee for a vacancy successfully filled. Very few said they would pay for Talentscotland.com through an annual subscription and there appeared an unwillingness to support financially the wider promotional work of the initiative. These findings perhaps shed light on why a large majority (88%) would recommend, or had already recommended, Talentscotland.com to others - they valued support for recruitment that was free.

- 6.33 Employers considered the most important factors in attracting talented individuals to Scotland to be a combination of ‘place’ and ‘career’. Of particular importance are the abilities to offer:
- a high quality of living
 - attractive leisure pursuits
 - a substantial range of career opportunities
 - jobs with adequate remuneration packages for the skills involved.
- 6.34 However, many employers were unaware of how Talentscotland.com attempts to address these ‘attractors’- many in fact had never visited the Talentscotland.com website. This may reinforce how employers view Talentscotland.com only from an operational, ‘recruitment’ perspective: the lack of interest in visiting the site perhaps suggests the Talentscotland.com initiative is a "nice to have" resource rather than as a critical part of their recruitment procedures.
- 6.35 For those that are aware of Talentscotland.com’s wider role, the initiative was seen to promote issues of quality of life and leisure pursuits slightly better than the range of career opportunities and adequate remuneration packages.

Conclusions

- 6.36 The following conclusions can be drawn from the views of businesses engaged with Talentscotland.com.
- **state of the industry:** the Talentscotland.com initiative, designed and launched to cope with recruitment pressures in a buoyant market, has been serving an employer base largely enjoying growth in turnover albeit in domestic and international markets on which the employers' views on recent performance are quite divided
 - **track record in recruitment:** of the 195 staff recruited over the past 3 years by our 38 business respondents, by all methods, the main categories of staff taken on have been junior and principal/senior engineers/scientists. Most have been recruited from within Scotland
 - **customer satisfaction:** although satisfied overall with the service it provides, employers note that Talentscotland.com delivers a large number of candidates for jobs but not always a large number of quality candidates
 - **crowding out:** although most respondents view Talentscotland.com as an additional recruitment channel, a significant minority (25%) indicated that they had reduced their use of recruitment agencies as a result of the Talentscotland.com service being

available. Given that a majority of respondents view recruitment agencies as a successful means of recruiting and that most value the job alerting rather than the wider promotional role of Talentscotland.com, this finding indicates that a degree of crowding out of the private sector may be taking place

- **market share:** our evidence indicates that employers who use Talentscotland.com continue to recruit without this assistance. Our respondents have recruited 130 staff since first learning about the initiative, only 34 of which were recruited through Talentscotland.com
- **additionality:** the public sector intervention achieves at best partial additionality - the majority of firms (63%) would have recruited the individuals anyway, but it would have taken longer. Around a third (31%) would have recruited the individuals in the just the same way i.e. there is no additionality from the intervention
 - this is compounded by the fact that businesses are unable, at present at least, to indicate the impact on business performance of the individuals recruited, beyond a general view that competitiveness has been enhanced.
- **future need:** employers consider that Talentscotland.com can play a significant or highly significant part in meeting their recruitment needs in future. Many may be prepared to pay but only on a per transaction basis
 - the strategic promotional role played by Talentscotland.com may be regarded as useful by a minority but it does not appear to be something firms would pay for. Indeed a number of respondents have never visited the web-site
 - although respondents point to the important role Talentscotland.com can play in their future recruitment, this appears to relate to its direct recruitment-related rather than its strategic promotional role. Responding to employers' interests and adopting the business model this implies, would arguably shift Talentscotland.com closer to the market occupied by private sector recruitment agencies
- **justification for public intervention:** based on the evidence from employers, it is difficult to justify this public sector intervention on the basis of bottom-line business or quantifiable economic impact at present. The additionality gained by the investment of public funds is partial at best - associated with reducing time to job fulfilment. There is some evidence of crowding out of the recruitment agencies.
- **shift in conditions:** given the evidence set out above, we would speculate that a key factor in the performance of Talentscotland.com has been the shift in the nature of the demand-side since the design and inception of the initiative. Set up to respond to mission critical, highly specific staff needs of one or a small number of sophisticated technology-based companies (notably Cadence), the initiative has evolved into

something much broader. Given this change, the rationale and operational model for Talentscotland.com requires fundamental review and adaptation

- **core focus:** the difference between a marketing initiative - *to assist the recruitment transactions of SMEs through sending job alerts to a qualified talent pool* - on the one hand, and a strategic national initiative - *to promote Scottish businesses, their industry sectors and "quality of place" as key actions in international talent attraction* - is in our view more than a semantic one. It should influence both understanding and expectation within the business-base and their representative sectoral bodies, as well as among recruitment agencies. We are left with the strong impression that the distinction is either not appreciated or accepted within the business base.

7 Views of other stakeholders

- 7.1 In our programme of consultations, we interviewed a number of stakeholders, in the SE Network and outside, with interests in the sectors currently supported by Talentscotland.com - electronics and Life Sciences - as well as in other sectors that might be relevant if Talentscotland.com was to be rolled out more widely. We took views from the creative industries, energy, tourism and financial services sectors.
- 7.2 A number of our contacts had some involvement with Talentscotland.com during early stage consultations and design, but engagement during its operation appeared quite limited, even with stakeholders in the electronics and Life Sciences sectors.
- 7.3 We uncovered quite different views among our consultees on their perceptions of what people overseas thought of Scotland. In one case we were told that research indicated that Scotland is viewed as rural, with only a limited industrial base; by someone else that Scotland is viewed as being dominated, in the electronics sector at least, by large companies and little innovation; and by a third that Scotland is viewed as more highly industrialised than it actually is, but that the industry-base is still thought to be dominated by heavy engineering.

Perspectives from stakeholders in the Electronics and Life Sciences sectors

Electronics sector

- 7.4 Our consultee confirmed that the original rationale for Talentscotland.com was developed for the electronics sector at a time when the industry climate here and internationally was very positive. The Alba Centre had been recently established in Livingston; the major inward investor Cadence needed to recruit 2000 engineers and there was another inward investor in prospect. The climate changed almost as soon as Talentscotland.com became operational. More recently, the industry has been characterised by lay-offs or at best a "flat" recruitment market. Cycles in the electronics industry are expected to be deeper and narrower in future.
- 7.5 The initiative was established when a market failure was identified with respect to the available talent pool. As the market conditions have changed, our consultee doubts whether a failure still exists. Recruitment agencies exist in numbers, indeed online recruitment appears to be a growing sector of the market. Our consultee argued that "quality of life" promotion of Scotland is available from many places on the web and that quality of life material used by Talentscotland.com could be cut and pasted from other sources.
- 7.6 In addition, our consultee indicated a difficulty is seeing a satisfactory exit strategy for the public sector, as the initiative is presently organised. Another consultee considered that the

sustainable business model for Talentscotland.com would be as a recruitment company. However, its advantage over any other recruitment company was not clear. The unique selling point (or unique value) of Talentscotland.com was seen as its development of an independent and non-commercial registration of talented people.

- 7.7 The kind of success measures our consultee envisaged for Talentscotland.com were the number of hits on the web-site; number of registrants; and impact on business and the economy. The latter are regarded as hard to assess. However, real success would be achieved through the recruitment to high tech, senior level posts in companies in Scotland and/or in attracting people to set up new companies in Scotland. There would also be significant achievement in attracting people to senior level jobs in sales and marketing in order to support the commercialisation of R&D. In the view of our consultee, these things have not been achieved through Talentscotland.com to date.
- 7.8 Nonetheless, there are anecdotes on significant successes. One firm set up by an SE/RSE Enterprise Fellow recruited its entire staff via Talentscotland.com.
- 7.9 Promotion of the electronics sector included work done by trade bodies such as the Scottish Optoelectronics Association (SOA) and Electronics Scotland. The SOA is viewed as being especially active in promoting the sector on behalf of "Scotland plc". We understand that the newly formed umbrella organisation for the electronics sector in Scotland, the *Scottish Technology Forum*, has an agenda for action which includes both skills and "image".
- 7.10 For some consultees associated with the industry bodies, Talentscotland.com is not high on the agenda - viewed as "just another in a host of Scottish Enterprise initiatives". However, a portal to Scotland's electronics sector is viewed by one consultee as essential. There is a need for effective promotion of the sector. However, one view expressed to us was that if the promotional role of Talentscotland.com was outsourced to the industry bodies then the connection to the business-base would be much closer. The Scottish Technology Forum could perhaps provide a vehicle for this kind of co-ordinated promotional activity. "There is a need to view Scotland as a company" and promote it accordingly.
- 7.11 It is acknowledged that promotional activity for strategic purposes cannot be switched on and off and still be effective. To be effective however, the promotion should be targeting electronic engineers to work in sectors such as the renewable energy and defence - that is focus on industry sectors and markets rather than technologies.
- 7.12 In the opinion of one consultee, there has been too much focus on supply-side issues. There needs to be more on demand. There are many highly talented graduates being produced in Scotland, but there is a deficit on the demand-side in terms of a willingness to recruit and train them.

- 7.13 A number of consultees point out that attracting talented people to jobs in Scotland is about building a customised initial proposition and a then career progression so that they will stay. We are advised that recruiting to conduct and take forward Proof of Concept (PoC) projects in electronics is problematic: principal investigators in universities tend not to want to leave their academic posts. These PoC opportunities could be more creatively marketed in the view of one consultee - sold to people in Silicon Valley for example, but this would need to be done via head hunting. The public sector could help build propositions that are followed up by head hunters. In the view of our consultee, a move to a head hunting approach would be more relevant to the cluster.

Life Sciences sector

- 7.14 Our stakeholder in the Life Sciences sector viewed Talentscotland.com as mostly about awareness raising about Scotland - it is about "lifestyle and countryside with a life sciences twist". As a bioscientist by background who still reads the specialist literature, our consultee knows the channels used to advertise jobs and promote firms/areas to the international market. Talentscotland.com does not seem to figure in these. It does not seem to be intersecting with these channels.
- 7.15 Although the level of industry steering is not known, Talentscotland.com and its staff appear to be well informed about the biotechnology cluster. Talentscotland.com reinforces messages about Scotland. It is a useful additional avenue for promotion.
- 7.16 It is also an additional route in its recruitment, but not for senior people. Our consultee considers that senior people will not be recruited via this type of web-based recruitment. Senior staff tend to be recruited through a process of referrals. To attract senior people requires a very personalised package. Talentscotland.com does not tackle this challenge.
- 7.17 We asked about the present and likely future state of the labour market for the Life Sciences sector in Scotland. Most posts for example in Tayside companies can be filled through Scottish or UK sourcing. Senior posts are beginning to be filled by the re-cycling of staff locally and this is seen as a positive sign of a maturing cluster.
- 7.18 The key issue in recruitment is around companies' wish for "oven ready" graduates. The Pre-Bio initiative and work placements help to a degree. Also, an MSc course at the University of Dundee Abertay is well regarded as good preparation for work. It is oversubscribed but not by home students - rather by overseas students (notably Indian) who return home upon graduation. Our consultee notes that there is no incentive for the University to take a higher proportion of home students, as overseas students are charged higher fees and thus bring more income to the University.

- 7.19 Bio-Dundee, the local cluster development network has a web-site which includes a recruitment element. With a link to Talentscotland.com, it has been focused on recruiting post-doctoral fellows to the University of Dundee. Attracting university researchers remains a key challenge and goal. Presently the Bio-Dundee recruitment function is run on a shoestring from within the University. It is little more than a database of job opportunities posted until notice of a post being filled/withdrawn is received by the administrator. There are plans to start to match CVs and to encourage company participation.
- 7.20 There have been attempts to encourage Dundee companies advertising Life Sciences jobs to use the Bio-Dundee logo on their advert. There has been little or no interest to date. This is despite comments made by companies at the recent Talentscotland.com Business Forum on the importance of raising confidence among prospective job candidates through providing them with knowledge of the cluster of other businesses in an area.

Perspectives from other sectors

- 7.21 Our consultee from the **energy sector** was informed about the challenges facing the oil & gas, renewables, power generation and nuclear decommissioning sectors. In his view, Scottish firms lack the necessary skills to compete internationally. The need is at least in part at senior technical/innovation management grades. Shrinking domestic bases in oil & gas and power generation sectors point up the need to export more. As a result, senior staff with international operations management experience are also required, as are people with international sales and marketing skills.
- 7.22 Manufacturing companies within the energy sector have shortages of skilled technical staff to work with computer numerical control (CNC) machines. Modern machine shop skills are in short supply.
- 7.23 There is also an absence of willingness or of the management skills to collaborate, including for big contract opportunities in international markets. Examples of failures in the power generation market were mentioned.
- 7.24 Oil & gas companies are used to recruiting from USA and EU. There are opportunities to recruit to the nuclear sector from Eastern Europe and Russia but there are doubts as to whether Scottish firms would try this.
- 7.25 The issue of balancing efforts to attract internationally mobile workers with support to train and retain Scottish graduates was raised. Even at technician level, Scottish firms are often reluctant to invest in training for fear of newly trained staff leaving for other jobs.
- 7.26 Staffing Proof of Concept Fund projects have exposed difficulties in recruiting post-doctoral research assistants to Scotland. Our consultee argues however that the job opportunities are badly sold - and constraints on publication are unattractive. Scottish Enterprise advertises

PoC posts but leaves the recruitment to the universities - more is needed to sell the opportunities more professionally.

- 7.27 Hiring recent graduates with multiple languages is seen as gaining a great asset in commercialising new technology in international markets.
- 7.28 Our consultee argues that Scotland needs to recruit more entrepreneurial high calibre researchers across the board not least if the aspirations of the new Intermediary Technology Institutes over the next 10 years are to be met.
- 7.29 The present approaches are viewed as adopting scattergun methods: these are regarded as inappropriate. There is a need, it is argued, for a much more highly focussed and targeted intervention to attract key people. An approach more closely based on the way head-hunters operate is required. The public sector need not compete inappropriately with recruitment agencies and head-hunters but rather provide a strategic framework for identifying need and opportunity plus provide help with the costs of the process of recruitment.
- 7.30 Our consultee involved with the **financial services sector** provided an insight into the industry dynamics and the implications for talent attraction. Edinburgh financial services cluster is the largest financial services centre in the UK after London and the 5th largest in Europe. It is not a single entity, but segmented into banking, life/pensions, insurance, fund management and intermediation/support.
- 7.31 In his view, there are skills shortages in some areas, including risk management, HR, customer service teams, and financial services sales and support teams. This is probably not at entry level, but is for more junior levels, and at present the labour market is quite tight, so there may be increasing need to attract more people to Scotland.
- 7.32 There is also likely to be a need for more senior level staff, particularly fund managers. The attraction of bringing in new fund managers is that they are likely to bring clients with them. This benefits Scotland by helping the industry to grow.
- 7.33 Most staff come from Scotland but the main competitor regions for talent are elsewhere in the UK and Ireland. London is the principal competitor region, followed by Dublin, Manchester and Leeds. Birmingham and Bristol comprise a second tier. There is therefore an eagerness to attract people from London.
- 7.34 The pattern of talent flow depends on the career level. Graduates tend to leave Scotland and move to London, but there is also an inflow at slightly more senior levels.
- 7.35 In attracting talented individuals to Scotland, quality of life is viewed as the key factor, particularly for people moving up from London. There is also a sense that the Scottish industry is a "club" or a community compared to the more amorphous nature of London ("although this can be a double-edged sword"). London is seen as more volatile, while

Scotland is perceived to have weathered the storm better recently. People do not tend to move as a result of seeing more career opportunities in Scotland. Notwithstanding this, it appears the differential between London and Edinburgh salaries in fund management is narrowing.

- 7.36 The support services used to source talented individuals depends on the career level at which employers are recruiting - for most senior people companies use head-hunters. Other services include recruitment agencies and advertising. There may be potential complementarities with TalentScotland.com in attracting individuals with specific skills sets.
- 7.37 Sourcing strategies also depend on the type of company. For instance, several US investors in Scotland tend to move personnel between Scotland and the US (primarily Boston and New York). The older, more firmly Scottish companies (e.g. RBOS, HBOS, Standard Life, Scottish Widows) tend to be more conservative and parochial in their recruitment, looking for staff that have had experience elsewhere in the Scottish financial sector. Newer companies and inward investors on the other hand feel less Scottish and are more broad-minded about backgrounds.
- 7.38 The prospects for the industry are mixed: banks, fund management and fund administration are all showing signs of growth and expansion, whilst life and pensions companies are experiencing consolidation.
- 7.39 The demand and supply of talent is influenced by the financial services industry cycle. The last nine months has witnessed an upturn in confidence and recruitment from the downturn which started in 2001. This has resulted in a slight tightening of a loosened labour market.
- 7.40 A number of supportive actions are already taking place or are under consideration, to respond to the demand for skills. These include:
- raising awareness among school and college leavers of the opportunities in the sector
 - working with training providers to ensure that they understand what skills the sector requires.
 - widening the potential labour pool by:
 - encouraging people with disadvantaged backgrounds
 - looking at non-traditional recruitment, e.g. from the declining manufacturing sector.
 - focussing on the need for specific skill sets - as part of this, there is consideration being given to a "charm offensive" on the top 500 fund managers in London
 - leveraging the Global Scots network in the financial services sector.

