International Journal of Advanced Technology in Engineering and Science
Vol. No.4, Issue No. 10, October 2016
www.ijates.com
ijates
ISSN 2348 - 7550

COMPARISON OF INDIA AND CHINA BASED ON GLOBAL TALENT COMPETITIVENESS INDEX

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ABSTRACT

Global Talent Competitiveness Index Report published by INSEAD, Adecco Group and Human Capital Leadership Institute in partnership with other organizations provides annual benchmarking study measuring the ability of countries to compete for talent of above 100 economies and provides rank (index) of each country annually which is known as Global Talent Competitiveness Index (GTCI). Global Talent Competitiveness Indexing is carried out on the basis of two categories–Input Sub-Index Category and Output Sub-Index Category. Input Sub-Index Category consists of 4 pillars and Output Sub-Index Category consists of 2 pillars. Each of these pillars is further broken down to miscellaneous sub pillars for the purpose of evaluation of talent competitiveness of different economies .The paper aims to compare the current trends between India and China prevailing in the current year and the areas of talent competitiveness in which India needs improvement for positive growth in its rank in talent competitiveness.

Keywords*: *Talent, Global Talent Competitiveness Index, Trend

I. INTRODUCTION

India and China are considered the major economies of Asia and at the same time leading exporters of talent. Although both of them have common characteristics in terms of population, market, resources etc. China's climb in global publication rank is most commendable when compared to that of India. India was ahead of China in the period between 1990 and 1995 by doubling its publications and by 2009, the number of China's publications became 5 times that of India. Today, China is leading India in all the pillars of economic growth, innovation and talent competitiveness. A comparative study of both the countries based on Global talent Competitiveness Index (GTCI) 2015-16 reveals the areas of improvement for enhancement of global talent competitiveness.

Due to globalization, all the countries are competing each other to grow better talents, to attract the desired talent and to retain the talent for global competitiveness. The GTCI (Global Talent Competitiveness Index) indexes the economies based on the ability of country to attract, to develop and retain the human capital that contributes to the productivity of a country. Irrespective of economy of different countries, all countries are trying to create conducive political, social and psychological environment for better talent flow and better productive growth of the country .Increased mobility of talented people across the globe has offered huge advantage to those nations which have the ability to attract talent with competitive salaries ,excellent professional environments and high standard of livings and at the same time weaken those countries which are

unable to keep hold of their skilled professionals . In order to evaluate each country in terms of its talent competitiveness , INSEAD, leading international business school based in Fontainebleau, near Paris ,Adecco group based in Zurich and Singapore's HCLI (Human Capital Leadership Institute) took an initiative in generating annual comprehensive report known as Global Talent Competitiveness Index (GTCI) Report using approximately 92 indicators . Depending upon the performance of each country in terms of talent competitiveness, each country is awarded rank known as Global Talent Competitiveness Index (GTCI). Global Talent Competitiveness Index (GTCI) report depicts not only the talent competitiveness of each country, but also, provides the measure of global impact of migration trends of individual country.

The entire evaluation of Global Talent Competitiveness of individual country is based on input-output model composed of six pillars out of which first four pillars fall under the category of Input side and the remaining 2 pillars belong to Output side. The Input side of GTCI consists of four pillars namely Enable, Attract, Grow and Retain and the output side of GTCI consists of two pillars namely Labor and Vocational (LV) skills and Global Knowledge (GK) skills. Global Talent Competitiveness Index (GTCI) is calculated as simple arithmetic average of the scores registered on each of the six pillars described above.

