

## InvestChile Executive Summary

Title of Study: World Talent Ranking (WTR) 2023

Author: IMD Business School

### Overview

For more than 30 years, the World Competitiveness Center (WCC) of the Institute for Management Development (IMD) has been a pioneer in research on how countries and companies compete to lay the foundations for sustainable value creation. This ranking evaluates the capacity of an economy to develop the skills and competencies of its national talent pool while taking advantage of foreign potential to meet local market demand and raise the competitiveness of that economy.

A key component of this is the capacity to attract and retain talent. At the core of this capability is the incentive that promotion and career development provide to potential candidates. The ranking also identifies career development risks related to the shift towards remote or hybrid work.

The WTR studies 64 economies and quantifies 31 criteria, which are assigned to three factors. The *I&D factor* considers the internal resources allocated to developing domestic talent. The *Appeal factor* evaluates the ability to attract and retain both local and international talent. The *Readiness factor* quantifies the quality of the competencies and skills of the existing talent pool.

The following table shows Chile's performance in recent years:

Factor	2019	2020	2021	2022	2023
Investment and Development	50	48	46	50	54
Appeal	34	30	23	28	35
Readiness	46	48	58	47	49

Chile has always had a high ranking, surpassing all the Latin American countries included in the sample. However, the region as a whole did not score well. Chile ranked 50th, the strongest economy on the continent, followed by Argentina and then Peru. Colombia and Mexico followed in the ranking.

Chile stands out in the WTR 2023 mainly in the *Appeal* factor, ranking 13th for its ability to attract talent from abroad (Foreign highly-skilled personnel) and 14th on the issue of personal taxes. In the *Readiness* factor, the country stands out in the labor force growth factor, where it ranks 3rd overall. Likewise, in *Investment and Development*, it ranks 17th in the world in the percentage of GDP allocated to Public Expenditure on Education.

## Conclusions

WTR 2023 reconfirms Switzerland's ongoing dominance in this competitive talent ranking. On a regional level, Western Europe remains the global leader. However, the fact that some top-ranked countries are lagging behind in the science graduates component of the *Readiness* pillar may lead to a decline in the sustainability of competitive talent. Chile ranks 40th in this indicator, placing it above several countries that precede it in the global ranking. In the same pillar, the international experience of managers in the country places Chile in 26th place, on par with several developed countries.

The competitive talent ranking also showed findings on the consequences of the changing work model. Nearly 68% of the executives surveyed considered that in-person work is important for career development. This is derived from the negative consequences of less interaction with supervisors and colleagues. Such conditions can lead to limited training opportunities and subsequent staff development. All of the above could possibly affect productivity and innovation.

Therefore, it is important for Chile to maintain its solid position in *Talent Attraction and Retention*.