- 7.41 Our consultee involved with the Scottish **tourism industry** had a reasonably good knowledge of Talentscotland.com. It was seen as an initiative to address a market failure in the ability of firms in Scotland to recruit individuals from overseas. The tourism sector's *Big Thistle* web-based recruitment initiative has a similar aim, but designed generally for lower order jobs.
- 7.42 Previously, businesses in the tourism sector had for the most part not used web-based methods to contact prospective employees due to the cost of using the private sector recruitment companies in this market. They tended to use JobCentre Plus to find staff. As Talentscotland.com is perceived as having a higher value market focus, it could be viewed as more related to the market of the online recruitment agencies in the private sector than Big Thistle.
- 7.43 However, Big Thistle has had major problems with agencies such as S1 and others who argued against public sector involvement - in their view, no market failure existed. As a result, plans to role out Phase 2 of the Big Thistle project with additional services was put on hold. It is now being made available to the new Sector Skills Council for the tourism industry which will take over the initiative and run it on a not-for-profit basis.
- 7.44 News articles and content on life and work in Scotland are taken from the Talentscotland.com site and used again on the Big Thistle site. Big Thistle staff are interested in providing content to other sites - e.g. Lonely Planet, Back Packers, FE and HE sites, JobCentres. They are keen to secure reciprocal arrangements. Big Thistle runs courses for HR managers in Scottish companies.
- 7.45 Success factors for the overall initiative include:
- number of businesses registered
 - number of jobs posted
 - assistance with staff retention in Scotland
 - improved pay and conditions in the sector - with peer pressure and competition enhanced by the information available.
- 7.46 At present Big Thistle is free to businesses but they may need to pay in future. There is special interest in rural areas that are not well served by JobCentre Plus. Pricing models being explored include a payment per transaction; single payment for up to say 3 or 5 transactions per year; and a flat-rate fee for three years. £25 per advert posted would be acceptable to tourism businesses. It is recognised that larger firms may use Big Thistle as a low cost option to assist with recruitment.
- 7.47 In the view of our consultee, the way ahead for the online recruitment market is though the use of sector specific rather than generalist approaches. The sector specific approach is seen

as bringing more value to all stakeholders. The plethora of general online agencies, it is argued, is counter to market requirement. It is envisaged that there will be many sector specific and few generalist sites in future.

- 7.48 For the **creative industries**, the key issues are about talent retention and development, notably at present in film. Leakage of creative talent to London and elsewhere is the problem to be addressed. .
- 7.49 The Scottish Enterprise Creative Industries team intervenes at both ends of the seniority spectrum in terms of jobs and skills. It runs fast track initiatives to upgrade the skills of film producers. It has initiatives to give post-graduate experience to young people in order to address the demands of some firms for "oven ready" graduates. It is unlikely that there would be significant demand for the services of Talentscotland.com in this sector at present.
- 7.50 Our consultee from a trade body in the **software sector** knew of Talentscotland.com but had no involvement with it. The sector's recruitment market has been "flat" but shows signs of picking up. Historically, Scottish firms have had little trouble in meeting their recruitment needs from Scotland or the rest of the UK, including staff with specialist skills. They are unlikely to face a shortage of talent in the foreseeable future that cannot be met by domestic supply.
- 7.51 The key recruitment challenge is in accessing lower cost staff resources in order to compete with for example firms in India. It is not access to specialist skills. There is only limited interest in attracting internationally mobile experts, except perhaps international sales and marketing experience. There are examples of Scottish software companies that have been able to do this.
- 7.52 Promotion of Scotland internationally by Talentscotland.com and others is welcomed as a "good thing". However, there is little anticipated demand from the software sector for the services of Talentscotland.com.

Views of recruitment agencies

- 7.53 We also consulted three private sector firms providing **recruitment services** to businesses in Scotland. Two are recruitment agencies and the third now describes itself as a "web publishing platform" that is used by a number of recruitment agencies and other kinds of professional service providers.
- 7.54 The latter views Talentscotland.com as direct competition - "every visitor to Talentscotland.com is one less to one of our sites". The firm argues that it has not expanded its coverage into the biosciences market as intended because of the free service provided by Talentscotland.com to employers in this sector. Our consultee notes that recruitment agencies themselves may view Talentscotland.com as a valuable service as it is free to post

job opportunities and saves them the service charge that would be levied for posting the opportunity on a commercial web-site.

- 7.55 One agency we consulted had broad coverage of sectors, including electronics and biotechnology. It worked on behalf of large and small companies: it had a range of business relationships from *ad hoc*, one-off contracts to longer term contracts with firms outsourcing all scientific/technical recruitment. The firm handles all levels of jobs up to senior technical posts and middle level managers. In the view of this firm, at very senior level including management/director posts both the recruiting companies and the individuals involved tend to know what is required and available in the market.
- 7.56 The firm uses Talentscotland.com to post vacancies it handles as part of an outsourcing contract with a Scottish Life Sciences company. It also uses Talentscotland.com to identify other companies with whom it might conclude a similar outsourcing contract.
- 7.57 The firm gets a good response to job opportunities posted on the Talentscotland.com site, mostly from Scotland but also from Europe, Canada and Australia. However, given the reluctance of its clients to recruit from overseas - sorting out visas/work permits and issues around availability of interview are seen as major barriers to overseas recruitment - the firm will screen out all overseas applicants unless the client has specifically requested overseas candidates.
- 7.58 We noted earlier that job applicants only have a 6% chance (a 2.3% chance based on most recent, more robust figures) of getting a job via Talentscotland.com - the automatic screening out of certain candidates from overseas locations at the first base may be an explanation, at least in part, if this practice is more widespread.
- 7.59 Talentscotland.com is not viewed as a competitor by this recruitment agency: it is an additional channel for advertising jobs which is free. The firm has to pay for advertising and for viewing CVs on other websites. There appears to be an increase in the use of recruitment agents according to our consultee and an increasing demand to provide better matches between individual applicants and the requirements of the employer.
- 7.60 Our third contact within the recruitment sector specialises in biotechnology, pharmaceuticals and medical devices. The firm used the "BiotechScotland" web-site to advertise jobs before Talentscotland.com was launched. Once again, its clients prefer to recruit locally - relocation issues/packages are barriers for employers, even to recruitment from the EU, as is language.
- 7.61 Our consultee notes that Talentscotland.com is missing out on a substantial number of job opportunities because it does not allow anonymous vacancies to be posted. Many of the firm's clients insist on confidentiality at the advertising stage. Blind advertising was permitted on the BiotechScotland site so long as the administrator was given the name of the employer in order to avoid duplicate adverts. At present, the firm is promoting c.5 posts in Scotland via

Talentscotland.com but is actually working to fill 20 vacancies in total. Therefore, some of the value in promoting the "thickness" of the Scottish Life Sciences job market is being lost. Also, the concentration on Life Sciences can be misleading: a number of firms in this and related sectors wish to recruit chemists who may not be reached at present.

Conclusions

7.62 Based on the views of a diverse group of stakeholders, the following conclusions can be drawn:

- **rationale:** Talentscotland.com has been operating in an industry climate, especially in electronics, very different to that which formed the basis of the original rationale. The presence of market failure now is perceived as much less evident
- **demand:** there is no evidence of demand for Talentscotland.com to be rolled out to other sectors
- **recruiting experienced staff:** the attraction of highly skilled people seem to require a more customised and/or personalised approach. Headhunting and a customised proposition would appear to be more suitable for this group than web based recruitment
- **the graduate talent pool:** a number of consultees have pointed out the highly talented graduate talent pool in Scotland and employers' reluctance to recruit and train graduates. "Oven ready" graduates are required by firms unwilling to invest in training
- **Talentscotland's USP:** one consultee interestingly described the unique selling point for Talentscotland.com to be its ability to build a registered international pool of talented people on an independent and non commercial basis
 - **demand for international talent:** among our consultees in other sectors, demand for internationally mobile talent is largely in the energy sectors and in the research-base, including for people to take forward Proof of Concept projects. The financial services sector is interested in recruiting experienced staff from London. In all cases, a head hunting approach is advised. Other sectors are either facing retention issues, are concerned with a lower order skills set, or are able to recruit talented staff locally
- **views of recruitment agencies:** for more senior level staff, recruiting companies tend to know what is required and available in the market. There is a reluctance on the part of employers in Scotland to recruit from overseas: these candidates may be automatically screened out by an agent from applicants received via Talentscotland.com at an employer's requests. Also,
 - Talentscotland.com is not seen as a competitor by recruitment agencies but viewed as an additional 'free' channel for advertising jobs. However, it is

viewed as a direct competitor by a firm supplying a web-platform to recruitment agencies

- a shortcoming in Talentscotland.com is seen as the refusal to allow blind advertising: this is preventing the promotion of the full ‘thickness’ of the job market in Scotland.

8 The Talent agenda in Scotland and elsewhere

Talent Agenda

- 8.1 Talent attraction and retention are concepts of current high profile and are being accorded a high level of importance not only in Scotland but internationally.
- 8.2 The published work of Professor Richard Florida of Carnegie-Mellon University in Pittsburgh, USA, and especially his book *The Rise of the Creative Class*, has raised the profile and introduced new concepts into the economic development domain. The significance of "place" in successful knowledge-based economies is emphasised - with companies preferentially locating to areas with deep talent pools; and entrepreneurial people locating to places with "low barriers to entry for human capital" characterised by diversity in their population, tolerance of this diversity and high levels of "free-thinking" artists and musicians.
- 8.3 In Scotland, Professor Colin Mason (Strathclyde University) and Professor Richard Harrison (University of Edinburgh) argue the need to prioritise a "people climate" for Scotland. They argue the need to change economic development strategy from a company-driven one to a people-driven process. The table below compares and contrasts what these authors regard as current and the additional economic development tools required to achieve this.

Current economic development tools - necessary but not sufficient	Economic development tools to create a "people climate"
support for R&D	investing in creative capital - especially in research universities
commercialising research	investing in lifestyle amenities - especially active, informal grass roots amenities
promoting entrepreneurship	promoting distinctiveness of place
creating venture capital funds	

- 8.4 The role of the public sector and of development agencies in particular in developing the tools and helping to create a "people climate" will become an area of active and important debate.

The Scottish Policy context

- 8.5 More specifically, in Scotland the issue of talent attraction and retention has a number of different, if linked dimensions. There is the demographic challenge facing Scotland due to falling birth rate and an aging population. Addressing the demographic challenge is the prime purpose of the Scottish Executive's Fresh Talent initiative launched earlier this year. The Executive has set out the economic and social case for increasing Scotland's population through promoting Scotland as a place to live and work within the UK's policy of managed migration.
- 8.6 In delivering its policy objectives, the Executive plans to undertake a global promotional campaign, set up a web site for promotional, information and signposting purposes and establish a relocation advice service. It plans to target a number of specific groups namely: tourists to Scotland, business visitors to Scotland, overseas students studying in Scotland; young people overseas who may be attracted to studying in Scotland and those who are applying for UK work permits that may otherwise not chose Scotland as their destination in the UK.
- 8.7 The Fresh Talent initiative also marks out a number of countries to target as potential rich sources of in-migrants - England, Ireland, France, USA, South Africa, India and China as well as a number of central European and the Baltic countries. The Fresh Talent policy document does not target people with specific skills or experience, beyond a wish to encourage entrepreneurial individuals to start businesses in Scotland.
- 8.8 Full information on the range of services to be provided or signposted by the Fresh talent web-site and relocation service, notably on its role in highlighting specific job opportunities, is not yet in the public domain. At present, the Scottish Executive web page describing Fresh Talent provides links to a number of recruitment agencies active in Scotland and to Talentscotland.com
- 8.9 The original rationale for Talentscotland.com was different from that of the new Fresh Talent initiative. It was intended to address a shortage of specialist skills in the Scottish labour market. To address this challenge, it took up the tasks of promoting Scotland as a place to live and work and of providing information on relocation. It also provided information on specific jobs. While these functions may all prove to be duplicated by the Fresh Talent initiative, two functions of Talentscotland.com do not appear to be addressed by Fresh Talent, as we presently understand the Executive's intentions - direct mailing of "qualified leads" in order to build up a database of international contacts and promotion of industry sectors and of individual businesses in Scotland.

Talent market versus labour market

- 8.10 In a summary of its report *Sustaining the Talent Quest*, PriceWaterhouseCoopers (www.pwcglobal.com/Extweb/NewCoAtWork.nsf) note a distinction made by HR executives between the *talent market* and the *labour market*. The latter is concerned with a wide range of recruitment and job levels whereas the former is concerned with high-value skills, industry specific know-how and leadership competency. This distinction may be one that proves to be important and useful as the nature and focus of Fresh Talent becomes clearer. Talentscotland.com began with a focus on talent attraction as defined above but appears to have shifted to embrace a wider spectrum of the job market.

Strategic human resource management

- 8.11 At the level of addressing specific business-specific skills issues, through attraction or retention of talent, the requirement of Scottish businesses is at least in part to develop a capability in strategic human resource management. Becoming an "employer of choice"; being able to attract, develop and retain talented individuals; and maintaining effective channels with sources of talent such as the university sector is a strategic management function.
- 8.12 The challenge for a small and medium sized enterprise accessing strategic HR expertise may be as difficult as it is to access strategic marketing, international sales or innovation management expertise. Talent attraction and retention is therefore a business development issue. The Talentscotland.com initiative has focused on two sectors to address labour market challenges: the benefits of high value add talent attraction to the Scottish business base (or to the Scottish research-base) are not restricted to firms in specific sectors.

Diversity in the workforce

- 8.13 In addition to the demographic, labour market and individual business case for talent attraction activities, there is a fourth dimension namely that attracting people to Scotland from different backgrounds, experiences and perspectives contributes to creativity and entrepreneurialism - securing diversity is in itself a good thing for the economy. The benefit to Scotland of securing this diversity is not restricted to specific sectors of the economy.

Acting on the talent attraction agenda - examples from other places

- 8.14 A comprehensive review of talent attraction initiatives is beyond the scope of this study. Web-based research quickly shows that it is a subject being actively pursued by businesses as well as by national and regional public agencies. In places it is clear that the two interests and two sets of stakeholders have come together out of mutual interest - e.g. the Senior HR Task Force in Hartford, Connecticut (www.metrohartford.com) that has been formed to

provide leadership in attracting, recruiting and retaining professionals, preparing marketing materials and training programmes, studying best practice from other cities; and promoting internship programmes within local companies.

- 8.15 The Contact Singapore web-site (www.contactsingapore.org.sg) provides information on the kind of talent in demand in Singapore, the opportunities Singapore offers entrepreneurs and it showcases opportunities for studying in Singapore. Notably, it includes information on start-up business development finance.
- 8.16 This profiling of opportunities for entrepreneurs links to feedback from our own research on the merits of promoting new business opportunities in commercialising technology arising from for example SE's Proof of Concept Fund. Presently the promotion of these opportunities as talent attractors is separate from the promotion of job opportunities.
- 8.17 A Financial Services Workforce Summit in Southwestern Pennsylvania in 2001 focused on attracting "seasoned talent" to middle management level positions. It recommended firms to maintain a more effective on-campus presence in universities, especially to recruit from MBA programmes. It recommended using not-for-profit resources to identify qualified candidates for firms to target.
- 8.18 Copenhagen Capacity, the investment agency for the city (www.copcap.com), provides a fairly comprehensive set of information and advice on business news and events; profiles of industry sectors, the research-base, business conditions and infrastructure; and on relocation topics such as work and resident permits, taxation, education, housing and recruitment agencies. It also provides case studies on individual businesses.
- 8.19 In Ireland there has been a specific focus on attracting talent to the research-base which has been growing at an unprecedented rate since a major investment programme in 2000. The report of an expert group on Future Skills convened by FORFAS, Ireland's National Policy and Advisory Board for Enterprise, Trade, Science, Technology and Innovation made the following recommendations for academic talent attraction:
- **promote centres of excellence** - for the best talent to move countries, the main attraction is the prospect of working with internationally renown professors, research groups and universities
 - **improve international networks and visibility of the university sector**
 - **improve status and remuneration of research graduates and post-doctoral fellows** - benchmarked against competitor countries
 - **make the re-location process as smooth as possible.**

8.20 There is a substantial literature on the efforts of Canada and its main cities to attract international talent. Much work has been conducted by the *Canada25* organisation to determine the perspectives of young Canadians at home and living around the world in the public policy debate.

8.21 The published output is notable for the scope of the issues raised as relevant to "how Canada can attract and retain young talent" and to building a culture of innovation. In the report "*Building-Up: making Canada's cities magnets for talent and engines of development*" (2002), the following broad sustainable development agenda was set out:

- **fighting urban sprawl** - cities that are more dense, with shorter commuting times, more vibrant neighbourhoods and a higher quality of life
- **new transport strategies** - investment in public transport within and between cities; reduced congestion and air pollution; and better integration with those who cannot or choose not to commute into cities
- **building up great city universities** - as engines of innovation, as ways to bring diversity and vibrancy to cities - with the universities taking an active role in economic development and in strengthening both their international links and their links to their local communities with the help of public funds
- **city economic development** - creating an environment and an infrastructure conducive to the growth of economic clusters
- **maximising the benefits of immigration** - helping in-migrants reach their potential and contribute to the community quickly
- **fighting the effects of urban poverty** - with a focus on addressing homelessness, ensuring affordable housing and excellent public education
- **fostering creativity and supporting the arts** - based on the view that the availability of culture - both high and low- is a major determinant of the location decision
- **marketing what we have** - especially to young talent globally, through for example the use of a Quality of Life Index to help communities what is working and what is not for their citizens.