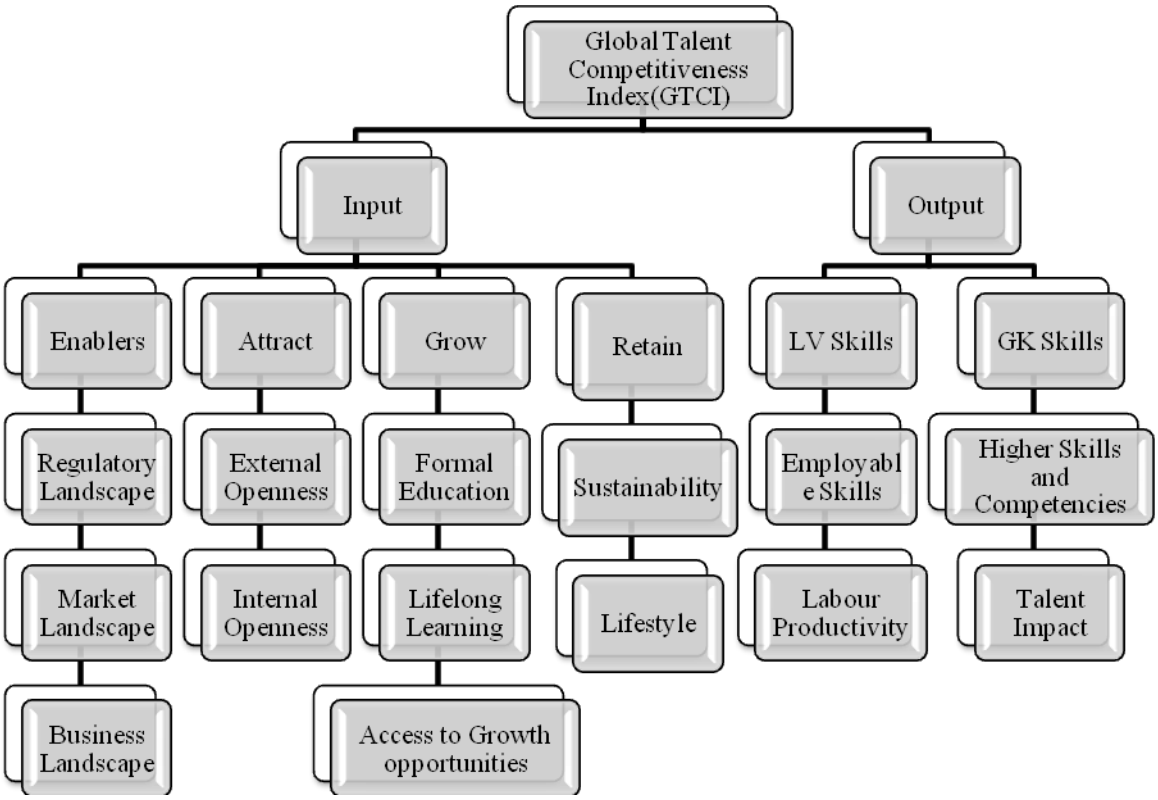

Figure1: Framework of Global Talent Competitiveness Index

II. RESEARCH METHOD

Research method used in research paper is Qualitative comparative analysis. Source of input data is GTCI (Global Talent Competitiveness Index) report (2015-16) generated by INSEAD -the leading business School, Human Capital Leadership Institute (HCLI) of Singapore and Adecco group based in Zurich -Switzerland

world's leading provider of HR Solutions .The annual report (2015-16) contains global talent competitiveness ranking of around 109 countries out of which focus is made on current ranking of India and China for the purpose of comparative study. Data available for the current year is shown by discrete bars or in tabular form for analysis purpose.

III. STUDY

Ranking of India and China Based on GTCI (Global talent Competitiveness Index) -As per GTCI report (2015-16), both India and China are showing downward trend in GTCI ranking as China and India is ranked 48th (down 7) and 89th (down 11) respectively .In spite of downward trend , China is far ahead of India in terms of Global Talent Cometitiveness Index .

