

# Global Staffing Approach

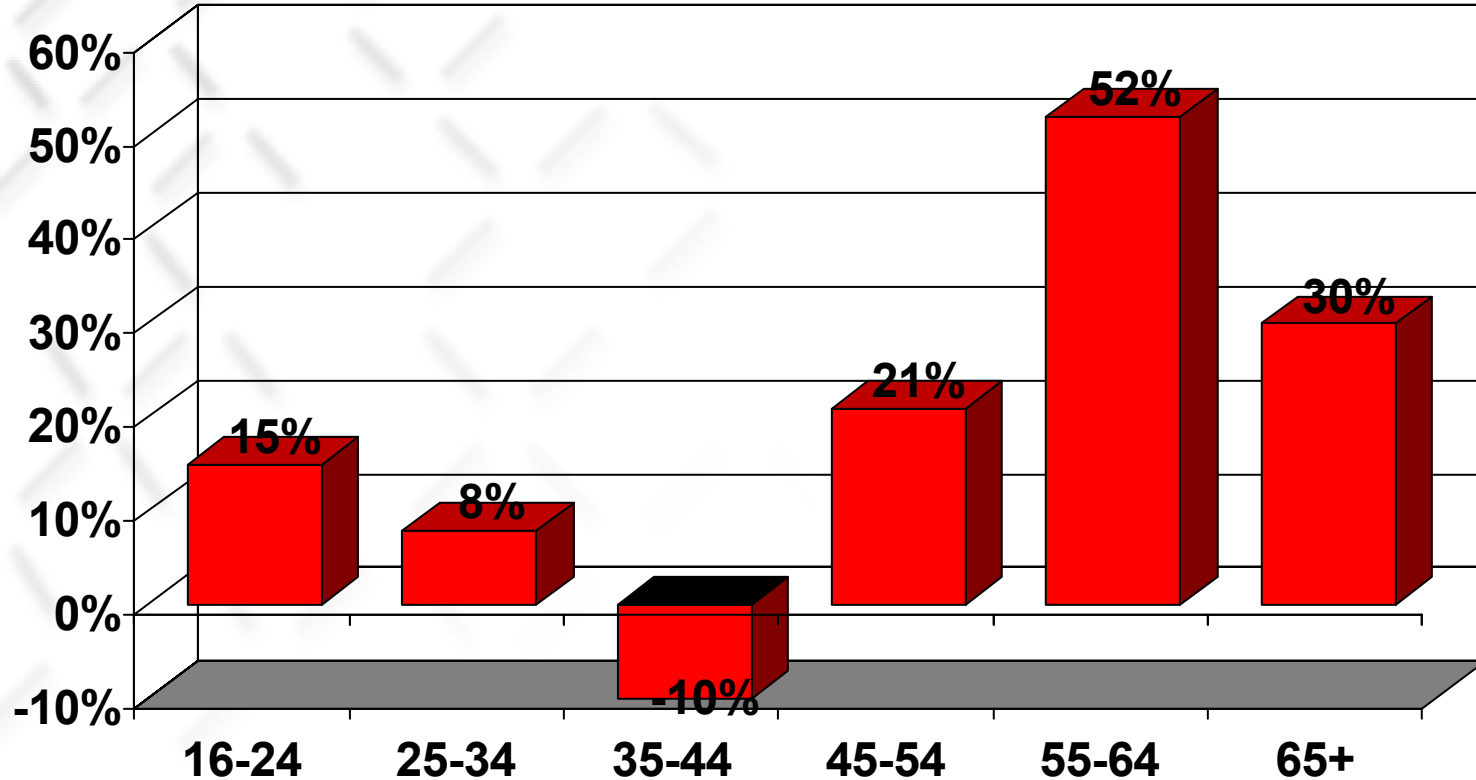
## U.S. Workforce Demographics

**Engineering fits right