Conclusions

8.22 A number of conclusions can be drawn from the talent agenda.

- academic research continues to highlight the importance of the individual in successful economic development:

- the influential work of Florida on the creative class, albeit focussed on North America, emphasises the importance of place, deep talent pools and low barriers to entry for human capital in the location decisions of companies
- local academic input to the debate from Edinburgh and Strathclyde universities emphasises the need to shift the locus of economic development activity away from employers and towards individuals
- the talent agenda is, or is in the process of becoming, a specific high level policy area in Scotland and abroad. This has implications for Talentscotland.com in terms of (a) ‘fit’ with policy in Scotland and (b) the competitive ‘product’ of other regions in the UK and overseas
- in Scotland, the Scottish Executive has launched the Fresh Talent initiative. This will involve a global promotion campaign; a relocation service; and targeting of specific audiences (tourists, business visitors, overseas students etc) and countries. We understand the initiative will not target specific skills/experience or sectoral categories
 - as we understand the Executive’s intentions, two functions of Talentscotland.com are outside the scope of the Fresh Talent initiative - the development of a registered pool of international talent and the promotion of industry sectors and individual businesses in Scotland
- the responses to the talent agenda in regions elsewhere reveal variety in approach. These include:
 - the alignment of HR professionals and regional development agencies in formulating talent attraction strategies and plans
 - the expansion of talent attractors beyond job vacancies through the inclusion of business opportunities to attract entrepreneurs
 - focus on a specific age group through research on perspectives of these individuals at home and abroad
 - focus on the research base and the promotion of centres of excellence and networks
 - focus on cities as magnets of talent.

9 Conclusions and recommendations

- 9.1 We discussed the rationale for Talentscotland.com and its continued relevance with a number of consultees. The original rationale was based on a perceived market failure around quite specific, high level skills shortages facing a small number of sophisticated inward investors: the burgeoning electronics sector in Scotland faced the prospect of having its growth seriously curtailed by an inability to hire enough people, notably experienced design engineers, with the right skills. It was not about recruiting graduates or junior staff: it was for "top end" people with 5 plus years of experience. The role of the intervention by Scottish Enterprise was not to distort recruitment transactions but rather to increase the likelihood that a transaction would take place.
- 9.2 Research in Cambridge and elsewhere had already identified that people had wrong perceptions of Scotland. This was considered to be detrimental to the chances of firms in Scotland recruiting the people they required. Talentscotland.com set out to build a marketplace where people with the right skills to fill the gap could be identified and influenced in their views about Scotland and its electronics industry.
- 9.3 The view of one consultee who has been involved with the initiative since its inception provides useful context to our own conclusions. In this consultee's view, the rationale is still valid, but the dynamics have changed:
- to have successfully growing companies, Scotland still needs more talent
 - the Talentscotland.com initiative contributes to meeting Scotland's demographic challenges
 - evidence indicates in-migrants are more likely to start up new businesses
 - the Talentscotland.com model is scalable and can be ramped up or down to meet changing needs.
- 9.4 It was emphasised that addressing the talent attraction issues is a "long game". Also, if the initiative was ended now, the contacts database (gathered according to our consultee at a cost of £10 per entry) would be lost and would be very difficult to rebuild.
- 9.5 In exploring views on an exit strategy for public support for Talentscotland.com, we understand that it has not been considered until now as it was supported as a pilot. The whole area of talent attraction is a new one for the SE Network and it is argued, the Network does not consider it is in a position to exit because it is only now learning about what might be required in terms of interventions.

- 9.6 The key issue that Talentscotland.com faced up to was that of getting information on the talent pool. We are informed that there was little quality in contact information available through the business networks or the university alumni records, although work is now underway within the SE Network to address the latter.

Evaluation findings

- 9.7 The conclusions arising from this study are set out in detail at the end of Chapters 4-8. Below we set out what we regard to be the more important conclusions concerned with the *ex post* evaluation and with the "forward look". We then set out our recommendations for the future of the initiative.

Performance against targets

- revised targets for web user sessions, CV's posted and job applications have been met or exceeded. Performance has largely met targets on registrations and fallen just short of actual jobs filled
 - however, this is based on matching target numbers with performance using gross figures only. Targets and achievements for the prime, high value add market segment - senior, international staff - should be differentiated and charted in future
- based on the most comprehensive, recent data (post July 2003), there is a 2.3% conversion from applications made via Talentscotland.com to jobs filled
 - this may at least in part be due to the reluctance on the part of business clients to recruit from overseas: these candidates may be automatically screened out by an agent from applicants received via Talentscotland.com unless the employer specifically requests otherwise

Profile of activity and achievements

- a high proportion of qualified targets (registrants) are located outside the UK in line with Talentscotland.com objectives
- the career level of registrants shows lower proportions in the principal engineer/scientist or senior management groups relative to more junior levels. This seems to be at variance with original objectives. The career level most sought after by employers is principal engineer/scientist
- most survey respondents are domiciled in Scotland but a significant number (60 or 32%) are living outside the EU. On nationality, 75 (40%) of respondents are UK nationals. A high proportion of recruits appear to be located within Scotland prior to recruitment, with only a small minority sourced from outside the UK

- although there is a wide array of monitoring information, a key question arises in terms of fitness-for-purpose of the method chosen to categorise participating businesses
 - whilst defining individuals in terms of their position in the process of taking a job in Scotland, employers are categorised in terms of their willingness to advertise a vacancy. Categorising employers in terms of their readiness/willingness to recruit internationally would be appropriate.

Client satisfaction

- 97% of survey respondents would recommend Talentscotland.com to friends. Recruited individuals were also happy to make referrals
- although satisfied overall with the service it provides, employers note that Talentscotland.com delivers a large number of candidates for jobs but not always a large number of quality candidates
- there is cause for concern in the responses of 50% of our survey of individual clients, that employers in Scotland had been unhelpful or very unhelpful in their handling of their applications

Business and economic impact

- our evidence indicates that employers who use Talentscotland.com continue to recruit without this assistance. Our respondents have recruited 130 staff since first learning about the initiative, 34 of which were recruited through Talentscotland.com
- from a small sample of recruited individuals (nine) who responded to our "additionality" query, arguably seven fulfilled posts demonstrate full additionality. Given that the recruits for whom Talentscotland.com was most important were recruited from overseas, this is especially positive if one takes the view that encouraging more diversity within the workforce in Scotland is in principal "a good thing"
- the public sector intervention achieves at best partial additionality in terms of its support for businesses - the majority of firms (63%) would have recruited the individuals anyway, but it would have taken longer. Around a third (31%) would have recruited the individuals in the just the same way i.e. there is no additionality from the intervention
 - this is compounded by the fact that businesses are unable, at present at least, to indicate the impact on business performance of the individuals recruited, beyond a general view that competitiveness has been enhanced

- Talentscotland.com is not seen as a competitor by the recruitment agencies we consulted, rather as a useful additional ‘free’ channel for advertising jobs. It is viewed however as a direct competitor by a firm supplying a web-platform to agencies
- although most respondents among employers view Talentscotland.com as an additional recruitment channel, a significant minority (25%) indicated that they had reduced their use of recruitment agencies as a result of the Talentscotland.com service being available. Given that a majority of respondents view recruitment agencies as a successful means of recruiting and that most value the job alerting rather than the wider promotional role of Talentscotland.com, this finding indicates that a degree of crowding out may be taking place.

Contributions to forward look

- there is no evidence of demand for Talentscotland.com to be rolled out to other sectors
- there is no strong demand for continuation of Talentscotland.com from informed stakeholders we consulted within the electronics and Life Sciences sectors, except among companies which indicate that Talentscotland.com can play a significant role in assisting with future recruitment transactions
- it is important to give equal weight to job/career factors and place factors in the promotional mix. Information on jobs and on companies is most highly valued. It is notable that the majority of recruited individuals had visited Scotland previously
 - although people's perceptions about Scotland were quite positive prior to visiting Talentscotland.com, the information it has provided has clearly done a good job in reinforcing this positive view, except for the impact on a minority of users who now view Scotland as more remote or more expensive
- findings from web survey respondents on how support might be improved related essentially to minor operational changes to Talentscotland.com. From the perspective of the recruited individuals, more practical support is required to help relocation
- employers consider that Talentscotland.com can play a significant or highly significant part in meeting their recruitment needs in future. Many may be prepared to pay but only on a per transaction basis
 - the strategic promotional role played by Talentscotland.com may be regarded as useful by a minority but it does not appear to be something firms would pay for. Indeed a number of respondents have never visited the web-site
 - although respondents point to the important role Talentscotland.com can play in their future recruitment, this appears to relate to its direct recruitment rather than its strategic promotional role. Responding to employers' interests and adopting

the business model this implies, would arguably shift Talentscotland.com closer to the market occupied by private sector recruitment agencies

- the attraction of highly skilled people seems to require a more customised and/or personalised approach. Headhunting and a customised proposition would appear to be more suitable for this group than web based recruitment
- a shortcoming in Talentscotland.com is the refusal to allow blind advertising: this is preventing the promotion of the full ‘thickness’ of the job market in Scotland
- in Scotland, the Scottish Executive has launched the Fresh Talent initiative. This will involve a global promotion campaign; a relocation service; and targeting of specific audiences (tourists, business visitors, overseas students etc) and countries. We understand the initiative will not target specific skills/experience or sectoral categories
- as we understand the Executive’s intentions, two functions of Talentscotland.com are outside the scope of the Fresh Talent initiative:
 - the development of a registered pool of international talent
 - promotion of industry sectors and individual businesses in Scotland.

Recommendations

9.8 We propose the following:

- ***fundamental re-appraisal:*** we consider that the changes in market conditions, the findings of the *ex post* evaluation and the development of the talent attraction/retention agenda in Scotland and internationally, not least with the introduction very recently of the Fresh Talent initiative domestically, all point to the requirement for a fundamental reappraisal of the place of Talentscotland.com. We proposed the following two directions:
 - firstly, the development of business development support for strategic talent attraction/retention capability in Scottish companies and for the marketing by Scottish SMEs of their recruitment propositions towards senior, internationally mobile staff
 - secondly, the continued maintenance of the quite different, although complementary activity of marketing Scotland and its industry sectors/cluster internationally
 - we envisage two sets of performance measures for these activities - an emphasis on outcome-oriented, business and economic impact metrics for the former (e.g. number of firms "ready" to engage in international talent attraction; increase in proportion of sales from new products as a result of international recruitment;

increase in turnover; increase in export earning), and activity metrics for the latter (e.g. number of unique web-site visitors, number of attendees at related events; number of enquiries)

- ***talent attraction/retention as a strategic business development issue:*** we recommend that talent attraction (and retention) should be viewed as a matter of strategic management capability within firms, much as marketing and sale capability. Many of the businesses engaged in this study do not seem to be ready or willing to engage in international talent attraction - due to concerns about quality of candidates and the "hassle" and risks involved. Figure 9.1 illustrates the status of different kinds of businesses and the kinds of support they may benefit from. We propose that SE re-focuses on the needs of those SMEs within or aspiring to be within the upper left (shaded) quadrant of Figure 9.1
 - we consider that a much tighter focus on high value, experienced internationally mobile recruits should be adopted, indeed closer to the original target audience for Talentscotland, but with an emphasis on assisting firms and their agents market customised, attractive propositions on an as-needed basis and to attract *hard to reach, hard to meet, hard to attract* and potentially very high value adding staff - the key difference between the original situation and now is that the businesses may not all be as "sophisticated" in their in-house HR capability as Cadence is likely to have been
 - e-mail approaches to prospective job candidates inviting them to access more information about Scotland, about its industries and about the job vacancy/prospects should be continued but on a much more focused, as needed basis
 - (we note that e-headhunting is now a recognised, if relatively new activity in the online recruitment market).

Figure 9.1: Segmenting the business base on recruitment needs and management capability

		Business capability/reach	
		international talent attraction/retention capability/strategy in place or accessible	standard recruitment function only in place or accessible
Business motivation/ requirement	for high calibre, scarce expertise	<i>motivated and capable - SMEs may merit further enabling support</i>	<i>firms with a requirement but a capability deficit - business development support justified for SMEs</i>
	for local, readily available staff resource	<i>no need for support in local recruitment market</i>	<i>some firms may benefit from help to upgrade ambition and capability</i>

- **segmenting audiences and promotional channels:** we recommend that segmentation is also required to ensure that available marketing and communication channels towards "talent" are deployed optimally by the various initiatives, in place or now emerging in Scotland. For example, as many employers are reluctant to employ individuals from overseas because of the costs of interview and other uncertainties that are difficult to resolve remotely, initiatives that take advantage of prospective candidates' residency in Scotland, for whatever period, may prove more attractive - these candidates are *easiest to meet*
 - we set out in Figure 9.2 a framework around residency and nationality/citizenship which would help a fit-for-purpose marketing mix to be designed. Different parties/initiatives may be more appropriate to target the different segments - the need for public sector intervention will vary between segments
 - careful use of public funds to support work with *harder to attract, harder to reach* segments on behalf of SMEs should help avoid crowding out or otherwise distorting the commercial recruitment market
 - the generic promotion of Scotland and its job/career prospects should be developed with substantial private sector input

Figure 9.2: Framework for identifying talent attraction/retention targets with different dimensions of attractiveness and feasibility from (a) Scottish firms' perspectives and (b) an economic development perspective. Also, different channels of marketing and communication can be envisaged in different domains.

Place of residency (short/medium/long term)					
		<i>Scotland</i>	<i>Rest of UK</i>	<i>European Union, including accession states</i>	<i>Rest of World</i>
Nationality/ citizenship	<i>Rest of World</i>	easy to identify, easiest to meet	harder to identify, easier to meet	shaded areas - where individuals are harder to identify and hard to meet	
	<i>EU including accession states</i>		competing with rest of UK for EU in-migrants		
	<i>Other UK</i>		easier to meet		
	<i>"Scots"</i>		existing knowledge of place and access to jobs info likely to be high		
	Scots diaspora: leverage in existing networking initiatives				

- **niche for public sector support:** we suggest that there is a niche for Scottish Enterprise in helping SMEs and their agents in Scotland identify, contact, meet and attract highly experienced, internationally mobile staff in the harder to reach/harder to meet domains - i.e. to assist SMEs and their agents with a sub-set of their recruitment transactions. It is in our view important to identify those firms that are ready/willing to engage in the international talent attraction market rather than simply provide support for arguably "non-exceptional" recruitment transactions
- **integrating promotion of jobs, prospects for enterprise, career prospects and place:** from talent attraction initiatives elsewhere, we see linkage between jobs, career prospects and prospects for enterprise in Scotland, underpinned by promotion of "place". We would recommend finding ways to promote all in an integrated way. A number of international talent attraction sites for regions include information relevant to entrepreneurs as well as for people looking for employment. For job seekers and entrepreneurs, the "thickness" of the Scottish labour market and other opportunities for earning a living if initial efforts fail to work out are relevant. (Presently initiatives in Scotland towards attracting senior international staff and towards attracting international entrepreneurs, e.g. the AGES initiative, appear to be quite separate although the background attractive to both groups may have much in common.) The degree to which Fresh Talent will cover any or all of these issues needs to be clarified
 - the promotion of career prospects is about highlighting the "thickness" of the job market - including the aggregate of jobs available. Availability of staff is highly relevant to those interested in investing in businesses in Scotland

- the promotion of career and business prospects involves promoting the nature of sectors/clusters in Scotland. There is a role here for businesses and their representative bodies working with the SE Network
 - costs may need to be borne by the public sector as SMEs especially may not perceive enough bottom-line value being returned directly to them and to their individual recruitment transactions
 - the promotion of enterprise development opportunities, e.g. from Proof of Concept projects, is an appropriate activity for the body funding the PoC initiative
 - promoting generic "quality of life" factors is also an activity that the public purse is likely to have to bear on behalf of SMEs. The interface with the Fresh Talent initiative is likely to be especially relevant here
- ***broadcast versus narrowcast approaches:*** in considering the future shape of interventions, we are attracted to the differentiation between "broadcast" and "narrowcast" approaches (Fig. 9.3). The latter seems to us to be relevant to addressing the wider demographic challenge and labour market "volume" issues. Talentscotland.com presently deploys a broadcast approach in our view. The *narrowcast* approach seems a more appropriate route for the international talent attraction agenda, whether for individuals into jobs or for individual entrepreneurs

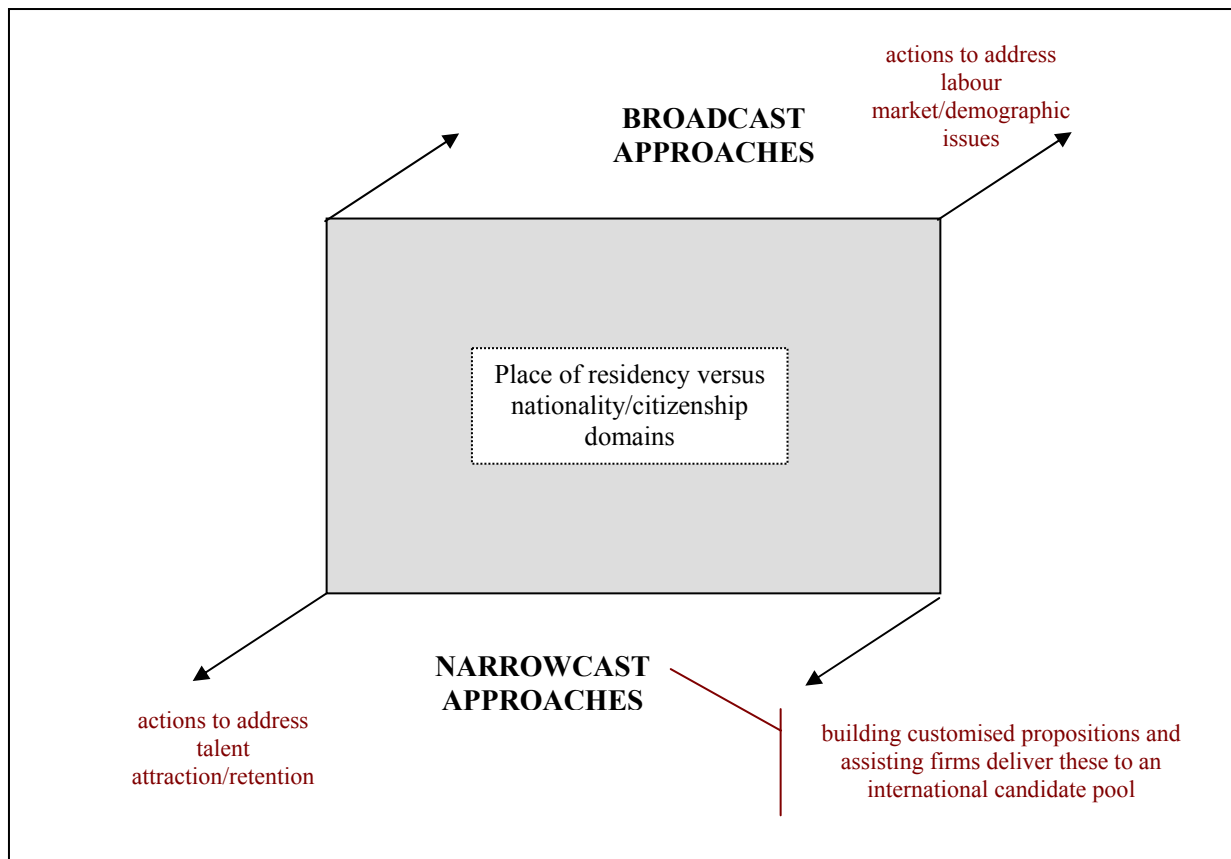


Figure 9.3 : Differentiating between *broadcast* and *narrowcast* approaches to labour market/demographic and talent attraction/retention issues