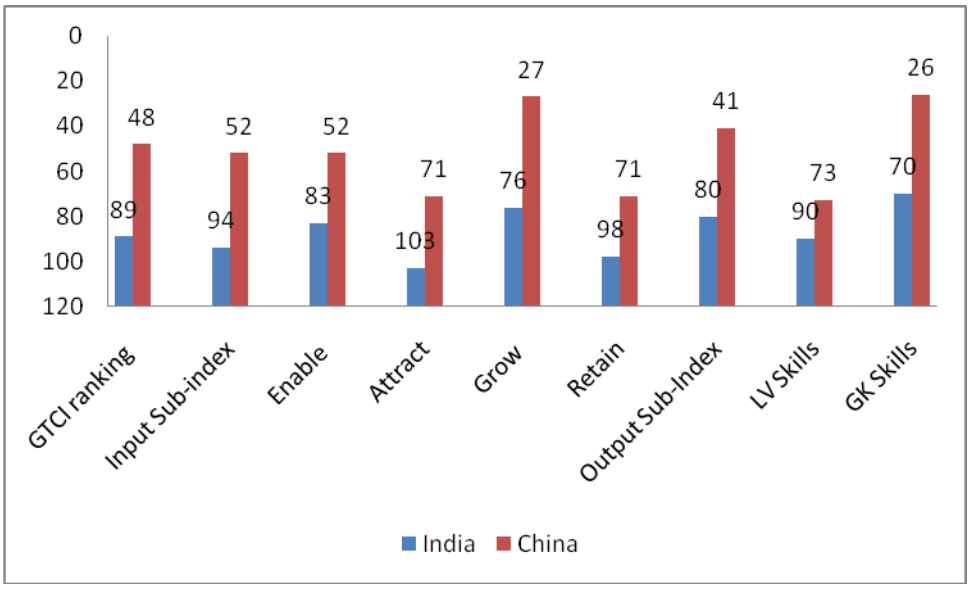

Figure 2 : Global rankings of India and China based on six pillars

3.1 Category 1: The Talent Competitiveness Input sub-index- In order to enhance global talent competitiveness, all countries are making efforts, formulating effective policies and making efficient utilization of resources which are described by the Talent Competitiveness Input sub-index. As can be seen in Fig.2, India is ranked at 94th rank and China is ranked at 52nd rank in terms of Talent Competitiveness Input Sub-Index. Thus China is leading India by 42 ranks.

3.1.1 First Pillar –Enable –Enable pillar is comprised of regulatory landscape, market landscape and business-labor landscape created by individual countries.

Table 1: Global Rankings of India and China based on Indicators of pillar -Enable

Indicators		Global Rankings		Difference
Number	**Names**	**India**	**China**	
I-1.0	**Enable**	103	52	31
I-1.1	**Regulatory landscape**	75	58	17
I-1.1.1	Government effectiveness	72	61	11
I-1.1.2	Business-government relations	76	27	**49**
I-1.1.3	Political stability	99	80	19
I-1.1.4	Starting a foreign business	20	43	-23
I-1.2	**Market landscape**	92	40	**52**
I-1.2. 1	Competition intensity	77	38	39
I-1.2.2	Ease of doing business	100	73	27
I-1.2.3	Cluster development.	24	22	2
I-1.2.4	R&D expenditure	42	19	23
I-1.2.5	I CT infrastructure	99	70	29
I-1.2.6	Technology utilization	85	59	26
I-1.3	**Business-labor landscape**	71	60	11
Labor Market Flexibility				
I-1.3.1	Ease of hiring	47	20	27
I-1.3.2	Ease of redundancy	74	88	-14
Governance				
I-1.3.3	Labor-employer cooperation	74	49	25
I-1.3.4	Professional management	60	35	25

***I-Indicator**

China is well ahead of India by at least 30 ranks in four indicators namely, I-1.0 (Enable) , I-1.1.2 (Business-government relations), I-1.2 (Market landscape),I-1.2.1 (Competition intensity) and ahead by at least 15 to 30 ranks in I-1.1.1(Government Effectiveness) , I-1.1.3 (Political Stability) ,I-1.2.2 (Ease of Doing Business), I-1.2.4 (R & D Expenditure) , I-1.2.5 (I .C.T. Infrastructure) , I-1.2.6 (technology Utilization) ,I-1.3.1 (Ease of Hiring) , I-1.3.3 (Labor-Employer co-operation) and I-1.3.4 (Professional Management). India is leading in two of the parameters viz. I-1.1.4 (Starting a foreign business) and I1-1.3.2 (Ease of Redundancy).

