



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

Dr. Michelle Downie

The Conference Board of Canada

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Learning Exchange

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The Conference Board of Canada



- Independent, not-for-profit, applied research
- Specialists in economic trends, organizational performance and public policy
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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.*



Leaders' Roundtable on Immigration (LRI)



The Conference Board of Canada
Insights You Can Count On



Leaders' Roundtable on Immigration

MAKING IMMIGRATION WORK FOR BUSINESS

Getting the Workers You Want for *Your* Competitive Advantage

The Challenge

Canadian business is counting on immigration to meet its future skills and labour demands. Yet our immigration system is not responding adequately to business needs.

The Opportunity

Canadian business leaders can drive change and leverage immigration to achieve their global business objectives.

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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



How Canada Performs

REPORT CARD

	2008 Report Card	2009-10 Report Card
Innovation	D	D
Education and Skills	B	A
Economy	B	B
Society	B	B
Health	B	B
Environment	C	C

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.

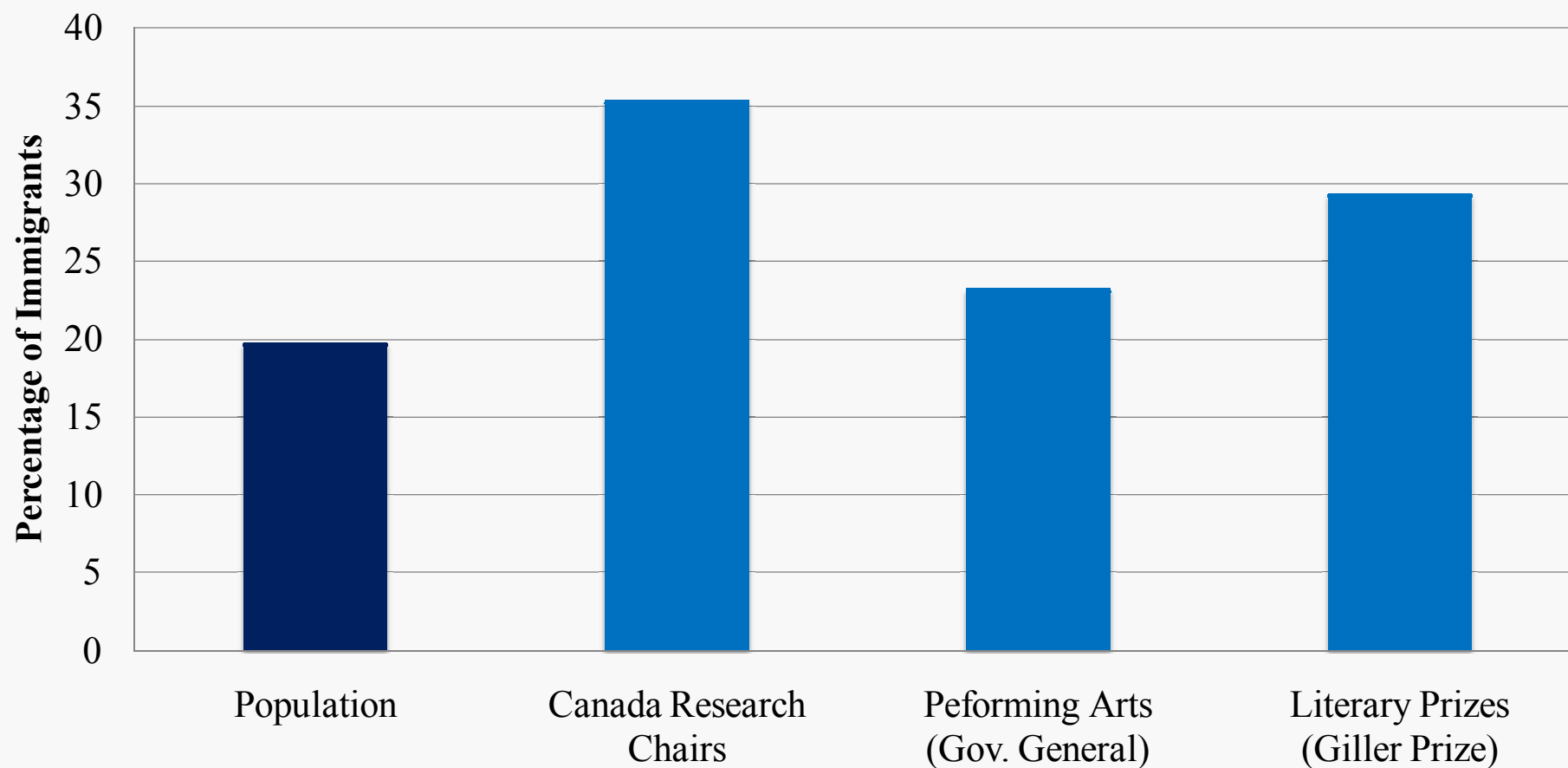
CBoC research in Canada:

- Culture sector is worth \$84.6 billion (7.4% of the GDP)
- Directly or indirectly employs 1.1 million people



Individual Achievements

CBoC Canadian Research



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:

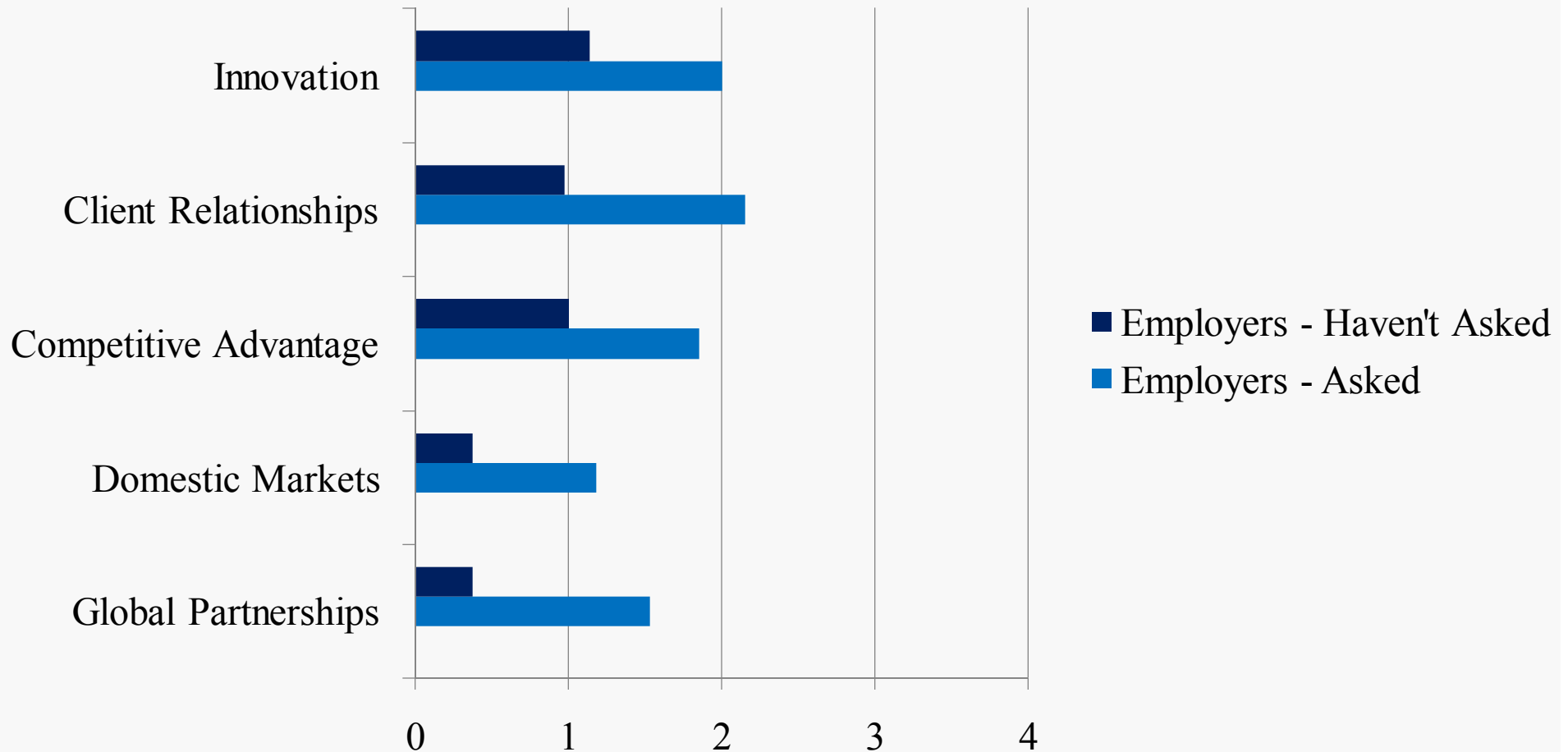
- Decreased commitment to the organization
- Increased absenteeism and turnover
- Decreased employee satisfaction