- we recommend a narrowcast approach for attracting senior, internationally mobile staff. A number of stakeholders informed about sectoral recruitment needs emphasised the requirement of a head-hunting approach to international talent attraction. If this approach is adopted in support of "committed" SMEs on an as-needed basis, then there is no need to limit the breadth of sectors that can be assisted
 - we are not convinced of the need for a high volume approach to building a candidate pool receiving job alerts in the absence of need with respect to the hard-to-reach internationally mobile, high level staff
 - we are not convinced of the need for a high volume approach to building a candidate pool of senior international talent in the absence of readiness/willingness of specific client firms in Scotland to fully engage
 - we envisage that Fresh Talent will adopt a complementary broadcast approach to address wider demographic and labour market challenges
- ***an integrated approach:*** Figure 9.4 is an attempt to pull together a number of strands into an integrated approach. It identifies roles for the public sector, for representative business organisations, individual firms and their agents. It seeks to differentiate ongoing broadcast communication on Scotland and its business sectors, where the value gained cannot be captured directly by the firm, from communication that needs to be firm specific - i.e. customised activity, that may include public sector business development support for SMEs
 - we see merit in supporting those SMEs (and their agents) that are ready and willing to enter seriously the international talent market, including with help to research, identify and access a hard to identify and hard to reach candidate pool
 - we also recommend a portal site, marketed through a number of new and existing channels, that signposts visitors to businesses and their agents seeking recruits, as a free service: this would continue to promote the "thickness" of the Scottish labour market. Care is required to avoid crowding out of private sector providers
 - as more information emerges on Fresh Talent, it is possible that close integration of the generic functions with respect to quality of life and sector/cluster promotion and also with respect to re-location information and advice can be achieved
 - ***business development support:*** we recommend the development and roll-out of customised strategic business development support for selected SMEs that are "up for" international talent attraction - both support for acquiring strategic HR capability and marketing support for customised "attraction" packages

- ***attracting talent to commercialise output from the university research-base:*** customised attraction of entrepreneurs to take up for example Proof of Concept Fund business opportunities should also be explored more deeply
- ***supportin general promotion of Scotland and its industry sectors:*** high value add but lower volume (narrowcast) activities should be done in parallel with the quite different but complementary activity of the generic marketing of Scotland as as place to live and work; of the thickness of its labour market and wider career prospects; of its industries/clusters, of generic prospects for enterprise development and of information and assistance with re-location matters. The latter generic marketing should be designed and taken forward with the activities proposed for the Fresh Talent initiative in mind.

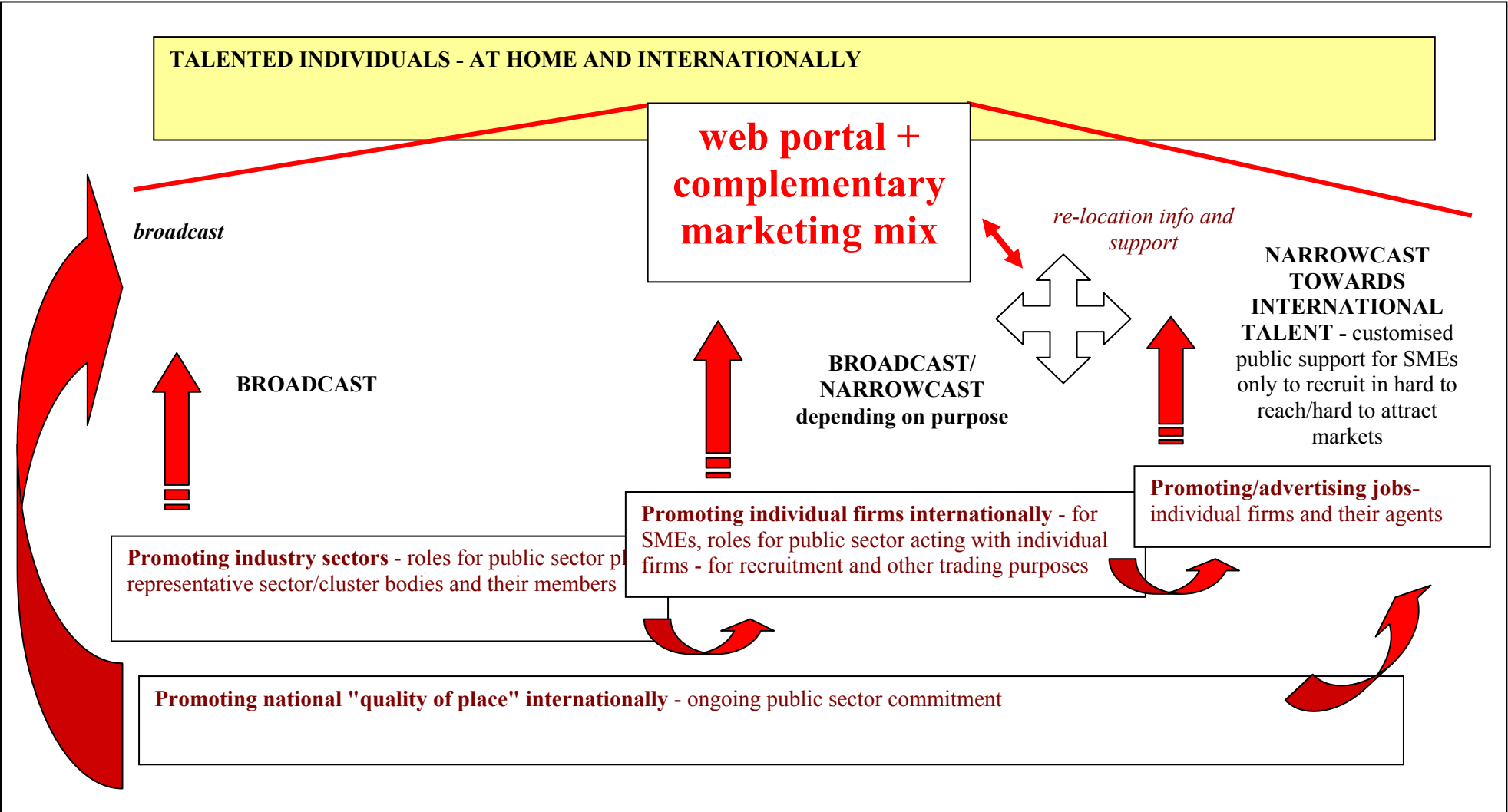


Fig. 9.4 : Exploring a holistic view of international talent attraction and its marketing and transactional elements - conceptual framework

APPENDIX A
LIST OF CONSULTEES

Appendix A: List of Consultees

<i>Contact</i>	<i>Organisation</i>
Sylvia Shearer	Scottish Executive
Julie Morrison	Scottish Enterprise MOCT Team
George Faulkner	Scottish Enterprise Creative Industries Team
Neil Francis	Alba Centre
Ashley Evans	Electronics Scotland
Sarah McKelvie	SE Tayside, Biotech Team
Kharoush Baseti	Scottish Enterprise Energy Team
Barbara Blaney	BiA
Chris Gracie	Scottish OptoElectronics Association
Julie Anderson	Scotland IS
Fiona Michie	Big Thistle
John Cormack	Scientific Staffing Solutions
Claire Gilmour	Kelly Scientific
Mark Smith	Scot1Now
Martin Wight	Scottish Enterprise
John Moore	SEE&L Financial Services Team

APPENDIX B

**REVIEW OF MONITORING DATA ON OPERATION AND
DELIVERY**

Appendix B: Review of monitoring data on operation and delivery

B.1 In this Appendix we summarise our assessment of the operation and delivery of the Talentscotland.com initiative, including outputs against targets.

B.2 Table B1 provides a breakdown of companies engaging with the initiative over the period of the pilot.

Table B1: Breakdown of companies targeted, participating, profiled and total vacancies posted over the lifespan of the project¹³

	Oct-Dec 2001	Jan-Mar 2002	Apr-June 2002	July-Sept 2002	Oct-Dec 2002	Jan-March 2003	Apr-June 2003	July-Sept 2003	Oct-Dec 2003
Total number of target companies in each quarter ¹⁴	200	180	168	169	167	169	169	321	321
Total companies participating (running total) ¹⁵	73	96	127	115	108	111	113	261	261
Total companies profiled (running total) ¹⁶	52	70	80	88	94	98	101	111	115
Active companies not yet profiled per quarter ¹⁷	21	26	47	27	14	13	12		
Total number of job vacancies posted (running total) ¹⁸	47	83	125	153	164	201	224	313	419
Web site promotion									
Total news updates for companies (cumulative)				1338	2544	2972	3908		
Total visits to companies (cumulative)	17	25	34	49	57	69	72	88	90

B.3 Table B2 describes the outcomes at each stage of the process of engagement for both firms and individual clients. The nature of the conversions to higher value engagement is shown.

¹³ Source: Quarterly monitoring reports

¹⁴ Gives the absolute number of targeted companies identified by the cluster teams in each quarter

¹⁵ Gives the running total of all companies who have been contacted by Talentscotland.com and agreed to participate

¹⁶ Gives a running total of the number of companies that have been profiled on the talentscotland.com website according to the monitoring data

¹⁷ Gives the difference between the running total of companies participating and the running total of companies profiled at each quarter

¹⁸ A running total of all the job vacancies posted on Talentscotland.com by all companies participating

Table B2: Outcomes at each stage of action for both individuals and firms, and resulting conversion to higher levels of engagement

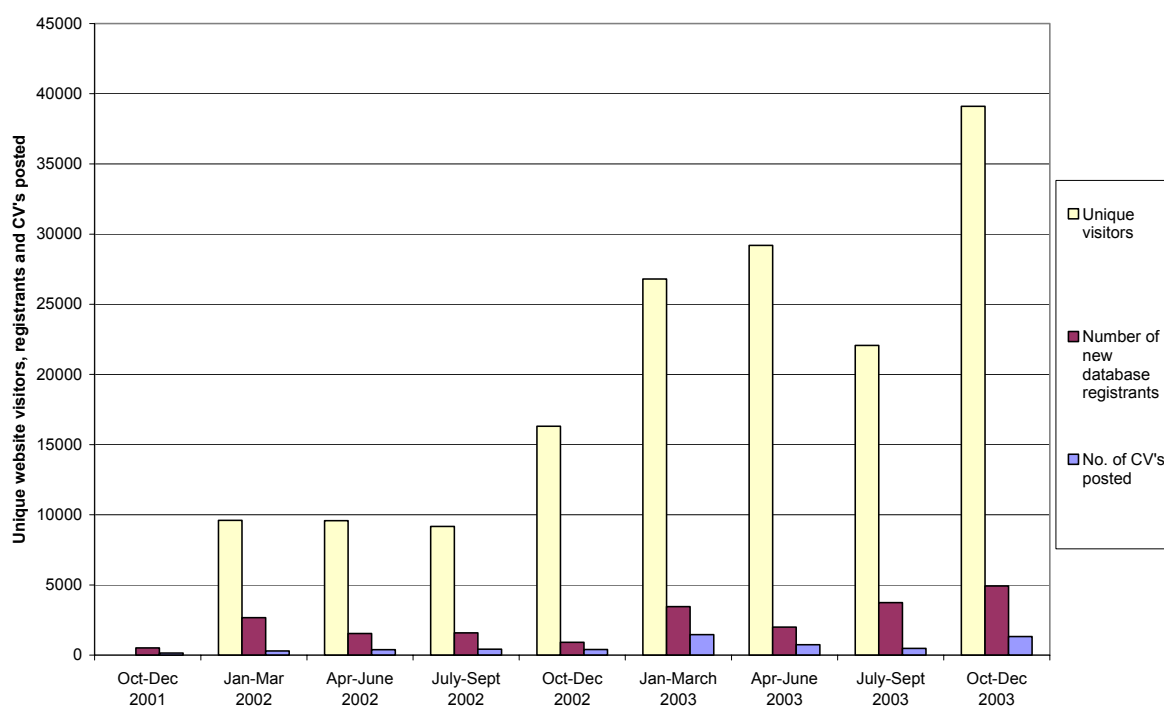
	<i>Levels of interaction</i>	<i>Numbers</i>	<i>% converted to higher level of engagement</i>
Individuals	Targeted Contacts	1,070,000	
	Actual contacts	892,043	83%
	Unique website visitors (confirmed contacts)	161,830	18%
	'Qualified Target audience', registrations made	21,350	13%
	'Candidate pool', CV's posted	5,645	26%
	Applications made	3,688	65%
Individuals and companies	Recruited individuals	212	6%
Companies	Companies posting jobs	75 ¹⁹	65%
	Companies profiled	115	100%
	Companies participating	114	36%
	Targeted companies	321	

B.4 Reviewing conversion within the process highlights two points with relatively lower rates:

- difference between the numbers of website visitors and registrants
- the difference between the numbers of applications made and positions filled.

B.5 Figure B1 provides statistics on unique website visitors and registrations during the pilot.

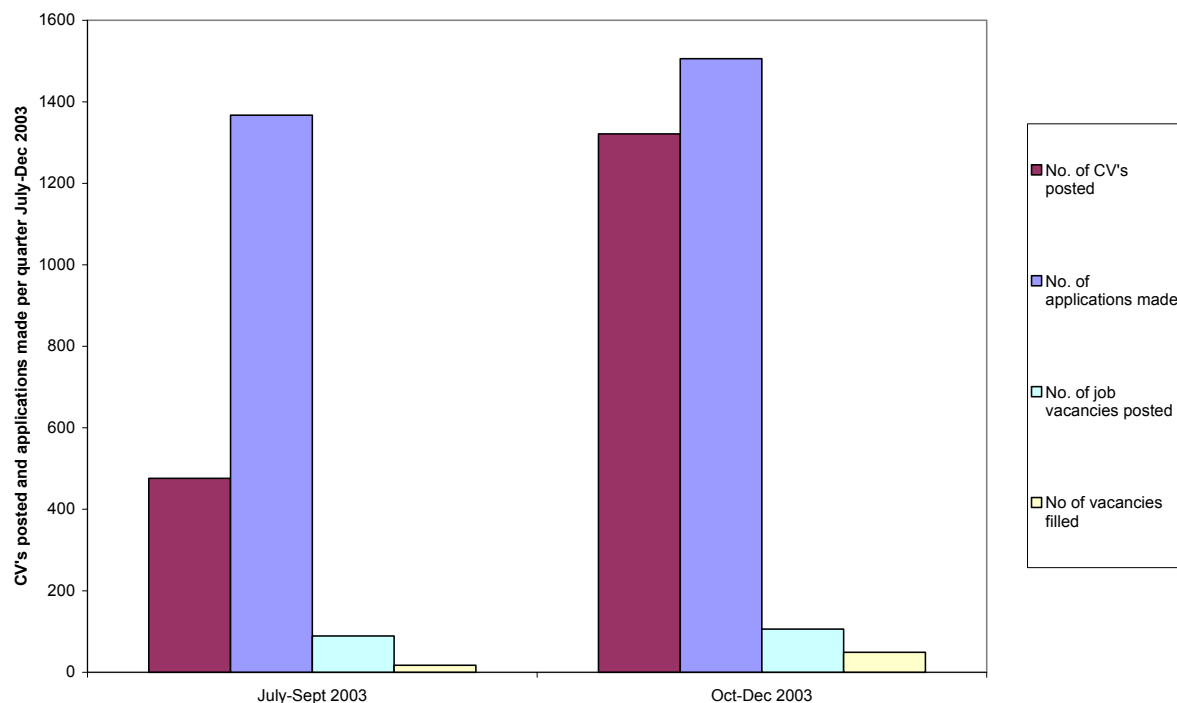
Figure B1: Unique website visitors and registrations per quarter during the initiative



¹⁹ 55 companies posting jobs from July-December 2003

B.6 Figure B2 provides statistics on CVs posted, applications made and vacancies filled.

Figure B2: CVs posted, applications made and vacancies posted and filled for jobs per quarter July-Dec 2003 (since new, more complete monitoring system was introduced)



B.7 Table B3 provides information on the profiles of registrants based on a sample provided from applications made since July 2003 plus our own survey of employers.

B.8 The results show that individuals from outside the UK form the largest group of registrants (57%), in line with Talentscotland.com's international objectives. Most recruits have been based in Scotland just prior to recruitment (73%). Only a small minority of staff have been recruited from beyond the UK.

