

## International Research

# Progress Report on the Fresh Talent Initiative

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### Introduction

This progress review conducted by the authors from the University of Strathclyde, considers key questions as to whether there is still a need for a Fresh Talent initiative, what “talent” means and which groups of talent should be attracted. It provides an assessment of the impact of Fresh Talent to date as well as the evaluation processes in place. In looking forward, the review also identifies options for the initiative to continue to make a sustainable and meaningful contribution to addressing the talent needs of Scotland.

## Main Findings

- Whilst recent increases in migration to Scotland has relieved some of the immediacy of the demographic pressure, attracting talent into Scotland remains a medium to long term necessity.
- More than 15 projects have been implemented under Fresh Talent, ranging in size and complexity from the formation of the Relocation Advisory Service, and the Fresh Talent Working in Scotland Scheme for international graduates to supporting universities and colleges in Scotland to link international students with business in Scotland under the Challenge Fund.
- FT has already made an impact; more overseas students have been given the chance to study in and experience life in Scotland, and more than 1800 graduates have taken up the opportunity to work here for at least 2 years under Fresh Talent: Working in Scotland scheme.
- Networks with diasporians have been developed to provide web-based contacts and up to date information on modern Scotland. The construction of these into an ‘affinity diaspora’ as a target group would use more productively the advocacy role of this talent that has left Scotland and focus on attracting these Scots back.
- There are real challenges in encouraging business in Scotland to embrace FT more widely. Employers need to have greater involvement with FT schemes, including entrepreneurial programmes, and web-based links with talent considering relocating to Scotland.
- Retaining talent in Scotland alongside its attraction should be a more central and crucial element of the initiative in future. This is challenging as talent is a much sought after commodity in the global market.
- Within the UK managed migration policy context, the case for defining EU/EEA migrants as a target group is strong.
- Attracting fresh talent is a long-term goal and the future development of FT will require key decisions to be made over the level of human and financial resources committed.

## The Initiative and this research

The Fresh Talent (FT) initiative launched by the First Minister in February 2004 aims:

- to address the projected falling population and increasing age demographic in Scotland by encouraging and enabling people to relocate to Scotland, allowing ongoing stays by students, and other measures;
- to bolster the dynamism and cosmopolitanism of Scottish life and the economy; and
- to promote Scotland as an ideal place to live, study, work and do business.

In addressing these issues, action under the initiative to date has been targeted towards those who will assist meeting these aims and who will ensure that Scotland attracts and retains “bright, talented, hard working people who can make a positive contribution to the Scottish economy and society” and support a diverse population base.

This research involved a mapping exercise collating evidence to review progress in implementing each FT objective expressed in terms of measurable targets and outcomes. Interviews with, and review of practices within, a sample of key agencies involved in the Initiative has also been undertaken to augment the output from previous reviews and secondary statistical evidence of the wider context in which FT has been positioned.

## Changing contexts

Since its launch, changes in the demographic trends in Scotland, the new proposed migration policy in the UK, limited skills shortages and growing debates over the importance of culture within the economy have reshaped the context in which FT is located. Despite these shifts, and the recent rise of in-migration to Scotland, the fundamentals of an ageing population, the importance of migration rates to population growth, and the associated future labour market demands means Scotland still needs to attract new talent – albeit that some of the immediacy of the pressure has been released.

The new managed migration proposals for the UK point in future to FT having to be about attracting talent amongst high skill graduates, in areas of skill shortages in Scotland, international students for short periods of time, and lower skilled groups within the EU/EEA. Whilst Scotland experiences currently some skills gaps and hard to fill vacancies, with future growth there will be a requirement for new labour and this will have to include talented labour outside of Scotland.

## Key target groups

To date the focus has been on international students, people wishing to work in Scotland and assistance to business in Scotland to recruit overseas. Less attention has been given to entrepreneurs and the self-employed or to returnee Scots. Whilst this focus includes many of the most mobile groups, the changing contexts around Fresh Talent raise opportunities for other target groups to be identified:

- a) the retention of talent in Scotland and reducing the ‘flight of talent’ (currently as many of the 55,000 per annum) can make an equally significant contribution to reducing some of the demographic pressures.
- b) using more productively the talent which has left Scotland to enhance their advocacy role for Scotland by conceiving of this ‘affinity diaspora’ as a target group, and bringing together some of the contact networks already in place.
- c) recognising that supporting short-term exchanges within companies, and movement associated with international contracts and global business can be advantageous to retaining people and talent in Scotland
- d) a geographically defined target group within the EU/EEA as increasingly it is from here that many talented people will be drawn to meet labour needs in Scotland under UK managed migration policy.

