



TALENT HUB

Supporting Copenhagen Capacity to strengthen retention and EU-Mobility of skilled migrants through collaborative multi-country coordination on talent retention and circulation in the EU

BRIEF: TALENT RETENTION FOR MUNICIPAL ACTORS

Why talent retention?

Faced with ageing populations and demographic pressure, the ability of EU Member States to attract international labour is increasingly gaining importance. In **Denmark**, the number of employed foreign nationals that have come to the country to work or study has more than doubled over the last decade, with labour migrants now constituting as much as 12 per cent of the domestic labour force (DI 2023a). Even so, only around one fifth of the international labour migrants are from countries outside the European Union (AxcelFuture 2023).

Figures from Danish Industry (DI) and other actors set the net, average contribution of highly educated internationals at almost DKK 200,000 per year (DI 2021). DI however also notes that half of all labour migrants from third countries leave Denmark again within four years (DI 2023). For international students, around 50 per cent remain in the country after eight years (Damvad 2022). In 2018, it was calculated that Denmark would lose DKK 19.5 billion from public finances if all international labour left the country (DI 2018).

In **Germany**, the labour supply will only remain constant in the long term with an annual net immigration of 400,000 people (IAB 2021). A study from 2022 analysed the reasons for the emigration of foreign skilled workers. A quarter of the third-country nationals surveyed had left Germany for legal reasons. Another quarter mentioned professional reasons such as the end of temporary employment or not having their professional qualifications recognised. Respondents also cited a lack of social integration as well as economic or family reasons (IAW 2022).

According to OECD, 54 per cent of students who began their studies in 2010 were still in Germany after five years – and successfully completed their studies. Among students who began their studies in 2015, the figure was as high as 63 per cent. After ten years, the retention rate was still 45 per cent (OECD 2022).

There are therefore opportunities in attracting more third country talent, but also to retain the already arrived third country talent for a longer period of time for continued economic development and contributions. This concerns both talent arrived for the purpose of work and their families, and international students.

Talent retention in the Talent Hub Project

Following extensive desktop research and stakeholder consultations, IOM has under the Talent Hub project formulated 34 interconnected recommendations for enhanced talent retention in Denmark, Germany, and other EU Member

States. The recommendations are divided into three systematic and five thematic areas and meant to capture both the complexity and necessary engagement of private and public stakeholders for enhanced talent retention.

The recommendations underline that improved talent retention requires practical interventions and policy reform by stakeholders on all levels who need to strategize, coordinate, and cooperate. Attraction schemes cannot stand alone but should be supported by active integration and inclusion efforts targeting international talent.

The Talent Hub project

Through the Talent Hub project, implemented by the IOM offices in Denmark and Germany in cooperation with Copenhagen Capacity and funded by the European Union via the Technical Support Instrument, IOM provides technical support to strengthen the capacity of CopCap and other public Danish and selected European stakeholders to develop, adapt and implement strategies related primarily to talent retention, nurturing and attraction. Within the Talent Hub Project reference to talent TCNs shall be understood as mid- to highly skilled non-EU migrants that have come to the EU area for the purpose of work or studies. More information and project materials:

<https://denmark.iom.int/talent-hub-eu>

<https://germany.iom.int/talent-hub-eu>

The Talent Hub project understands retention not only as national efforts to retain talent in the individual EU Member State, but also as an opportunity for all parties – including employers and talent – to support professional and economic development by facilitating intra-EU circulation of talent and therefore retention in the EU area.

The role of municipal actors in the retention of international talent

Municipalities play a central role in welcoming international talents and their families by providing support and information and creating an inclusive and supportive environment. Municipalities and local authorities are encouraged to systematically offer services in support of retention to international talent and their families, also by engaging in talent management cooperation with various stakeholders, such as employers. Creating a welcoming atmosphere sends a strong message that international talent is valued and appreciated, which can significantly contribute to their decision to stay long-term.

Out of the full list of 34 recommendations divided into systemic and thematic areas, IOM has for the purpose of this brief selected three key recommendations for municipal actors to enhance retention of

international talent.

→ **Establish and expand International Citizen Service (ICS) centres / offline one-stop-shops across the country**

International talent should have access to user-friendly, multilingual information on available services such as health care, school enrolment, entitlements, and housing information. Accessible and accurate information in different languages ensures that all talents have equal opportunities to understand processes and requirements. Municipalities play a crucial role in setting up such information services in cooperation with local partners such as employers. This could be done both online and onsite through the establishment of (additional) designated centres responsible for the information provision. Competencies should be bundled to provide such services from a single source. Simplifying and streamlining information and providing clear guidelines greatly enhance the experience for international talents.