Table B3: Breakdown of target group and employer recruits by location (%)

Location	'Qualified target audience'- Registrants	Employers' source of recruits	Job applicants since July 2003
Scotland	9%	73%	12%
UK (Excluding Scotland)	34%	12%	3%
Europe (EU and EFTA member states excl. UK)	15%	7%	10%
The rest of the World	42%	5%	75%
Null response		3%	

B.9 Table B4 provides information from the monitoring records on career level for the qualified target group (registrants) and for jobs filled. Registrants with Talentscotland.com are

dominated by the graduate and engineer/scientist groups. Staff most often recruited by employers fall into the junior engineer/scientist and principal engineer/scientist groups.

Table B4: Breakdown of target group and employer recruits by career level (%)

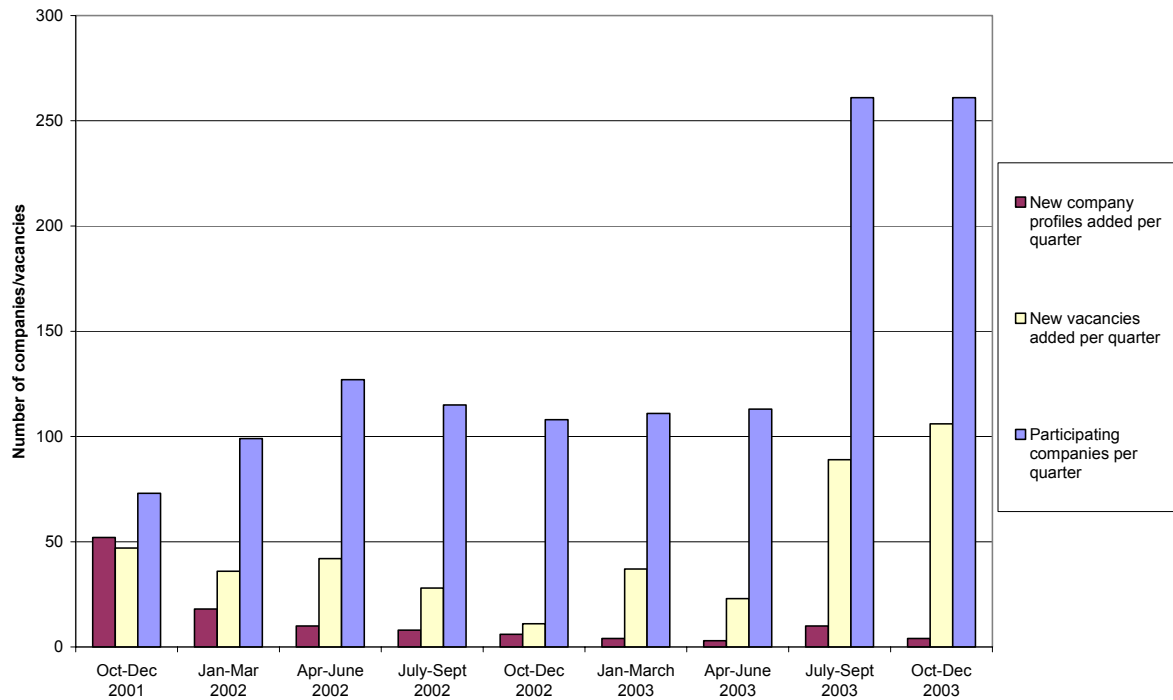
<i>Career Level</i>	<i>'Qualified target audience' - Registrants</i>	<i>Employer recruits in last 3 years</i>	<i>Electronics jobs posted on TS since July 2003</i>
Under Graduate	7%	-	1%
Graduate	22%	-	12%
Junior Engineer/Scientist	8%	28%	25% ²⁰
Engineer/Scientist	29%	12%	25%
Principal/Senior Eng/Scientist	10%	39%	32%
Junior Management	9%	4%	2.5% ²¹
Senior Management	11%	5%	2.5%
Corporate	4%	4%	-
Other	-	8%	-
Total	100%	100%	100%

B.10 Figure B3 summarises the statistics obtained from the Talentscotland.com project team on number of companies targeted, participating, profiled, plus the total number of job vacancies posted.

²⁰ N.B. Data for electronics jobs posted only given as 'Engineer' level with no specification of junior or senior, this has therefore been halved for each

²¹ Data for electronics jobs posted only given at 'Management' level with no specification of junior or senior, this has therefore been halved for each

Figure B3: Breakdown of companies targeted, participating, profiled and total vacancies posted over the life of the project



B.11 The expansion of Talentscotland.com into Life Sciences in 2003 is evident. The data illustrate a correlation between the number of companies participating and the number of vacancies posted. However there appears no correlation between other company categories and job vacancies posted.

B.12 A breakdown of the communication channels used by the pilot is shown in Figures B4 to 7.

Figure B4: Registrations by career level though word of mouth

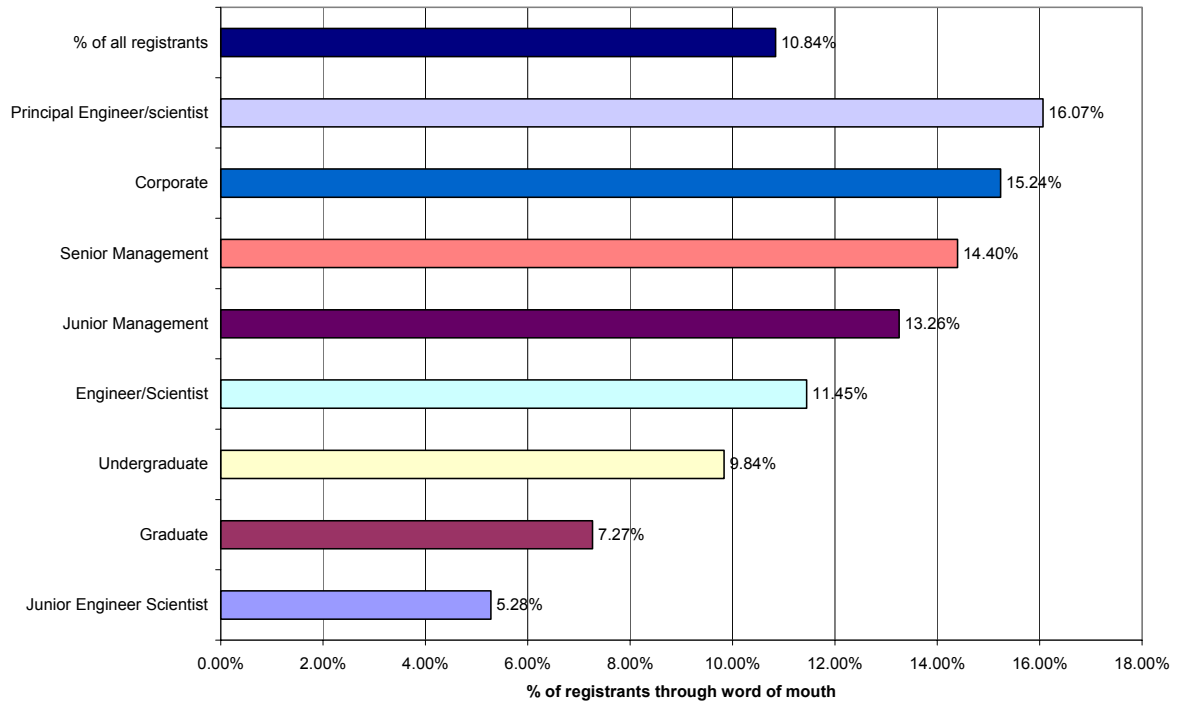


Figure B5: Registrations by career level though advertising

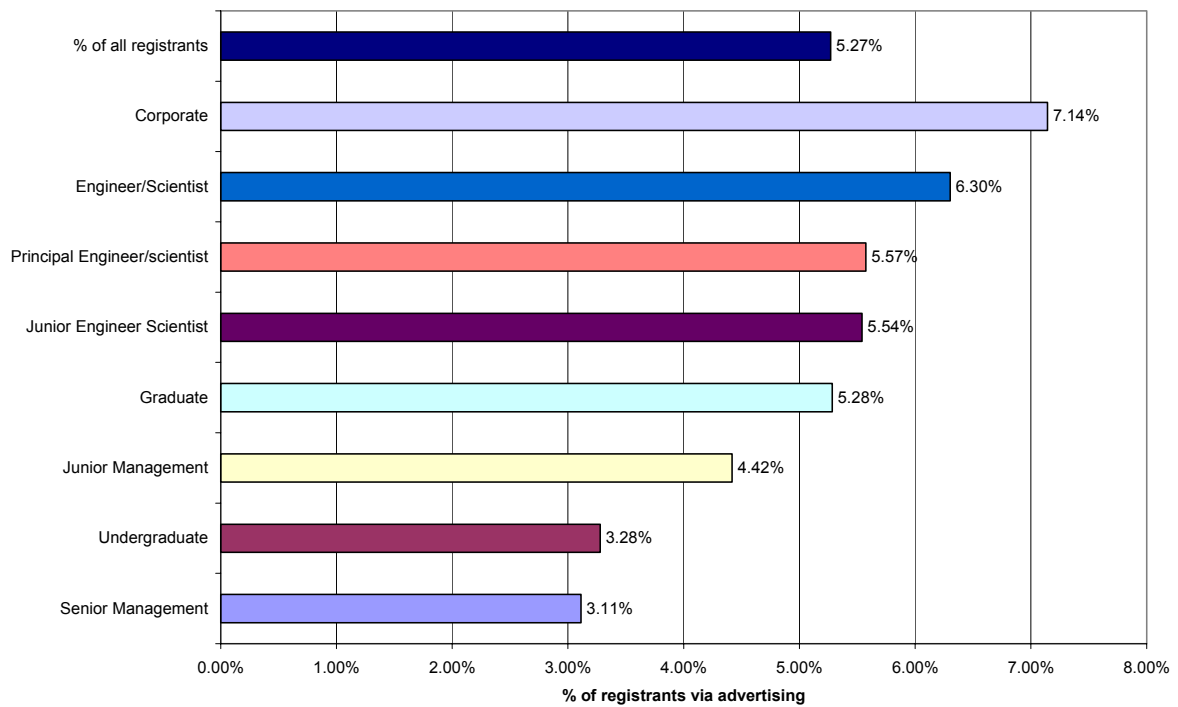


Figure B6: Registrations by career level through e mail broadcasts

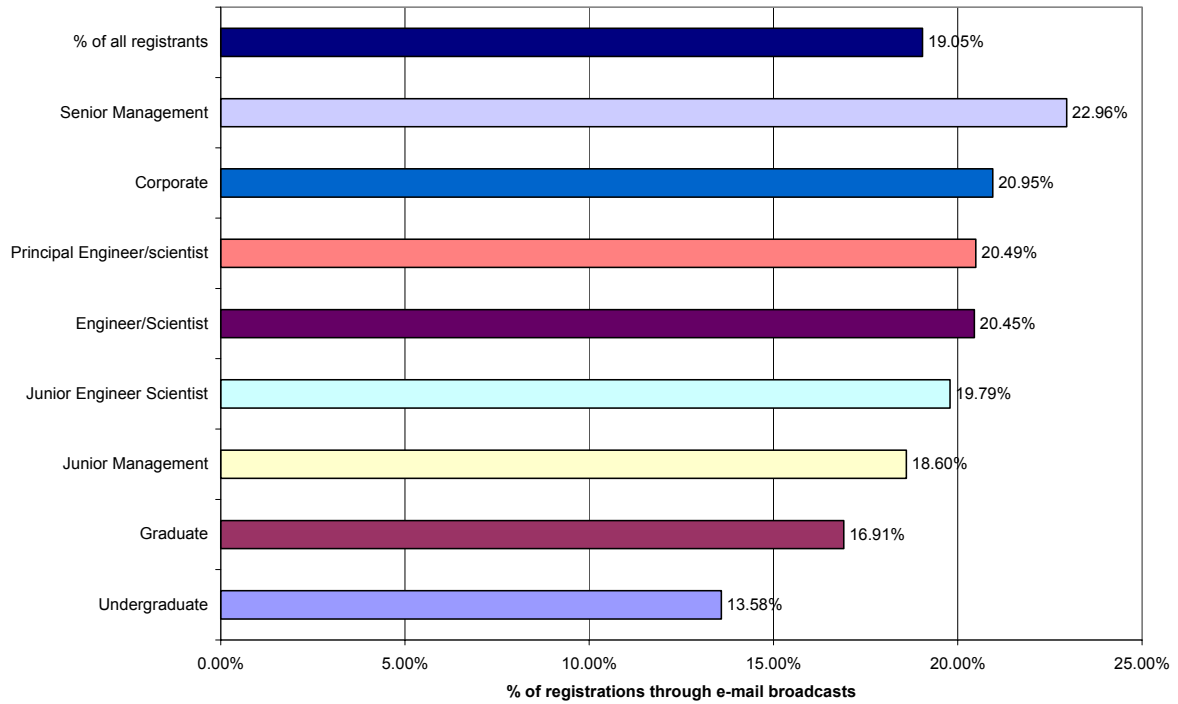
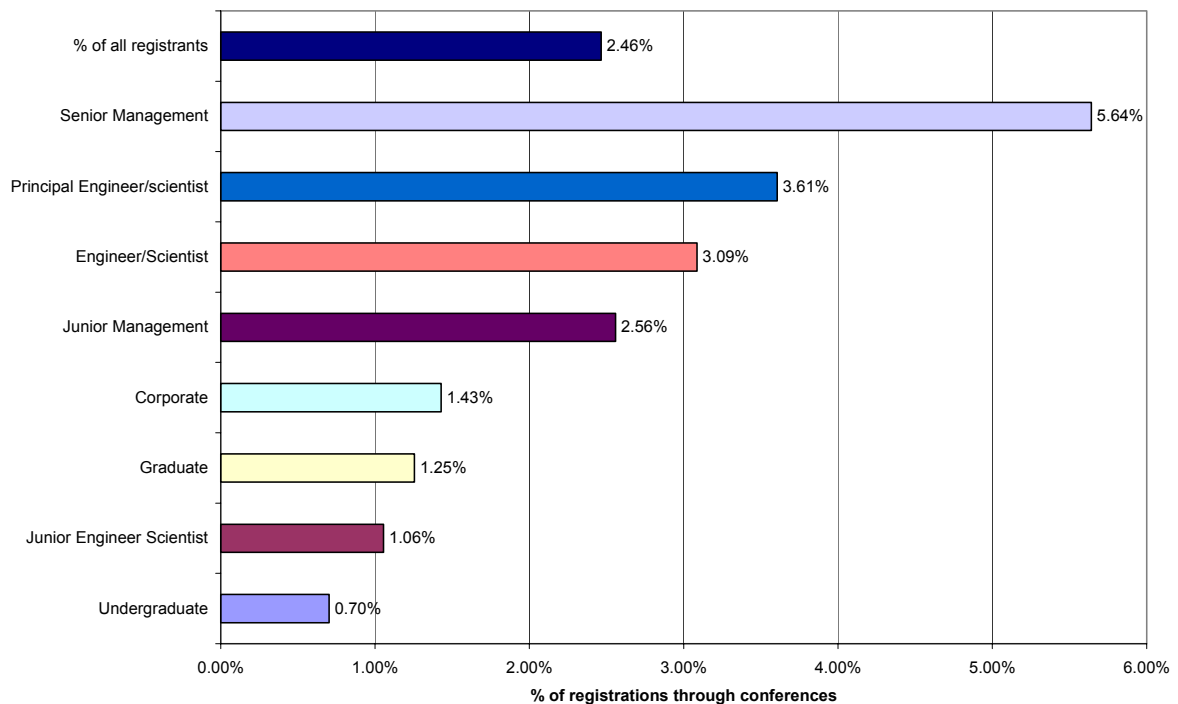


Figure B7: Registrations by career level through conferences



B.13 It is clear that all channels are of similar importance towards higher level groups. E-mail broadcasts are important in securing overall volume of registrations. To a lesser extent this is also true of registrations gained through word of mouth. Advertising and conferences are less

important in terms of gaining absolute numbers of registrants but retain some significance for higher career groups.

B.14 Table B5 provides summary information on annual budget for the pilot.

Table B5: Annual project budget (£,000's) - Source: Annual operating reports

	Year 1 Budget	Year2 Budget	Year3 Budget
Creating the database-Electronics	85	123	90
Creating the database-Life sciences	0	0	60
Maintaining the database	10	0	0
Capturing the graduate output	20	0	0
Web site development and maintenance	165	105	80
Events and networking	75	84	40
Staff costs	125	129	180
Admin and overheads	45	11	11
VAT	70	0	0
Total	595	452	461

B.15 Table B6 summarises communications/marketing activity for the pilot. The high volume nature of the activities is evident.

Table B.6: Marketing and communications

	Oct-Dec 2001	Jan-Mar 2002	Apr- June 2002	July- Sept 2002	Oct-Dec 2002	Jan- March 2003	Apr- June 2003	July- Sept 2003	Oct-Dec 2003
Marketing Activities									
Print advertising			0	1	1	1	0	0	1
Online advertising			0	2	2	2	2	2	1
E-mail broadcasts				9	10	16	18	16	13
Events				6	2	9	5	1	2
Press			0	3	0	0	0	0	0
Communication messages sent									
	Oct-Dec 2001	Jan-Mar 2002	Apr- June 2002	July- Sept 2002	Oct-Dec 2002	Jan- March 2003	Apr- June 2003	July- Sept 2003	Oct-Dec 2003
Job alerts				6509	6571	16265	6799	12567	18546
News updates for engineers				7504	12799	15646	26367	21290	32700
News updates for students				1653	2770	1923	4041	5111	3575
News updates for companies				1338	1206	428	936		
News updates for academics and intermediaries				874	1103	2380	2832	1458	1369
Event specific e mails				936	439	1520	312	466	592
Introductory e mails & e mails to non-registered					6943	7053	624	201	1116
Total				18814	31831	45215	41911	41093	57898

B.16 Table B7 provides data on company participation throughout the pilot and the vacancies posted.