into the overall pattern.**

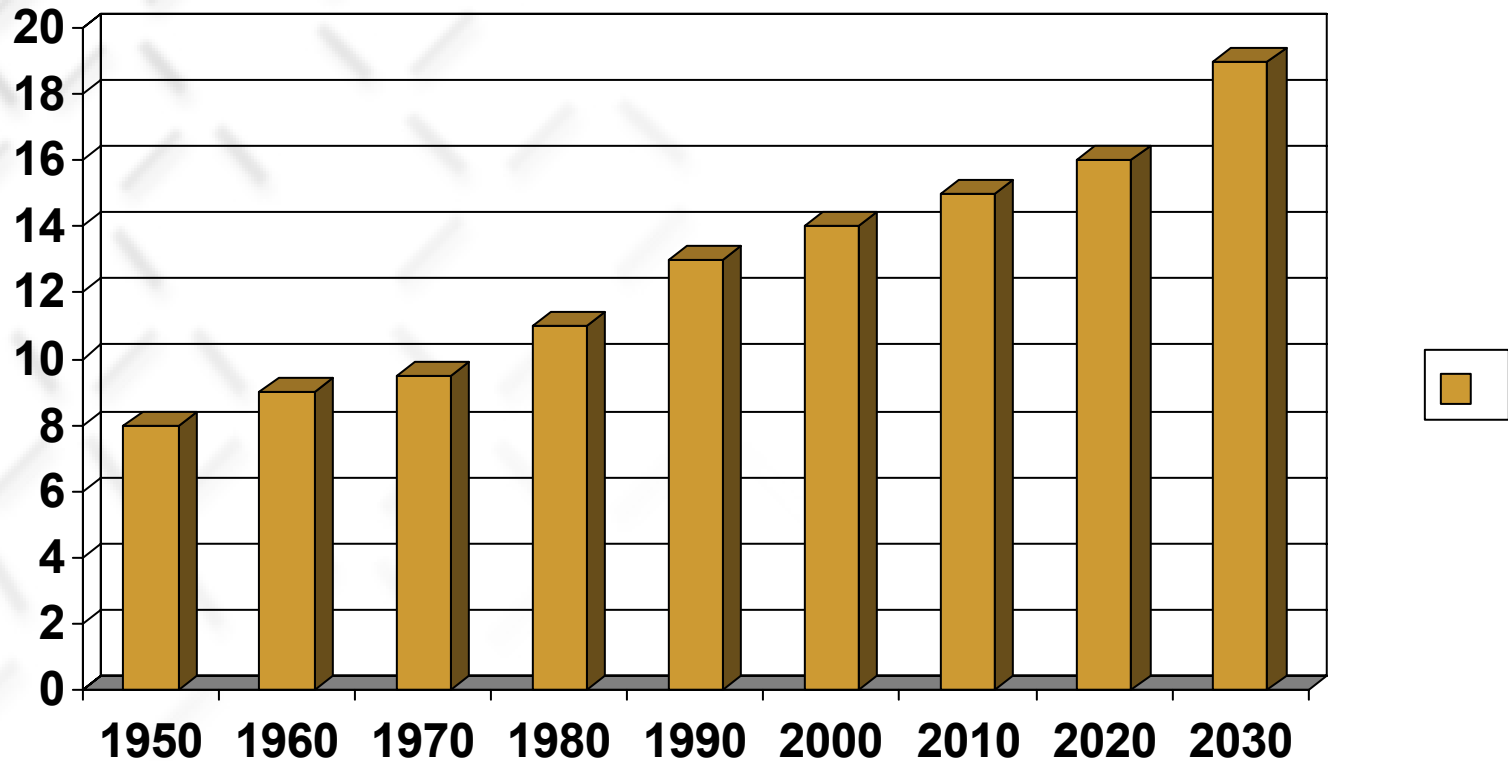
**But,**

**The old argument that the industry is cyclical