By actively investing in and supporting international talent services and one-stop shops, municipalities can enhance their attractiveness as destinations for international talent, foster a more inclusive and welcoming environment and guide talent who may consider leaving the country again.

→ **Provide pre- and post-arrival establishment support to incoming talent and families**

While it may be evident that attraction actions take place before arrival, it is important to keep in mind that attracting and retention are linked, and that also retention should be anticipated and supported at all stages. International talent and their families should therefore be provided with information and concrete guidance both before and after arriving in the country.

Increased focus should be on the family, including but not limited to education support, housing, language, and arrival orientation, employment assistance and skills recognition for partners. Particularly municipalities can offer practical assistance through locally employed Settlement Consultants (bosætningskonsulenter) benefiting from their local knowledge and networks and mandated to assist arriving talent and other internationals. At the same time, municipalities are encouraged

to actively promote the services of Settlement Consultants to employers and newcomers if in need of assistance. Municipal schools should be capacitated to include and integrate more international children. Information on local schools and guidance on the structures and expectations of the national school system should be provided to talent families wishing to include their children in the public school system rather than international schools.

→ **Actively use country and place branding for attraction and retention**

The municipality may represent the first point of contact for newly arrived citizens and is an administrative body that represents a specific geographical location and possibly a distinct profile for tourism purposes. Municipalities could through cooperation with cities, employers and larger companies advocate for and develop local and regional branding strategies targeting talent, as for example by focusing on the business side of the branding, work and private life opportunities in the municipality. Including, but not limited to housing and leisure time.

The development of branding strategies and designs could involve also different sets of actors, as for example civil society including diaspora organisations, non-governmental organisations, educational institutions, locally living international talent as well as companies. Building partnership with actors is encouraged to become better at promoting the city for its strength and opportunities, which require a collective effort and a holistic approach.

A holistic view of talent retention

Although IOM has in this brief presented three selected recommendations for municipal actors, out of a total of 34 recommendations, focus on a few select interventions may ultimately not maximise retention to the desired degree. Enhanced retention requires interventions by private and public stakeholders across multiple topics in a whole-of-government, coordinated approach.

Improved talent retention requires a holistic, inclusive, and cooperative approach that is based on evidence and analysis of own strengths and needs, as well as an understanding of the multiple factors that affect retention both positively and negatively, from practical support over societal structures to legislative and policy factors.

Sources

- Local Government Denmark (KL): "International Arbejdskraft – Vi har brug for flere kolleger fra udlandet" (2023)
- AxcelFuture: "Hvidbog og løsningsforslag til bedre vilkår for tiltrækning og fastholdelse af internationale højtuddannede talenter og specialister fra lande uden for EU" (2023)
- Damvad: "Internationale dimittenders værdi for samfundsøkonomien – med fokus på tekniske- og naturvidenskabelige dimittender" (2022)
- Confederation of Danish Industry (DI): "Højtuddannede indvandrere er en god forretning for Danmark" (2021)
- Confederation of Danish Industry: "Rekordmange internationale medarbejdere i Danmark" (2023a)
- Confederation of Danish Industry: "International Arbejdskraft," presentation at Business Forum 2023 (2023b)
- Danish Industry: "Exit af udenlandsk arbejdskraft vil koste statskassen 19,5 mia. Kr" (2018)
- Research Institute of the Federal Employment Agency (IAB): "Demografische Entwicklung lässt das Arbeitskräfteangebot stark schrumpfen" (2021)
- Institute for Applied Economic Research at the University of Tübingen (IAW): "Vorstudie zur Abwanderung von ausländischen Fachkräften" (2022)
- For the purpose of this brief, IOM has primarily included references to newer sources.

A more complete bibliography of sources used for the project research is available in the separate documents produced under the Talent Hub project available on <https://denmark.iom.int/talent-hub-eu> or <https://germany.iom.int/talent-hub-eu>.

This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union

PROJECT WEBSITES:

<https://denmark.iom.int/talent-hub-eu>

<https://germany.iom.int/talent-hub-eu>



COPENHAGEN
CAPACITY



Funded by
the European Union