## Impact of Fresh Talent

After only two years it is unrealistic to expect that the impact of Fresh Talent be visible in terms of significantly increasing in-migration flows to Scotland. Nevertheless early shoots of new growth are evident, as more overseas students have been given the chance to study in and experience life in Scotland, and more than 1800 have taken up the opportunity to work here for at least 2 years under Fresh Talent: Working in Scotland scheme.

- a) International students

Under FT, 22 high quality and experienced graduates have been recruited under the Scottish International Scholarship programme, 12 imaginative projects funded within Universities and Colleges in 2005-06 to support international students in career planning and access to employment, and more than 1800 international graduates have been given leave to remain and work in Scotland for 2 years under Fresh Talent Working in Scotland Scheme.

Whilst inevitably, the numbers involved in most schemes form only a small proportion of the market, the ‘ripple out’ impact of these schemes has brought wider and longer-term

benefits – promoting Scotland, raising further the profile of higher education opportunities, and showing employment opportunities in Scotland.

For such success to continue:

- graduates retained in Scotland under FTWiSS need to be supported in gaining more permanent residency through other in-migration schemes;
- Universities need to provide more resources to internal support services (eg Careers Offices, International Student offices) to support overseas students in being retained in Scotland;
- employers in Scotland need to have a greater involvement with FT schemes such as those under the Challenge Fund.

b) businesses within Scotland.

With limited evidence of an imperative for business to seek out overseas labour, and with language difficulties cited as the principal barrier to overseas recruitment, there are real challenges in encouraging business to embrace Fresh Talent. The ultimate success of both the student and business components of FT will rest on changing employers' attitudes and engagement with international labour and their overall expectations of FT.

This could involve:

- greater involvement of business within global networks to make them aware of skill levels;
- more work placement links for overseas graduates, as their linguistic abilities could alter employer perceptions, and assist retention of talent;
- development of web forum connecting employers seeking to recruit with talent considering relocation to Scotland;
- a high skilled entrepreneur programme amongst international students studying in Scotland.

c) returnee Scots

Activity to date has been focused primarily on web-based contacts and the development of information networks and engagement with selected diasporans to support specific events. This diverse group of many millions of people remains underused and greater coordination into an 'affinity diaspora' group should be developed under FT. It is important that key diasporans are able to renew their felt

experience of Scotland, if they are to be advocates for a modern Scotland.

## Evaluation and monitoring

More than 15 projects have been implemented under Fresh Talent, ranging in size and complexity from the formation of the Relocation Advisory Service, and the Fresh Talent Working in Scotland Scheme for international graduates to supporting Universities in Scotland to link international students with business in Scotland under the Challenge Fund. Each of the projects has been or will be subject to evaluation, usually external to the Executive, and clear objectives and measurable targets have been set for each project. Further, FT as a whole has been subject to considerable external scrutiny.

## Developing the Fresh Talent Initiative

With limited financial resources and a small team of staff in the Executive, supported by partner agencies, Fresh Talent to date has pushed forward action which in other countries is undertaken by single departments of Government and a larger resource base.

As 'talent', or human capital, itself has become a valued commodity, competed for by governments and companies across the world, all Fresh Talent schemes have to compete in an already crowded market places – and to do so will require continuing resources, both human and financial. Without further and expanded funding, the Fresh Talent unit on its own will not have the capacity to meet all aspects of this challenge.

Four different scenarios provide options for Fresh Talent

- continuing to roll out adding new initiatives as it targets new groups but with greater financial and human resource provision;
- to roll forward from one area of activity to another and mainstreaming previous initiatives;
- can operate on a more focussed basis on specific and fewer target groups; or
- become a skills led approach to matching migration with labour shortages.

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The report, "Progress Report on the Fresh Talent Initiative", which is summarised in this research findings is a web only document and is available on the publications pages of the Scottish Executive website at [www.scotland.gov.uk/socialresearch](http://www.scotland.gov.uk/socialresearch)

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