Immigrants as Innovators: How Employers in Ottawa can Benefit from Hiring Skilled Immigrants

Dr. Michelle Downie
The Conference Board of Canada

2011 Employers Council of Champions Summit
Learning Exchange
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Imperative for Action

• Approximately 250,000 immigrants are accepted to Canada annually.
• As of 2011 immigration is estimated to account for all of Canada’s net labour force growth.
• Approximately 60% of immigrants do not work in the occupational field they worked in before coming to Canada.
• 52% of recent immigrants (<10 years) are over-qualified for their current job.
• In 2001, the estimated economic cost to Canada of not recognizing the credentials and skills of Canadians (notably immigrants) was between $4.1 billion to $5.9 billion annually.

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Leaders’ Roundtable on Immigration (LRI)

Sample Member Organizations:

- Certified General Accountants Association of B.C.
- City of Toronto
- GEM Health Care Services, Inc.
- Immigrant Services Calgary
- Nova Scotia Office of Immigration
- Office of the Fairness Commissioner, Ontario
- Ottawa Hospital
- Regional Municipality of Durham
- University of Ottawa…
New LRI Research

Do immigrants increase innovation:

1. Individually
2. In Canadian businesses
3. Nationally
4. Globally

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# How Canada Performs

## Report Card

<table>
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<tbody>
<tr>
<td>Innovation</td>
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<td>Education and Skills</td>
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<td>Environment</td>
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Source: The Conference Board of Canada.
Worldwide Focus on Innovation
As Individuals how Innovative are Immigrants?
Qualities of Immigrants

• High on achievement motivation

• High on power motivation

• Can be a source of “minority dissent”
Innovation and the Creative Economy

Soft Innovation: innovation in goods and services that primarily impacts sensory perception, aesthetic appeal or intellectual appeal.

CBoC research in Canada:
• Culture sector is worth $84.6 billion (7.4% of the GDP)
• Directly or indirectly employs 1.1 million people
Do Immigrants Make Canadian Businesses More Innovative?
“Diversity is related to business success because it allows companies to “think outside the box” by bringing previously excluded groups inside the box.”

--Cedric Herring, 2009
Findings from Previous Research

Positive Effects:
• Increased cooperation among workgroups
• Increased creativity
• Increased innovation

Negative Effects:
• Decreased commitment to the organization
• Increased absenteeism and turnover
• Decreased employee satisfaction

Conclusion: Diverse teams that use their variety of perspectives outperform non-diverse teams, however, diverse teams that do not use their diversity perform worse than non-diverse groups.
Immigrants and Innovation
Employers’ Perspective

- Innovation
- Client Relationships
- Competitive Advantage
- Domestic Markets
- Global Partnerships

Employers - Haven't Asked
Employers - Asked
Immigrants and Innovation
Employees’ Perspective

- Innovation
- Client Relationships
- Competitive Advantage
- Domestic Markets
- Global Partnerships

Employers - Haven't Asked
Employers - Asked
Employees
Employees’ Perceptions

Empowering Manager

Workplace Engagement

Innovation
How can Managers be Empowering?

1. Ask sincere questions.
2. Provide employees with avenues to ask questions and raise ideas.
3. Offer employees choices.
4. Provide a rationale when issuing directives.
Are Immigrants helping Canada to become more Innovative?
Trade Model: Key Variables

- Total Number of Immigrants
- Geographical Distance
- Trade Office
- English/French Speaking
- GDP
- Population

Imports/Exports to/from Canada
## Implications for Imports

<table>
<thead>
<tr>
<th>Country</th>
<th>Immigrants</th>
<th>Imports</th>
<th>Per Capita</th>
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<tr>
<td>United States</td>
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<td>China</td>
<td>4,669</td>
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<tr>
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<td>$157,000</td>
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<tr>
<td>United Kingdom</td>
<td>5,796</td>
<td>$11 Million</td>
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<tr>
<td>Japan</td>
<td>217</td>
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<tr>
<td>Guinea-Bissau</td>
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Do Immigrants Increase Innovation Globally?
## Innovation Globally

*(Boston Consulting Group, 2007)*

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<tr>
<th>Highest Ranked</th>
<th>Other Noteworthy</th>
<th>Lowest Ranked</th>
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<tbody>
<tr>
<td>1</td>
<td>Singapore</td>
<td>106 Benin</td>
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<tr>
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<td>South Korea</td>
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<td>19 Germany</td>
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Immigration and Innovation Globally

Immigration

Innovation
Pathway to Increase FDI

Immigration  Innovation  FDI
Research Conclusions

To date, at every level of analysis immigrants are associated with innovation.

Specifically, immigration is associated with:

• High Individual Achievements
• Increasing Canada’s trade levels
• More Global innovation
• Increasing Global FDI
Increased Competition: Traditional Countries

February 7, 2011

- Brookings’ Centre for Technology Innovation and the Center for Science and Technology Policy at George Mason University held an immigration policy event, *Highly Skilled Workers and U.S. Competitiveness and Innovation.*
Increased Competition: Non-Traditional Countries

China and India:

- These rising economies are now presenting more viable career options for individuals, which may decrease overall migration.

- At the same time it may prompt a “reverse brain drain” as immigrants choose to pursue opportunities in their home country.
Increased Competition: Non-Traditional Countries

**Skolkova, Russia**

- Offering substantial tax incentives to skilled immigrants to build a “Silicon Valley” just outside of Moscow.

**Chile**

- Offering start-up funds and tax incentives to build another “Silicon Valley.”
Key Message for Employers

1. Deliberately bringing immigrants into your organization to be innovators is smart.
2. Immigrants have the knowledge, skills and drive to be successful in your organization.
3. Immigrants can help to open your organization up to new ideas and new markets.
4. Make your organization “immigrant-friendly”!
Recommendation for Employers

1. Value Diversity.
2. Hire Immigrants at Every Level of the Organization.
3. Match the Organization to the Clientele.
4. Be Patient.

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