Table B.7: Company participation and vacancies posted

	<i>Oct-Dec 2001</i>	<i>Jan-Mar 2002</i>	<i>Apr- June 2002</i>	<i>July- Sept 2002</i>	<i>Oct-Dec 2002</i>	<i>Jan- March 2003</i>	<i>Apr- June 2003</i>	<i>July- Sept 2003</i>	<i>Oct-Dec 2003</i>
Company participation									
Number of target companies cumulative	200	180	168	169	167	169	169	321	321
Companies profiled (cumulative total)	52	70	80	88	94	98	101	111	115
Active companies not yet profiled	21	26	28	11	15	14	11		
Total companies participating	73	96	113	104	108	111	114		
Visits to companies	17	8	9	15	8	12	3	16	2
						<i>Jan- March 2003</i>	<i>Apr- June 2003</i>	<i>July- Sept 2003</i>	<i>Oct-Dec 2003</i>
Vacancies	<i>Oct-Dec 2001</i>	<i>Jan-Mar 2002</i>	<i>Apr-June 2002</i>	<i>July-Sept 2002</i>	<i>Oct-Dec 2002</i>				
Total vacancies posted (cumulative total)	47	91	125	158	169				
Current vacancies	47	52	56	43	23	21	17	54	71
Vacancies withdrawn		7	11	16	6	20	0	37	40
Vacancies filled		31	58	24	26	13	25	17	49
Job applications made		93	206	194	139	127	149	1252	1506

APPENDIX C

SURVEY OF THE VIEWS OF INDIVIDUAL CLIENTS

Appendix C: Survey of the views of individual clients

C.1 In this Appendix we provide information the views of the individuals using Talentscotland.com, those who to date have only registered with the initiative and those who have found a job in Scotland, with more or less assistance from Talentscotland.com. Our findings are based on both a web-survey and telephone interviews.

C.2 Table C1 provides a summary our primary research contacts with individuals - with respondents to the web survey, with the recruited individuals identified through the employer consultations and those we were able ultimately to interview.

Table C.1: Individuals in primary research

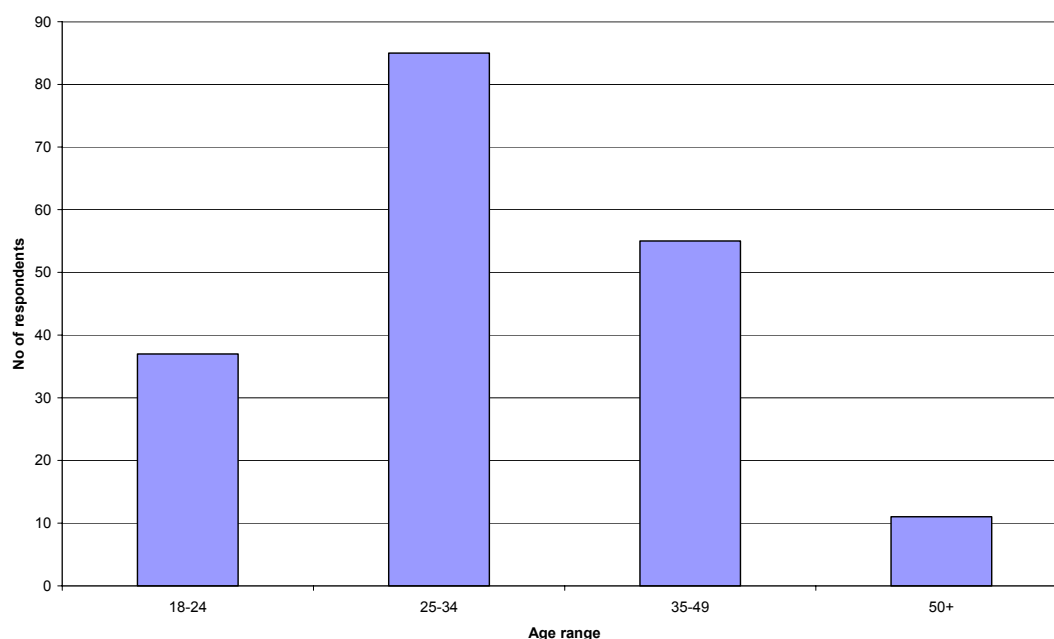
Individuals completing web survey	190
Recruited individuals identified	34
Recruited individuals refused (individual or employer)	21
No of interviews completed	13
No of individual responses	203

C.3 Table C2 shows the age profile of respondents: the largest group is in the 25-34 bracket (46%). The majority of respondents are male (78%) and there is a balance between those individuals that are *single* (55%) and those *married or co-habiting* (44%).

Table C.2: Age range of respondents (years)

	<i>Total</i>	<i>%</i>
18-24	37	20
25-34	85	45
35-49	55	29
50+	11	6
Total	188	100

Figure C.1: Age range of respondents (years)



C.4 The findings of the web survey reveal a balance of industry representation among respondents, with 58% of respondents in the electronics sector and 42% in Life Sciences.

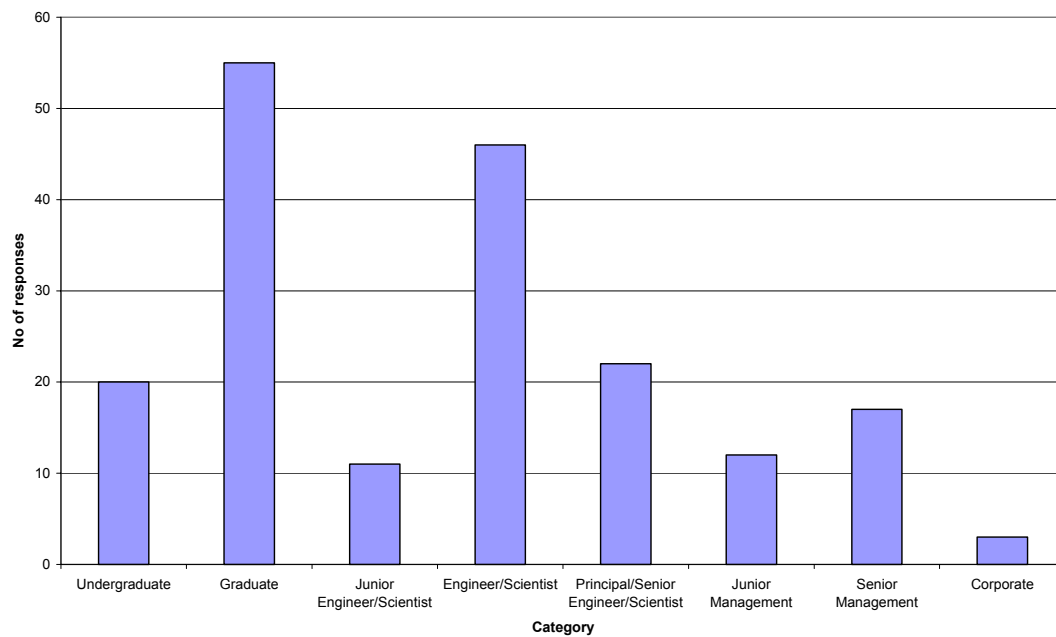
C.5 Individuals were also asked to provide details of their career/job level. Table C3 shows the most frequent career/job level amongst respondents to be recent *graduates* (30%) and *Engineers/Scientists* (25%).

C.6 Most individuals recruited through Talentscotland.com fall into the 25-34 age range. A high proportion of this group are male (91%). There is also a higher share of individuals with expertise in design electronics. The profile of recruited individuals shows them to be largely junior or principal/senior engineers/scientists.

Table C.3: Career level of individuals surveyed and registrants

	<i>Individuals surveyed</i>		<i>Registrants</i>	
	<i>Total</i>	<i>%</i>	<i>Total</i>	<i>%</i>
Undergraduate	20	11	783	6
Graduate	55	29	2712	22
Junior Engineer/Scientist	11	6	957	8
Engineer/Scientist	46	25	3487	29
Principal/Senior Engineer/Scientist	22	12	1262	10
Junior Management	12	6	1064	9
Senior Management	17	9	1309	11
Corporate	3	2	529	4
Grand Total	186	100	12103	100

Figure C.2: Career level of individuals surveyed

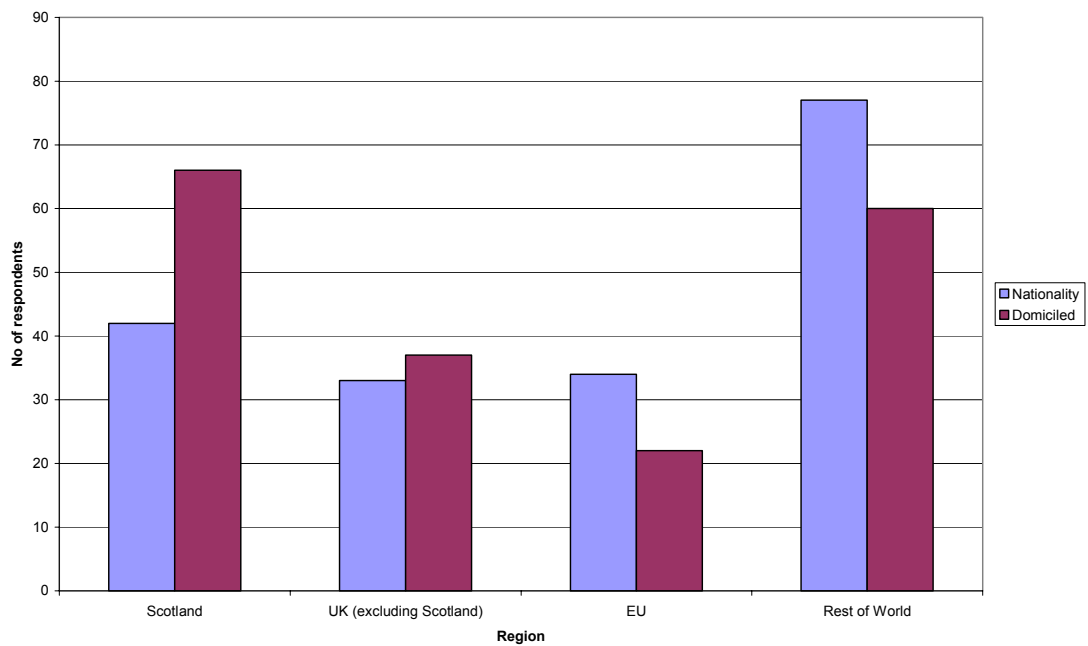


C.7 The findings from the web survey show that the largest single national group is Scottish (22.5%), followed by British (excl. Scots: 18%). Indian nationals are also well represented, responsible for around 10% of the responses. When grouped by major region, the findings show that 77 (41%) of respondents are nations of countries outside the EU (see Table D4).

Table C.4 Nationality of respondents and region currently domiciled

	<i>Nationality</i>	<i>Domiciled</i>
Scotland	42	66
UK (excluding Scotland)	33	37
EU	34	22
Rest of World	77	60
Total	186	185

Figure C.2: Nationality of respondents and region currently domiciled



C.8 The importance of various factors influencing individuals' choice of country in which to live and work is shown in Table C5. Overall, there are no significant differences in importance across the various factors. *A safe country* and *providing jobs with an adequate remuneration package for job skills* are highlighted as slightly more important than other factors. 'Career' factors do appear slightly more important than 'place' factors – but only just.

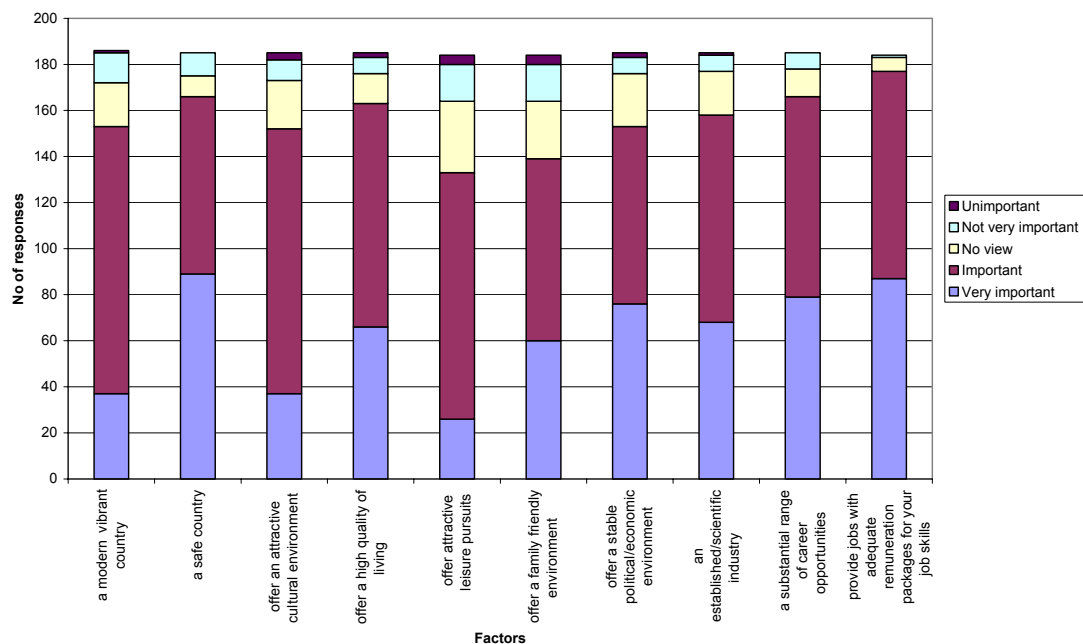
C.9 For recruited individuals, the most important factors in choice of country were:

- an attractive cultural environment
- providing jobs with adequate remuneration
- offering a high quality of living.

Table C.5: Factors influencing individuals' choice of country in which to live and work

	Very important	Important	No view	Not very important	Unimportant	Total
a modern vibrant country	37	116	19	13	1	186
a safe country	89	77	9	10	0	185
offer an attractive cultural environment	37	115	21	9	3	185
offer a high quality of living	66	97	13	7	2	185
offer attractive leisure pursuits	26	107	31	16	4	184
offer a family friendly environment	60	79	25	16	4	184
offer a stable political/economic environment	76	77	23	7	2	185
an established/scientific industry	68	90	19	7	1	185
a substantial range of career opportunities	79	87	12	7	0	185
provide jobs with adequate remuneration packages for your job skills	87	90	6	1	0	184

Figure C3: Factors influencing individuals' choice of country in which to live and work



C.10 Of specific interest was the extent to which individuals had been to Scotland or had some connection with the country. Survey respondents were asked if they had ever visited Scotland on holiday, business or for study/education (see Table C6.). For non-Scots, the majority of individuals had never visited Scotland (59%). Of those that had, it is interesting to note that

nearly a third (29%) had been to Scotland on holiday. A small number (only 5%) had visited Scotland through education.

Table C.6: Respondents that have visited Scotland (Excluding Scots)

	No	%
On holiday	34	29
On business	8	7
For study/education	6	5
Never visited Scotland	68	59
Total	116	100

C.11 Survey respondents were also asked the nature of any connections they had with Scotland (Table C7). A majority (56%) had no connections with the country. Of those that had, a quarter had a connection through friends. Connections through business were relatively small (5%).

Table C.7: Connections with Scotland (Excluding Scots)

	No	%
Friends	26	25
Family	11	10
Business	5	5
No connections	64	60
Total	106	100

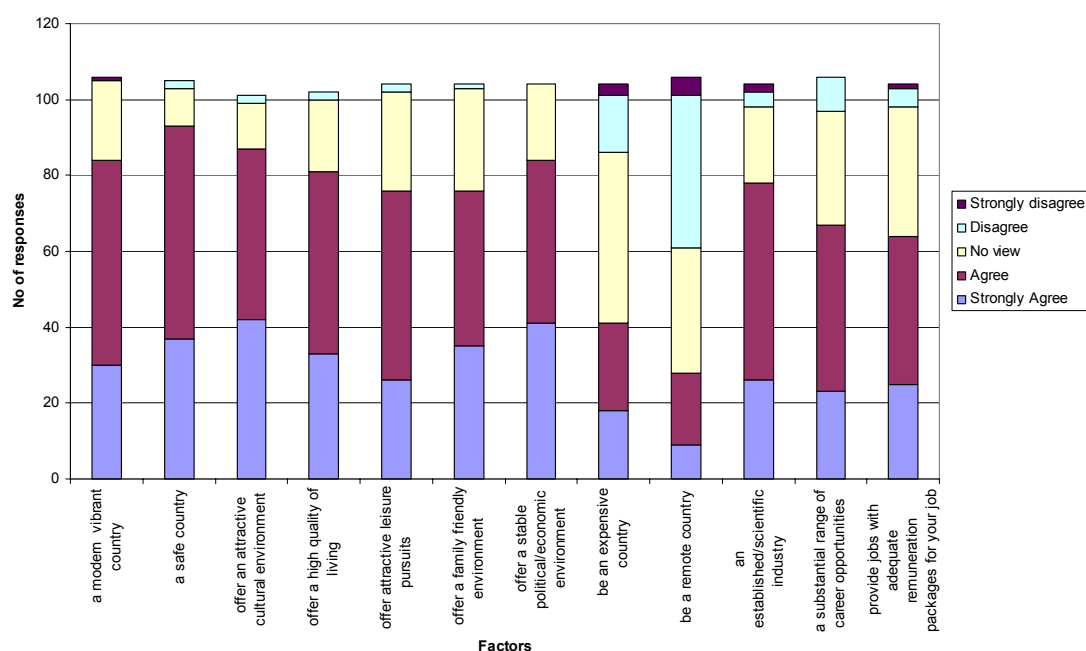
C.12 An important role for Talentscotland.com is in changing perceptions of Scotland for the better and our study sought to test this. The web survey asked respondents the extent to which they agreed with a set of statements about Scotland *before they had visited Talentscotland.com*. The statements were based on the factors that influenced individuals' choice of country. Table C8 presents respondents views, excluding Scots.