is not dealing with the problem.**

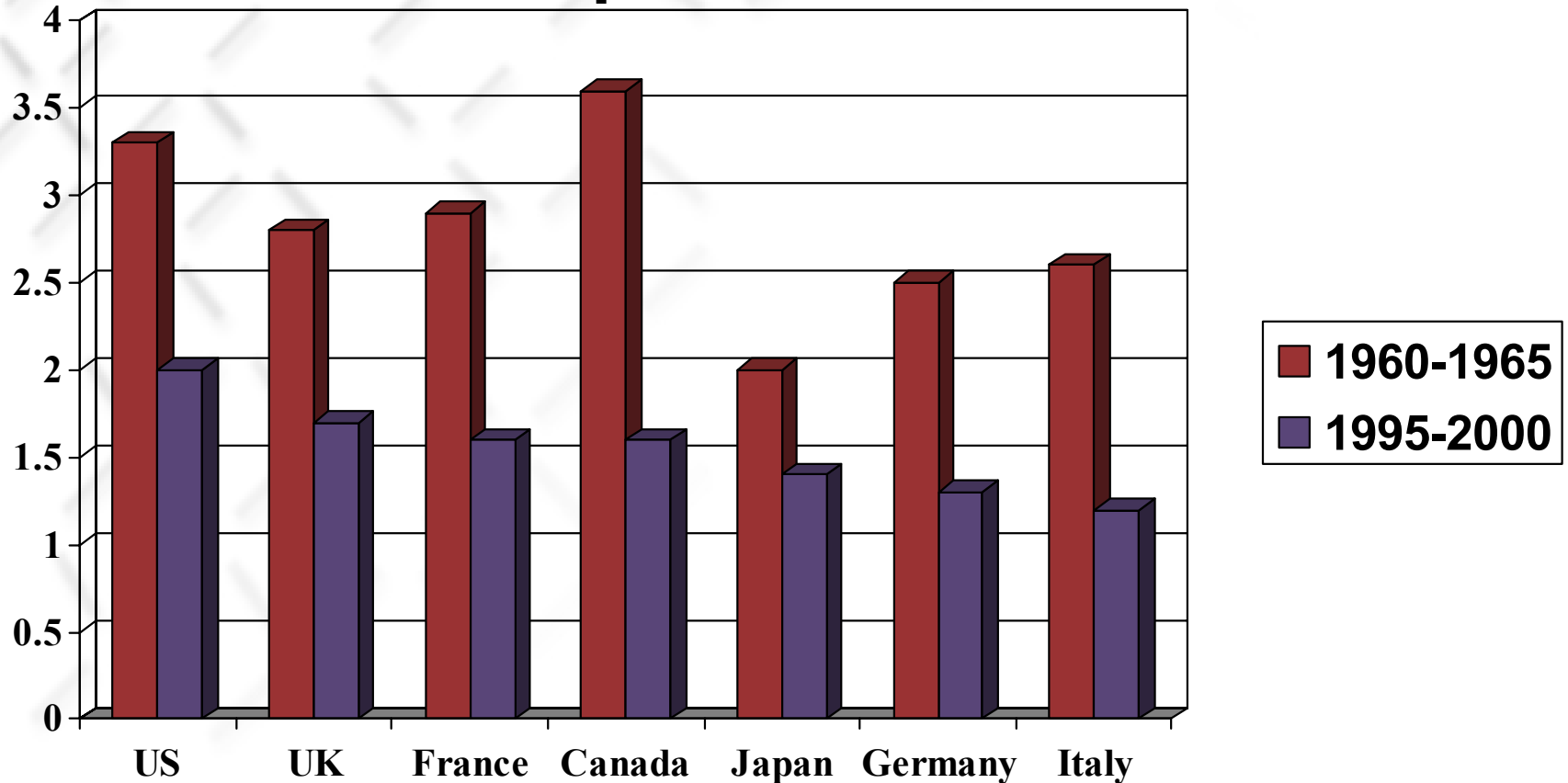
## Growth in U.S. Workforce by Age 2000–2010