3.1.2 Second Pillar –Attract – Attract pillar describes the degree to which individual country is putting its efforts to attract talent. Attracting talent in the context of national competitiveness should be viewed in terms of the growth of the talent pool –external attraction involving appropriate immigration, as well as internal attraction focused on removing barriers to entering the talent pool for groups such as those from underprivileged backgrounds, women or older people.

Table 2 : Global Rankings of India and China based on Indicators of pillar -Attract

Indicators		Global Rankings		Difference
Number	**Names**	**India**	**China**	
I-2.0	**Attract**	103	71	32
I-2.1	**External openness**	75	60	15
Attract business				
I-2.1.1	FDI and technology transfer	80	68	12
I-2.1.2	Prevalence of foreign ownership	75	54	21
Attract people				
I-2.1.3	Migrant stock	96	109	-13
I-2.1.4	International students	86	80	6
I-2.1.5	Brain gain	37	24	13
I-2.1.6	Brain drain	35	28	7
I-2.2	**Internal openness**	100	80	20
Social Diversity				
I-2.2.1	Tolerance to minorities	66	73	-7
I-2.2.2	Tolerance to immigrants	88	86	2
I-2.2.3	Social mobility	61	52	9
Gender Equality				
I-2.2.4	Female graduates	n.a.	74	
I-2.2.5	Gender earnings gap	103	36	67

***I-Indicator**

China is leading by 67 ranks in I-2.2.5 (Gender earnings Gap) and leading between 15 to 32 ranks in I-2.0 (Attract), I-2.1 (External Openness), I-2.1.2 (Prevalence of Foreign Ownership) and I-2.2 (Internal openness). India is leading by 13 ranks in I-2.1.3 (Migrant stock) and by 7 ranks in I-2.2.1 (Tolerance to Minorities).

3.1.3 Third Pillar –Grow - Grow pillar describes the degree to which individual country is putting its efforts to grow the talent. It is one of the important levers for talent competitiveness.

Table 3: Global Rankings of India and China based on Indicators of pillar -Grow

Indicators		Global Rankings		Difference
Number	**Names**	**India**	**China**	
I-3.0	**Grow**	76	27	49
I-3.1	**Formal education**	66	9	57
Enrolment				
I-3.1.1	Vocational enrolment	99	31	68
I-3.1.2	Tertiary enrolment	79	76	3
Quality				

I-3.1.3	Tertiary education expenditure	37	n.a.	
I-3.1.4	Reading, math's and science	n.a.	1	
I-3.1.5	University ranking	31	11	20
I-3.2	**Lifelong learning**	66	17	49
I-3.2.1	Quality of management schools	49	71	-22
I-3.2.2	Prevalence of training in firms	43	1	42
I-3.2.3	Employee development	62	39	23
I-3.3	**Access to growth opportunities**	78	103	-25
Networks				
I-3.3.1	Use of virtual social networks	104	99	5
I-3.3.2	Use of virtual professional networks	79	102	-23
Empowerment				
I-3.3.3	Delegation of authority	47	41	6
I-3.3.4	Freedom of voice	42	95	-53

***I-Indicator**

China is leading by at least 40 ranks in I-3.0 (Grow) ,I-3.1(Formal Education) , I-3.1.1 (Vocational Enrolment) , I-3.2 (Lifelong Learning) , I-3.2.2 (Prevalence of Training in Firms) whereas India is leading by at least 25 ranks in I-3.2.1 (Quality of Management Schools) , I-3.3 (Access to growth opportunities) and I-3.3.2 (Use of virtual professional networks).