C.13 Respondents tend to agree with statements concerning quality of life but agreed less on career statements. There was a clear tendency to disagree that Scotland was *a remote country*. Perceptions about Scotland prior to visiting Talentscotland.com were generally positive.

Table C.8: Perceptions of Scotland before visiting Talentscotland.com (excluding Scots)

	Strongly Agree	Agree	No view	Disagree	Strongly disagree	Total
a modern vibrant country	30	54	21	0	1	106
a safe country	37	56	10	2	0	105
offer an attractive cultural environment	42	45	12	2	0	101
offer a high quality of living	33	48	19	2	0	102
offer attractive leisure pursuits	26	50	26	2	0	104
offer a family friendly environment	35	41	27	1	0	104
offer a stable political/economic environment	41	43	20	0	0	104
be an expensive country	18	23	45	15	3	104
be a remote country	9	19	33	40	5	106
an established/scientific industry	26	52	20	4	2	104
a substantial range of career opportunities	23	44	30	9	0	106
provides jobs with adequate remuneration packages for your job skills	25	39	34	5	1	104

Figure C.4: Perceptions of Scotland before visiting Talentscotland.com (excl. Scots)

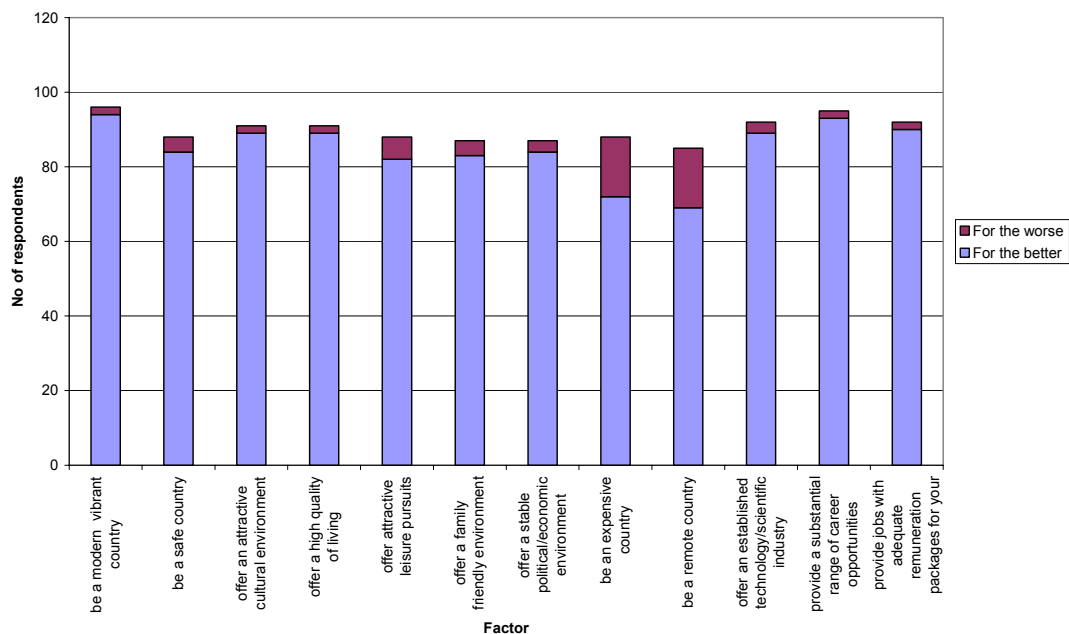


C.14 Individuals were asked whether Talentscotland.com had changed their perceptions of Scotland for the better or for the worse. Table C9 presents the findings. For the majority (81%) of individuals, their views had been changed by the information provided by Talentscotland.com, and for the better.

Table C9: Extent to which perceptions on Scotland had been changed by Talentscotland.com

	<i>For the better</i>	<i>For the worse</i>	<i>Total</i>
be a modern vibrant country	94	2	96
be a safe country	84	4	88
offer an attractive cultural environment	89	2	91
offer a high quality of living	89	2	91
offer attractive leisure pursuits	82	6	88
offer a family friendly environment	83	4	87
offer a stable political/economic environment	84	3	87
be an expensive country	72	16	88
be a remote country	69	16	85
offer an established technology/scientific industry	89	3	92
provide a substantial range of career opportunities	93	2	95
provide jobs with adequate remuneration packages for your job skills	90	2	92

Figure C5: Extent to which perceptions on Scotland had been changed by Talentscotland.com



C.15 Individuals were asked to specify how attractive other countries were compared to Scotland. The findings are shown in Table C10 and reveal that overall:

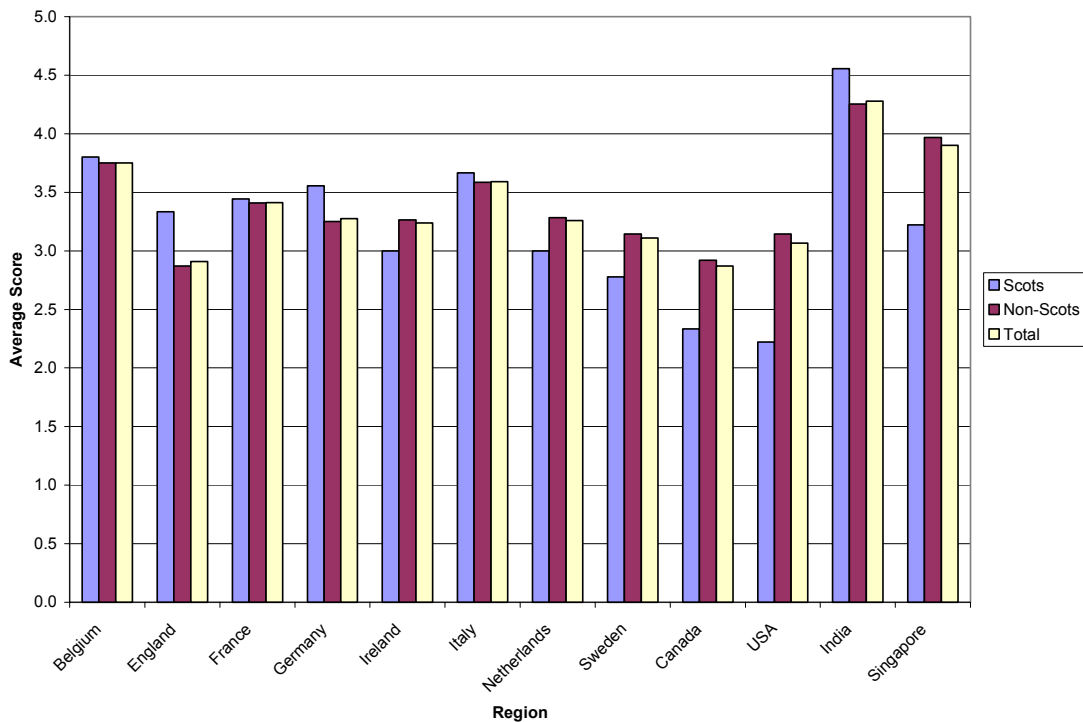
- England, Canada and the USA considered to be as attractive as Scotland
- India and Singapore considered less attractive.

Table C.10: Other regions scored against Scotland*

	Scots	Non-Scots	All
Belgium	3.8	3.8	3.8
England	3.3	2.9	2.9
France	3.4	3.4	3.4
Germany	3.6	3.3	3.3
Ireland	3.0	3.3	3.2
Italy	3.7	3.6	3.6
Netherlands	3.0	3.3	3.3
Sweden	2.8	3.1	3.1
Canada	2.3	2.9	2.9
USA	2.2	3.1	3.1
India	4.6	4.3	4.3
Singapore	3.2	4.0	3.9

*Respondents scored regions from 1 to 5, where 1 = much more attractive, 3 = as attractive, 5 = much less attractive

Figure C.6: Regions scored against Scotland

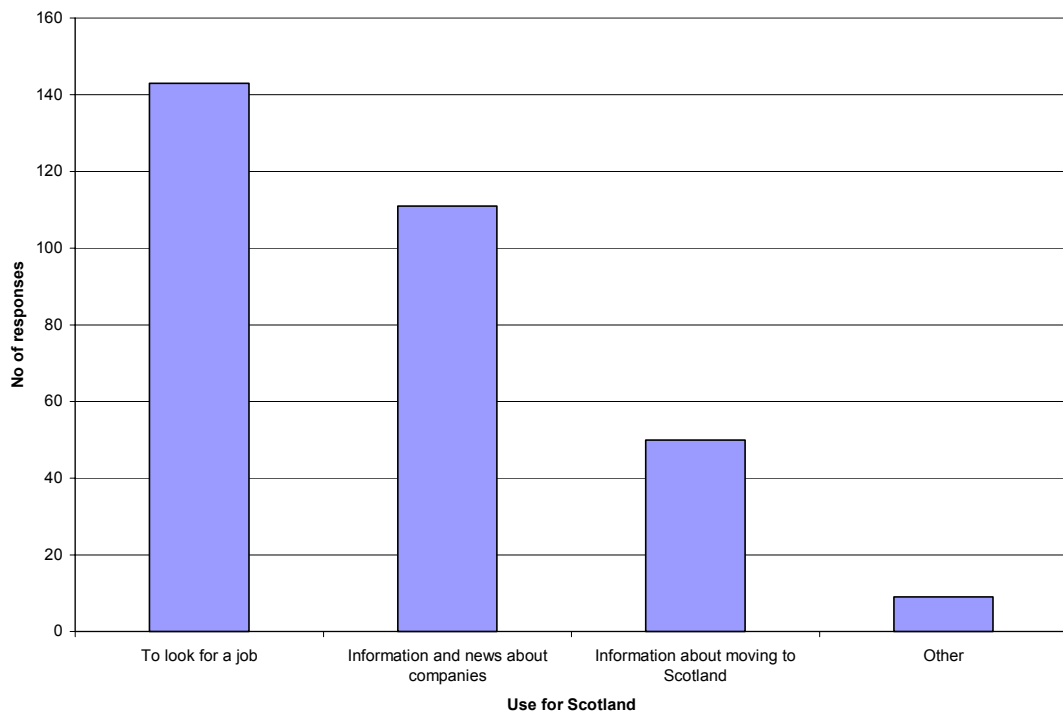


C.16 Table C11 shows how individuals have used Talentscotland.com. Other than those that were visiting the website for the first time, most individuals visit Talentscotland.com weekly (30%) or monthly (25%) rather than daily. Individuals used Talentscotland.com for the most part to look for a job (86%), for information and news about companies (67%), less so for information about Scotland (31%).

Table C.11 Use of Talentscotland.com

<i>N</i> = 189	No.	%
To look for a job	143	76
Information and news about companies	111	59
Information about moving to Scotland	50	26
Other	9	5

Figure C.7 Use of Talentscotland.com

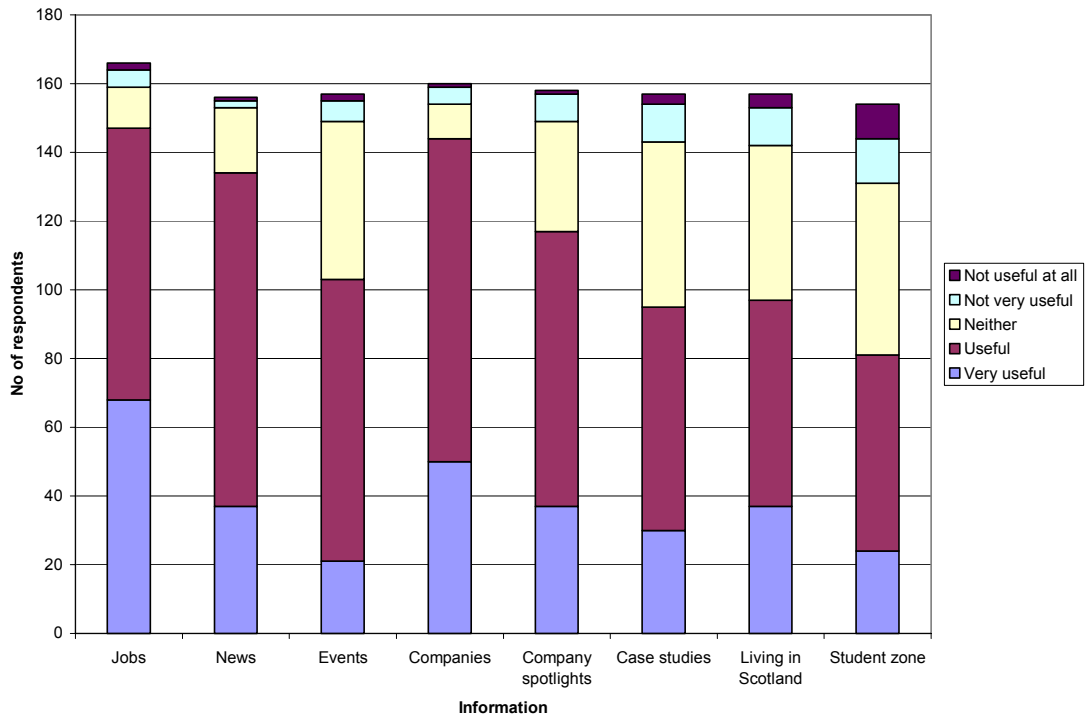


C.17 Table C12 shows survey respondents ratings of information on the Talentscotland.com website. Information on jobs and on companies prove most useful.

Table C.12 Rating information on the Talentscotland.com website

	<i>Very useful</i>	<i>Useful</i>	<i>Neither</i>	<i>Not very useful</i>	<i>Not useful at all</i>	<i>Total</i>
Jobs	68	79	12	5	2	166
News	37	97	19	2	1	156
Events	21	82	46	6	2	157
Companies	50	94	10	5	1	160
Company spotlights	37	80	32	8	1	158
Case studies	30	65	48	11	3	157
Living in Scotland	37	60	45	11	4	157
Student zone	24	57	50	13	10	154

Figure C.8 Rating information on the Talentscotland.com website



APPENDIX D

SURVEY OF THE VIEWS OF BUSINESS CLIENTS

Appendix D: Survey of the views of business clients

D.1 In this Appendix, we report on findings gained from our survey work and interviews with businesses in Scotland that have either used Talentscotland.com for recruitment or have expressed an interest in doing so.

D.2 Table D1 provides a summary of the employer contacts we were given, those contacted by web survey and those contacted by telephone, together with number of responses received.

Table D.1 Employers used in fieldwork

	<i>Recruited</i>	<i>Advertised</i>	<i>Profiled</i>	<i>Unprofiled</i>	<i>Total</i>
Population	20	48	162	54	284
Employers contacted by web survey	0	27	147	39	213
No. refused/failed to respond					41
No. completing survey return					6
Employers contacted for telephone interview	20	15	9	10	54
No. refused	2	3	3	1	9
No. arranged	16		2	4	8
No. of interviews completed	15	12	1	4	32
Total employer responses					38

D.3 The majority of employer contacts (85%) are in the electronics sector and 15% in Life Sciences.

D.4 Table D2 shows the age profile of the firms. The findings reveal a wide spread of firms, with 36% having been established in the last 1-3 years. Respondents employ a total of 638 staff. Nearly half (46%) of firms had fewer than 10 employees. Nearly two thirds (63%) had a single office location, in other words operating solely from Scotland.

Table D.2 Age of businesses

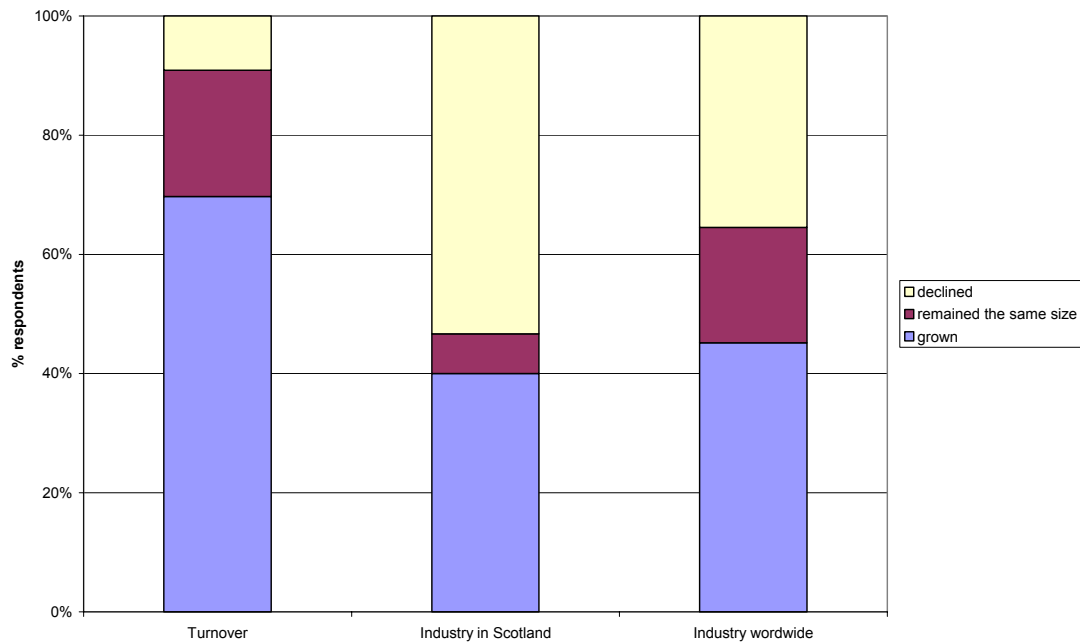
	<i>No.</i>	<i>%</i>
1-3 years	13	36
4-10 years	9	25
10+ years	14	39
Total	36	100

D.5 Of specific interest to the study were recent trends in turnover by firm and by industry in Scotland and worldwide. The findings are illustrated in Table D3. They suggest an employer base largely enjoying growth in turnover, albeit in markets in which views on recent growth are quite divided.