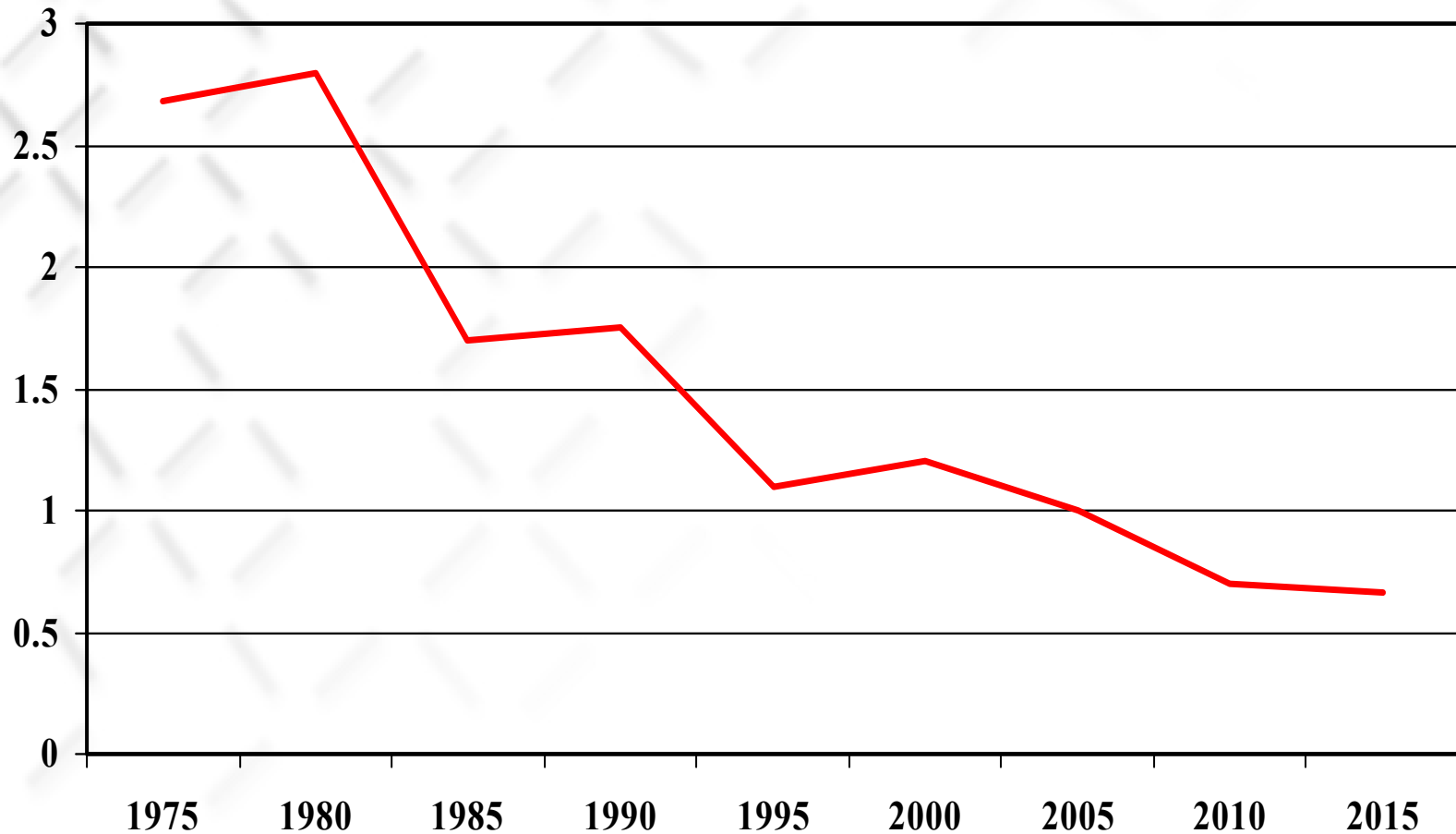
## Percentage Growth of U.S. Population Over 55