3.1.4 Fourth Pillar –Retain – Retain pillar evaluates the efforts made by individual country to retain the talent. There are more global opportunities for talented person so it becomes a challenge for a country to retain the talent for sustainability of growth .Quality of life plays main role in retention of talented persons.

Table 4: Global Rankings of India and China based on Indicators of pillar -Retain

Indicators		**Global Rankings**		**Difference**
Number	**Names**	**India**	**China**	
I-4.0	**Retain**	98	71	27
I-4.1	**Sustainability**	93	66	27
I-4.1.1	Pension system	82	66	16
I-4.1.2	Taxation	35	27	8
I-4.2	**Lifestyle**	98	73	25
I-4.2.1	Environmental performance	105	91	14
I-4.2.2	Safety at night	52	21	31
I-4.2.3	Physician density	69	47	22
I-4.2.4	Sanitation	96	85	11
I-4.2.5	Flexible employment	n.a.	n.a.	

***I-Indicator**

China is leading by at least 22 ranks in I-4.0 (Retain) , I-4.1 (Sustainability) , I-4.2 (Lifestyle) , I -4.2.2 (Safety at Night) and I -4.2.3 (Physician Density) .

3.2 Category 2: The Talent Competitiveness Output sub-index –The Talent Competitiveness Output sub-index measures the **quality of talent** in individual country from the policies formulated, efforts made and resources allocated as mentioned in the talent Competitiveness Input sub-index pillars. The output parameters of GTCI differentiate between the two levels of talent which can be broadly thought of as mid-level and high level skills. As can be seen in Fig.2, the talent competitiveness output sub-Index, India is ranked at 80th rank far behind by China (41st rank)

3.2.1 Fifth Pillar –Labor and Vocational (LV) Skills - Mid level skills ,labeled as Labor and Vocational skills (LV skills) describes skills acquired through vocational training and are relevant to technical roles in the workforce. LV skills have greater impact on the economy of the country and can be measured by parameters like labor productivity, relationship between pay and productivity and mid-value exports as these parameters are dependent on such skills.

Table 5: Global Rankings of India and China based on Indicators of pillar -LV Skills

Indicators		Global Rankings		Difference
Number	**Names**	**India**	**China**	
I-5.0	**Labor and Vocational Skills**	**90**	**73**	17
I-5.1	**Employable skills**	84	**85**	-1
I-5.1.1	Secondary-educated workforce	63	69	-6
I-5.1.2	Secondary-educated population	n.a.	84	
I-5.1.3	Technicians and associate professionals	86	n.a.	
I-5.2	**Labor productivity**	79	36	43
I-5.2.1	Labor productivity per employee	82	70	12
I-5.2.2	Relationship of pay to productivity	57	12	45
I-5.2.3	Mid-value exports	48	19	29

***I-Indicator**

China is leading by 43 ranks in I-5.2 (Labor Productivity) and by 45 ranks in I-5.2.2 in I-5.2.2 (Relationship of Pay to Productivity) and between 17 to 29 in I5.0 (Labor and Vocational Skills) and I-5.2.3 (Mid-value exports) . India is leading by one rank in I-5.1 (Employable skills) and I-5.1.1 (secondary-educated workforce).

3.2.2 Sixth Pillar –Global Knowledge (GK) Skills –Global Knowledge (GK) skills are considered as high-level skills associated with knowledge workers in professional, managerial or leadership roles. Global Knowledge (GK) skills have enormous impact on the economy of the country .The economic impact of economic skills can be evaluated using parameters relating to innovation and sophisticated exports that rely on GK skills .