Table D.3 Views on trends in turnover - for firms and for industry in Scotland and worldwide over the last three years

	<i>Company turnover</i>	<i>Industry in Scotland</i>	<i>Industry worldwide</i>
grown	70%	40%	45%
remained the same size	21%	7%	19%
declined	9%	53%	35%

Figure D.1 Trends in turnover in Scotland and worldwide over the last three years

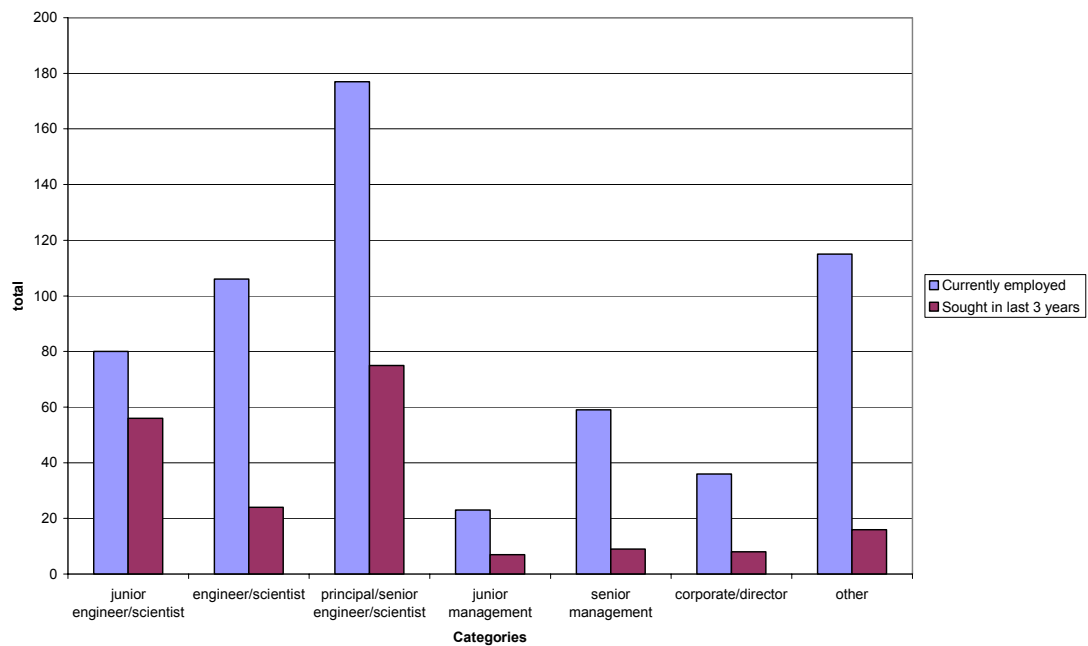


D.6 Table D4 profiles new staff required by employers and the types of staff recruited in the last three years. More principal/senior engineers/scientists are employed presently than staff in other categories. Our respondents had recruited 195 staff, by all methods, over the last three years. More junior and principal/senior staff have been recruited than other categories.

Table D.4 Staff employed and recruitment in the last three years

	<i>Currently employed</i>	<i>Recruited in last three years</i>
junior engineer/scientist	80	56
engineer/scientist	106	24
principal/senior engineer/scientist	177	75
junior management	23	7
senior management	59	9
corporate/director	36	8
other	115	16
Total	596	195

Figure D2 Staff employed and recruitment in the last three years



D.7 Table D5 reports on the source of recruits to firms responding to the survey. The majority (73%) of recruits had been sourced from Scotland.

Table D.5 Source of recruits in the last three years

	%
Scotland	73
Rest of UK	12
Rest of EU	7
Rest of World	5
Null response	3
Total	100

D.8 D8: Table D6 indicates the recruitment methods deployed by respondents and how effective these prove to be. Personal contacts were used most frequently and advertising in trade journals was used least. The success of recruitment methods also varied, with the most successful found to be personal contacts, then Talentscotland.com followed by other web advertising. Advertising in trade journals was viewed as the least successful.

Table D.6 Success of various recruitment methods in meeting recruitment needs

	<i>Very successful</i>	<i>Successful</i>	<i>Not successful</i>	<i>Don't use</i>	<i>Total</i>
Web advertising (N=33)	15	46	18	21	100
Newspaper advertising (N=32)	9	31	22	38	100
Trade journal advertising (N=26)	4	15	31	50	100
Recruitment Agency (N=32)	22	31	22	25	100
Personal contacts (N=28)	50	43	4	4	101
Talentscotland.com (N=34)	27	41	21	12	101

D.9 The survey set out to assess the extent to which Talentscotland.com has reduced the use of other recruitment methods. Findings are given in Table D7. A significant minority have reduced their use of newspaper advertising (35%) and recruitment agencies (25%). This is an important finding as recruitment agencies are viewed as a reasonably successful recruitment method by 53% of respondents (Table D6).

Table D.7 The extent to which the availability of Talentscotland.com reduces the use of other recruitment methods

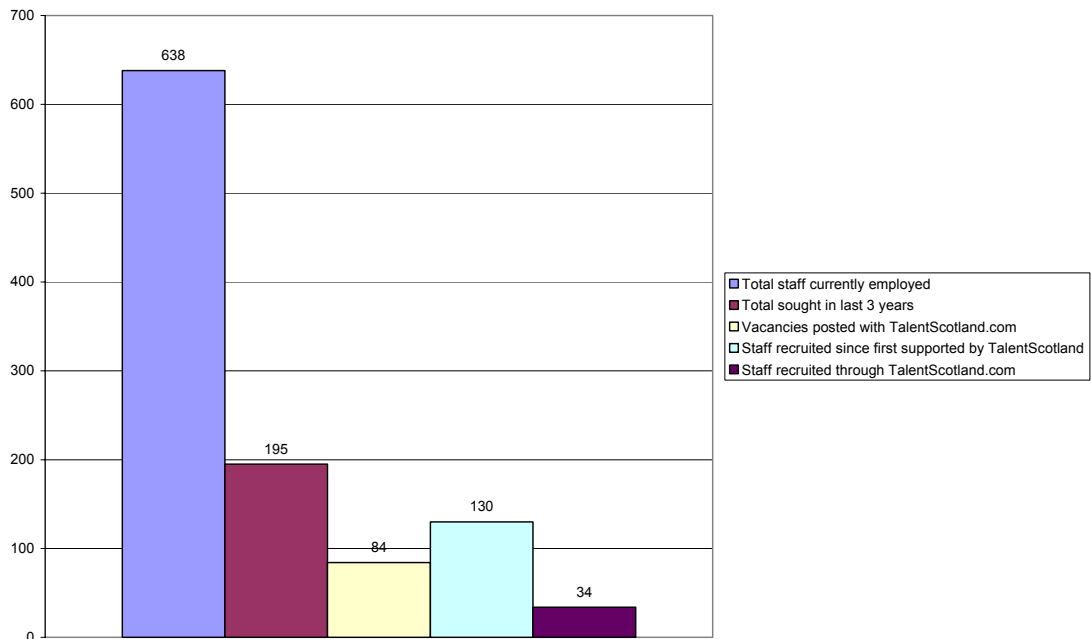
<i>Reduced use?</i>	<i>Yes</i>	<i>No</i>	<i>Total</i>
Web advertising (N=24)	8	92	100
Newspaper advertising (N=23)	35	65	100
Trade journal advertising (N=12)	17	83	100
Recruitment Agency (N=20)	25	75	100
Personal contacts (N=23)	0	100	100

D.10 Table D8 shows the profile of recruitment among our respondents over the last three years. The figures illustrate that only a proportion of their vacancies are posted with Talentscotland.com (84 out of 130). The statistics are influenced by the number of employers first hearing of Talentscotland.com in 2003 and/or because the support it provides is used as one of a number of recruitment methods.

Table D.8 Profile of recruitment over the last three years

	<i>Total</i>
Total staff currently employed	638
Total sought in last 3 years	195
Vacancies posted with Talentscotland.com	84
Staff recruited since first supported by Talentscotland.com	130
Staff recruited through Talentscotland.com	34

Figure D.3 Profile of recruitment over the last three years

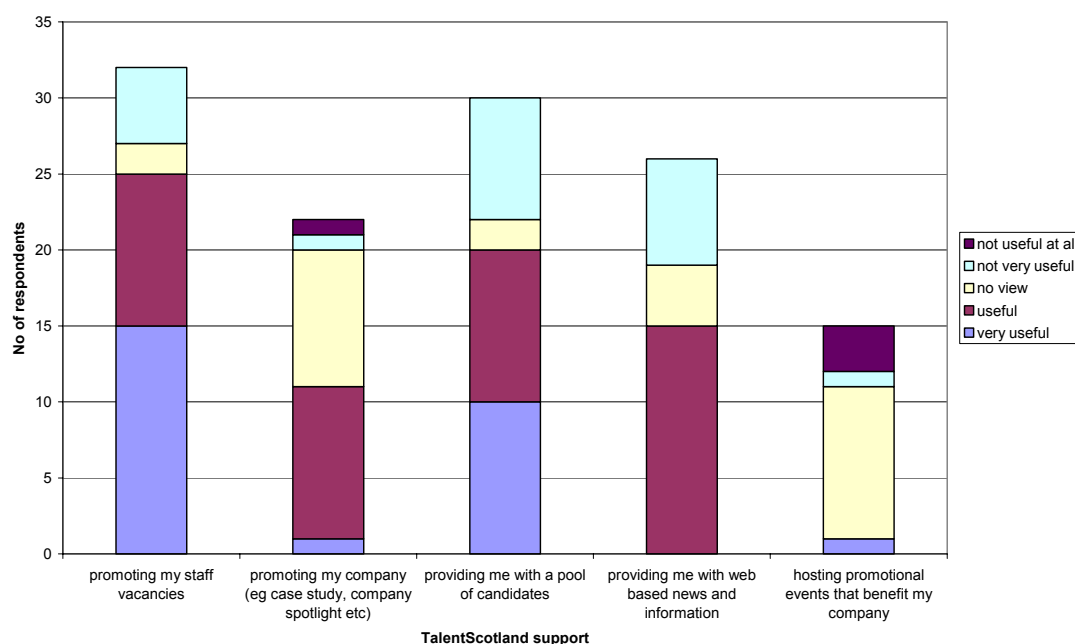


D.11 Table D9 provides information on the usefulness of various services to employers. Promoting staff vacancies and providing a pool of candidates are the most useful.

Table D.9 Use and usefulness of Talentscotland.com support

	<i>very useful</i>	<i>useful</i>	<i>no view</i>	<i>not very useful</i>	<i>Not useful at all</i>	<i>Total</i>
promoting my staff vacancies	15	10	2	5	0	32
promoting my company (e.g. case study, company spotlight etc)	1	10	9	1	1	32
providing me with a pool of candidates	10	10	2	8	0	30
providing me with web based news and information	0	15	4	7	0	26
hosting promotional events that benefit my company	1	0	10	1	3	15

Figure D.4 Use and usefulness of Talentscotland.com support



D.12 When asked about their first use of Talentscotland.com, half the employers had used the support for the first time in 2003 (Table D10). A notable feature is the apparently low take-up by employers in 2001. This is at variance with the figures listed in the monitoring data for company participation, which suggest a high initial take-up of Talentscotland.com and then a levelling off, before a further rise after the introduction of Life Sciences.

D.13 The majority of employers (66%) had posted between one and three staff vacancies. Over half (53%) felt Talentscotland.com always resulted in a high number of candidates. Employers were more circumspect about the quality of candidates. Rather fewer felt Talentscotland.com always resulted in a *high quality of candidates*. Notwithstanding this, a large majority (73%) were satisfied with the services they had received.

Table D10 Date when first used Talentscotland.com services	
	Year
2001	9%
2002	31%
2003	50%
2004	9%
Null response	1%
Total	100%

D.14 Table D11 shows the extent to which employers would have recruited staff in the absence of Talentscotland.com. The results reveal that the intervention is only *partially additional* to employers' recruitment efforts - the majority of firms (63%) would have recruited the

individuals anyway, but it would have taken longer. Around a third (31%) would have recruited these individuals in the just the same way i.e. there is no additionality from the intervention.

Table D11 Extent to which employers would have recruited these individuals in the absence of Talentscotland.com (N=16)

	%
would have recruited in just the same way anyway	31%
would have recruited but would have taken longer	63%
would have recruited but of a lower quality	0
would not have had as many candidates	0
would not have recruited as many individuals	6%
would not have recruited at all	0
Total	100%

D.15 Table D12 shows expected trends in firms' turnover and in industry performance in Scotland and worldwide over the next five years. Key results are that:

- almost all employers expected their turnover to grow
- a large majority (c.71%) of employers expected their industry in Scotland to grow
- almost all employers expected their industry worldwide to grow.

Table D12 Forecast trends in turnover and in industry performance in Scotland and worldwide in the next five years

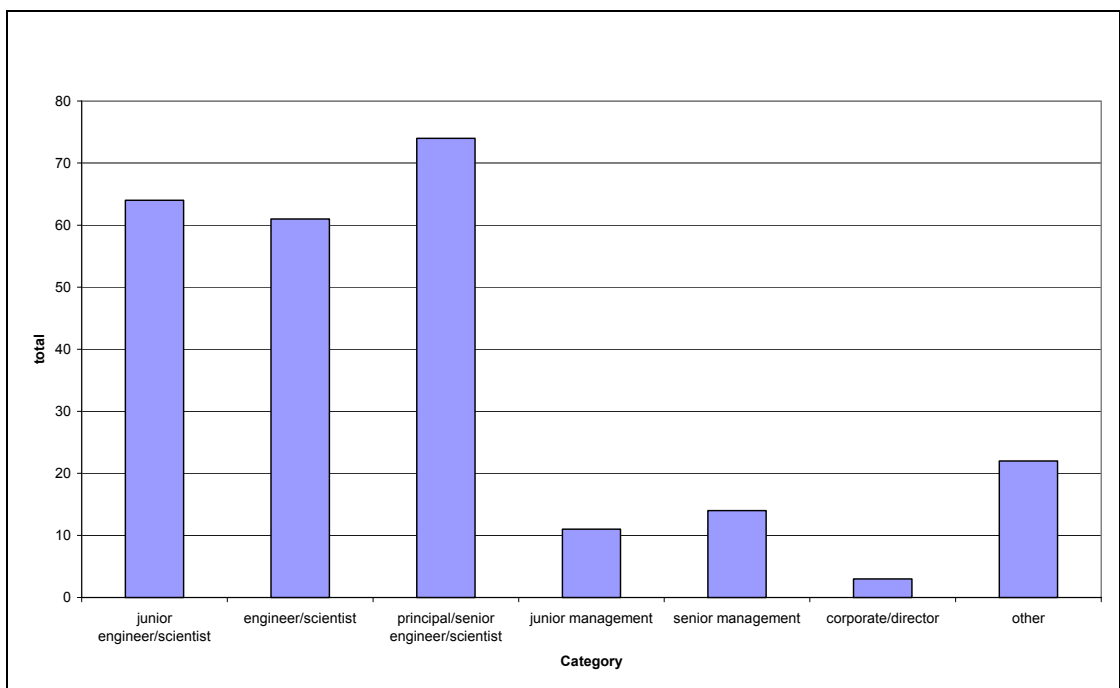
	<i>Turnover</i>	<i>Industry in Scotland</i>	<i>Industry worldwide</i>
Grow	100%	71%	97%
remain the same size	0%	14%	3%
Decline	0%	14%	0%

D.16 Table D13 indicates the nature of recruitment requirements over the next five years. Among twenty-four respondents there is an expectation of recruiting c. 249 additional staff, or on average 10 per company. The categories of staff likely to be sought over the next five years emphasises the need to fill principal/senior as well as junior engineers/scientists posts rather than management positions.

Table D13 Staff sought in the next five years

	No
junior engineer/scientist	64
engineer/scientist	61
principal/senior engineer/scientist	74
junior management	11
senior management	14
corporate/director	3
Other	22
Total	249

Figure D5 Staff sought in the next five years



D.17 The majority (63%) of employers felt Talentscotland.com would be *significant* in helping them recruit to these positions. Moreover, 21% felt Talentscotland.com would be *highly significant*.

D.18 There were mixed views on whether employers would pay for the continuation of Talentscotland.com - 47% said they would pay. Of these, most would only pay on the basis of payment per recruitment transaction e.g. a fee for a vacancy successfully filled. Very few said they would pay for Talentscotland.com through an annual subscription and there appeared an unwillingness to support financially the wider promotional work of the initiative.

D.19 Employers considered the most important factors in attracting talented individuals to Scotland to be a combination of 'place' and 'career'. Of particular importance are the abilities to offer:

- a high quality of living
- attractive leisure pursuits
- a substantial range of career opportunities
- jobs with adequate remuneration packages for the skills involved.

D.20 For those that are aware of Talentscotland.com's wider, strategic role, the initiative was seen to promote issues of quality of life and leisure pursuits slightly better than the range of career opportunities and adequate remuneration packages.