## Fertility in every developed country has fallen below the 'replacement' rate of 2.1

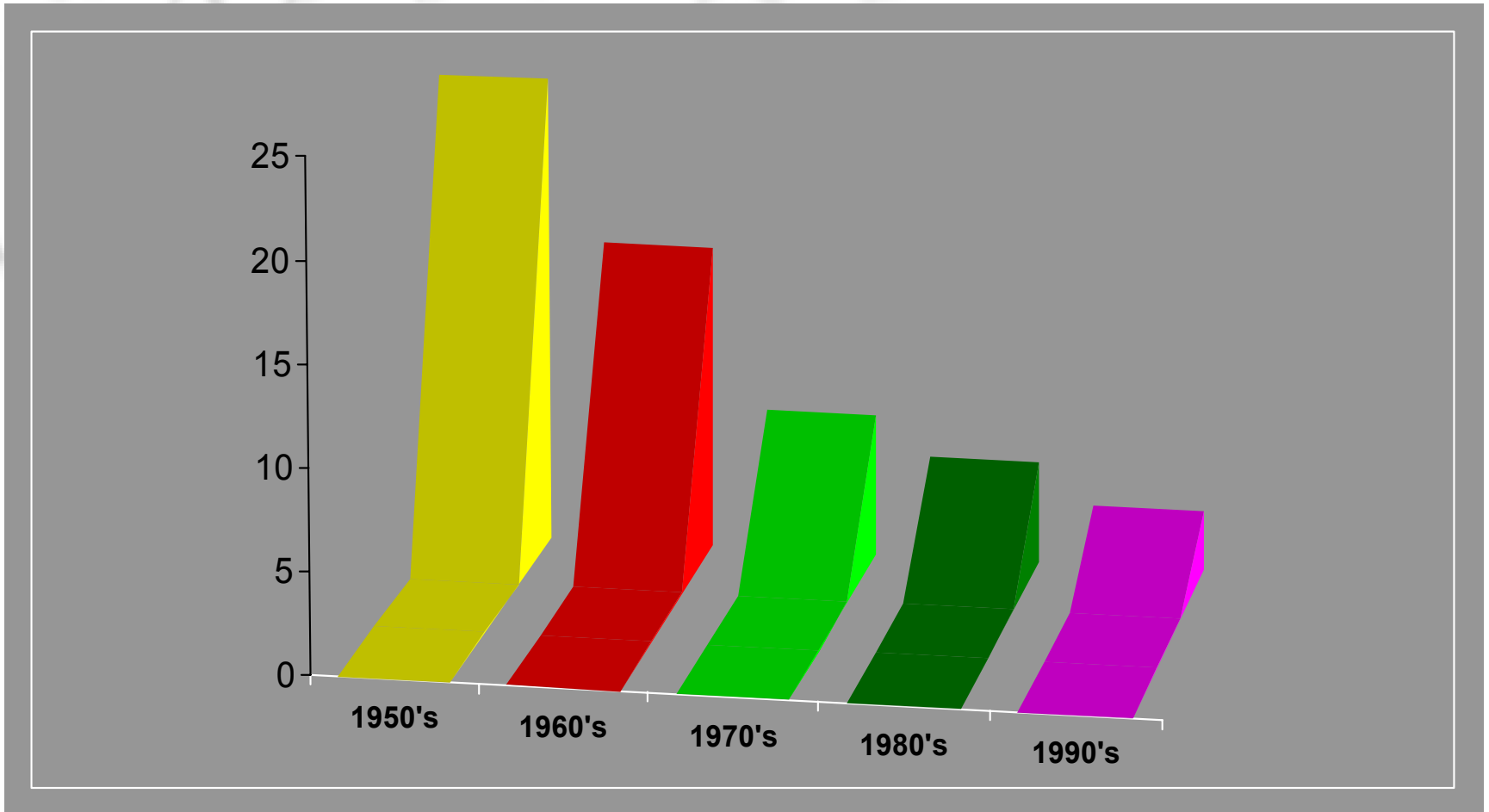


## % Growth rate – US workforce



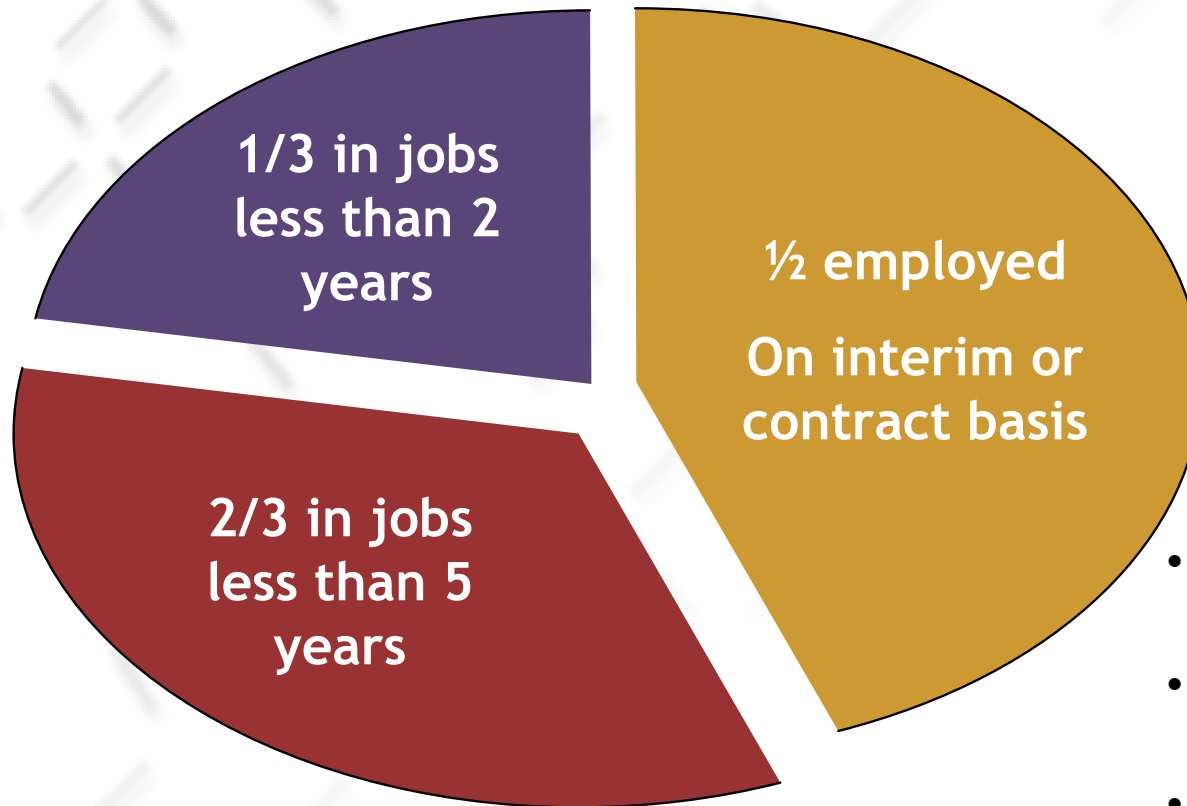
Source: Workforce 2020

## Declining Employee Tenure



Source: US Department of Labor (BLS)  
Employee Tenure Surveys, 1995-1998

## Turnover and Retention



- Loyalty/Commitment-Non Existent
- Job-hopping will be the rule
- Some Companies-Turnover in IT close to 50%



# Core versus Non-Core



## Balancing the Resources

Management

Project & Line  
Management

Plant  
Management

Commissioning  
Oper/Maint.

Project Controls  
/ Construction

Start-up  
Specialist

Maintenance  
Technicians

Crafts/Admin  
Support

Non-Core

**CORE**

**NON-CORE**

DECISION-MAKING FRAMEWORK

# Why fewer engineers in 2006?



- Combined with basic demographics....
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- OP co.s now pinching from the E&Cs

# Other countries - undergraduate degrees



In Science and Engineering:

Japan 66%

China 59%

US 32%



# Foreign-born talent in 2005 in the US



- 40% of MIT grads come from abroad
- 50%+ of all PhD's in US are immigrants
- Immigrants working in US comprise 45% of
  - Physicists
  - Computer scientists
  - Mathematicians

# Why are they going home?



Many reasons are cited, including:

- Government incentives / high growth in home countries
- Better public schools
- Less MTV
- Perceived lack of advancement of “foreigners” in US companies
- Dislike of US political climate

# So what??



**More execution talent comes from...?**

**Only two regular sources to date:**

- **Pinching talent from your competitor.**
- **Offshore partner / subsidiary office; India, Asia, China etc**

# IPS = new third choice



**We saw the need for a new resource and identified a supplement.**

**\* \* \* \* \***

**IPS (with a US partner and Tunisian partner) invested with a majority-Filipino owned company to form IPS.**

**As such, we can employ Filipino nationals in the US on e-visas.**

# Why is this working?



- Advantages all around

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- But this is a temporary stop-gap.
- It is not enough to “fix” the shortfall.