Table 6 : Global Rankings of India and China based on Indicators of pillar - GK Skills

Indicators		Global Rankings		Difference
Number	**Names**	**India**	**China**	
I-6.0	**Global Knowledge Skills**	**70**	**26**	44
I-6.1	**Higher skills and competencies**	77	75	2
I-6.1.1	Tertiary-educated workforce	81	n.a.	
I-6.1.2	Tertiary-educated population	n.a.	76	
I-6.1.3	Professionals	86	76	10
I-6.1.4	Researchers	69	45	24
I-6.1.5	Senior officials and managers	42	82	-40
I-6.1.6	Quality of scientific institutions	48	36	12
I-6.1.7	Scientific journal articles	51	37	14
I-6.2	**Talent impact**	57	3	54
I-6.2.1	Innovation output	61	16	45
I-6.2.2	H igh-value exports	44	3	41
Entrepreneurship				
I-6.2.3	New product entrepreneurial activity	14	11	3
I-6.2.4	New business density	83	n.a.	

***I-Indicator**

China is leading India by at least 40 ranks in I-6.0 (Global knowledge skills) ,I-6.2 (Talent impact) , I-6.2.1 (Innovation Output) and I -6.2.2 (High value Exports). India is leading by 40 ranks in I-6.1.5 (Senior Officials and Managers),

IV. RESULTS AND ANALYSIS

Both the countries are not getting stronger in terms of talent competitiveness index although China is leading India .The same is the case with all BRICS countries.

4.1 Results and Analysis on the Talent Competitiveness Input Sub-Index --- Low rank in Talent Competitiveness Input sub-index reflects difficult business conditions and shortage of skilled labor force.

4.1.1 First Pillar –Enable – –In case of Enable pillar, difficulty of doing business & uncertain political environment attributed to poor performance. In India there is no improvement in regulatory and market landscape which will act as hindrance to the ambitious project of "Make in India" campaign.

4.1.2 Second Pillar –Attract- Both India and China are facing major challenge for attracting talent in the era of globalization as both the countries have large emigration rates of highly skilled people in the past. In case of Attract pillar, China has scored at 71st rank and India even worst of the scores at 103rd –due to lack of international students and unlike China, India is not able to attract and retain global talent. So India is more at a risk of brain drain despite the connection with Diasporas working the IT sector. Improvement of India would have the greatest impact not only in terms of pool of talent not only in the region but also globally. China will be new talent magnet if it manages to lure back former emigrants with science and engineering skills.

4.1.3 Third Pillar –Grow - India's ranking in Infrastructure pillar is Ecological sustainability as well as environmental performance. China has performed better strengthen in growing talent despite low score in vocational skills. China stood first in reading math's and science scores. Growing talent consists of traditional education, but it should be broadened to include apprenticeships, training and continuous education, in addition to experience and access to growth opportunities.

4.1.4 Fourth Pillar –Retain – Both countries unable to retain talent despite connection with the diasporas working the IT sector .Both the countries showing poor performances in sustainability and environmental performance.

4.2 Results and Analysis on Talent Competitiveness Output Sub-Index - Innovation output are the outcome of innovative activities within the economy. Both the countries are facing acute shortage of skilled workforce.

4.2.1 Fifth Pillar – Labor and Vocational (LV) Skills - Low ranking in labor and vocational skills is observed not only in India but also in few developed countries like Ireland, Belgium or Spain. Although India and China have invested in higher education but neglected vocational education thus both are showing shortage in vocational skills.

4.2.2 Sixth Pillar –Global Knowledge (GK) Skills – On analysis of Global Knowledge skills ranking , China is showing impressive 26th rank whereas India is far away from China by holding a 70th rank .Impressive ranking of China in Global Knowledge skills may be attributed to its impressive ranking in high value exports and talent impact.

V. CONCLUSION

India's GTCI ranking is lowest among the five BRICS countries, whereas China is leading the pack with a global ranking of 48.In India there are no signs of an improved regulatory and market landscape to enable the Make in India campaign. One of the challenges for India and China is to attract talent from abroad, particularly in the context of large emigration rates of high-skilled people in the past. India and China both need to improve their ranking in vocational skills.

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