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.*



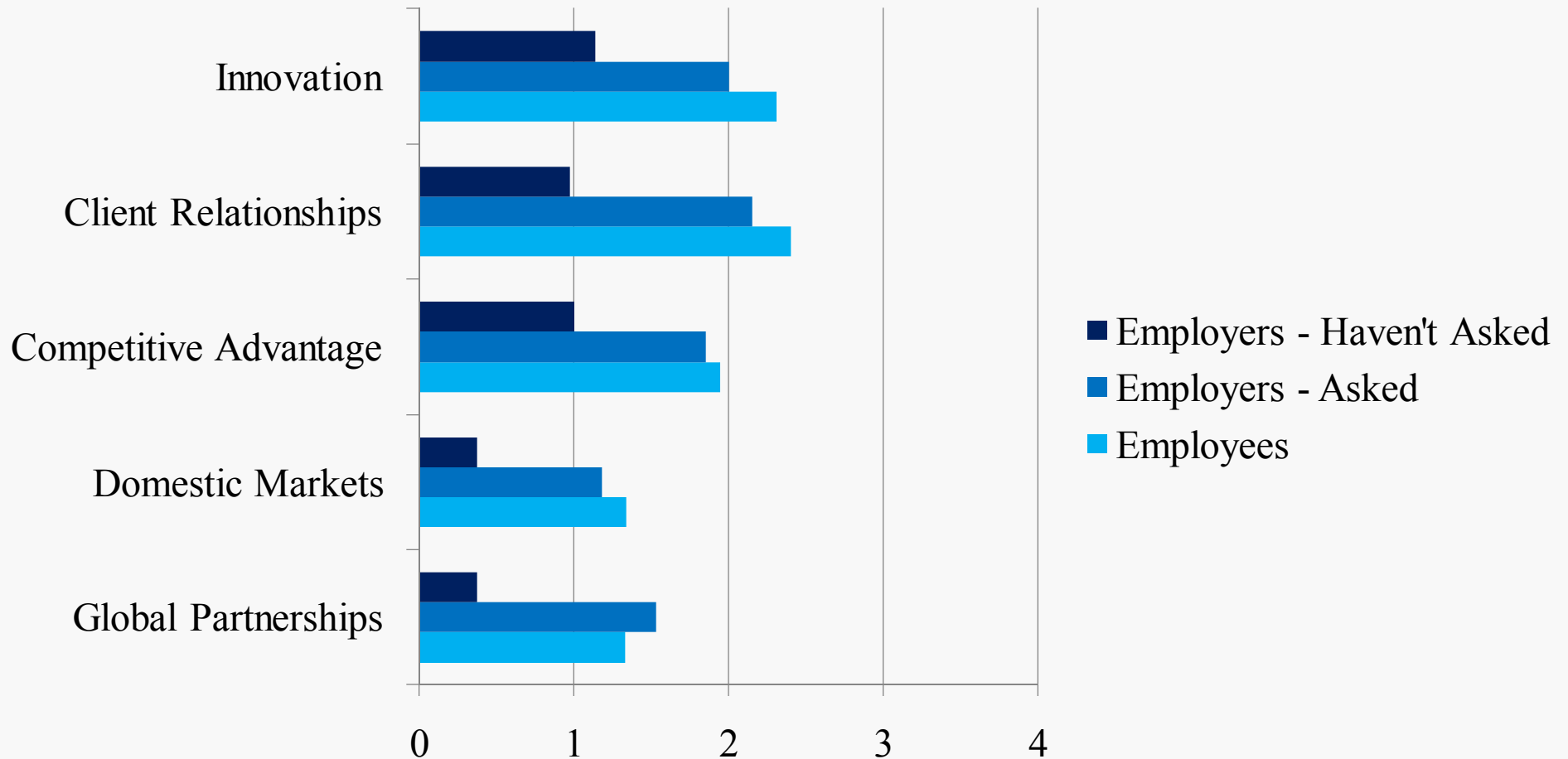
Immigrants and Innovation

Employers' Perspective

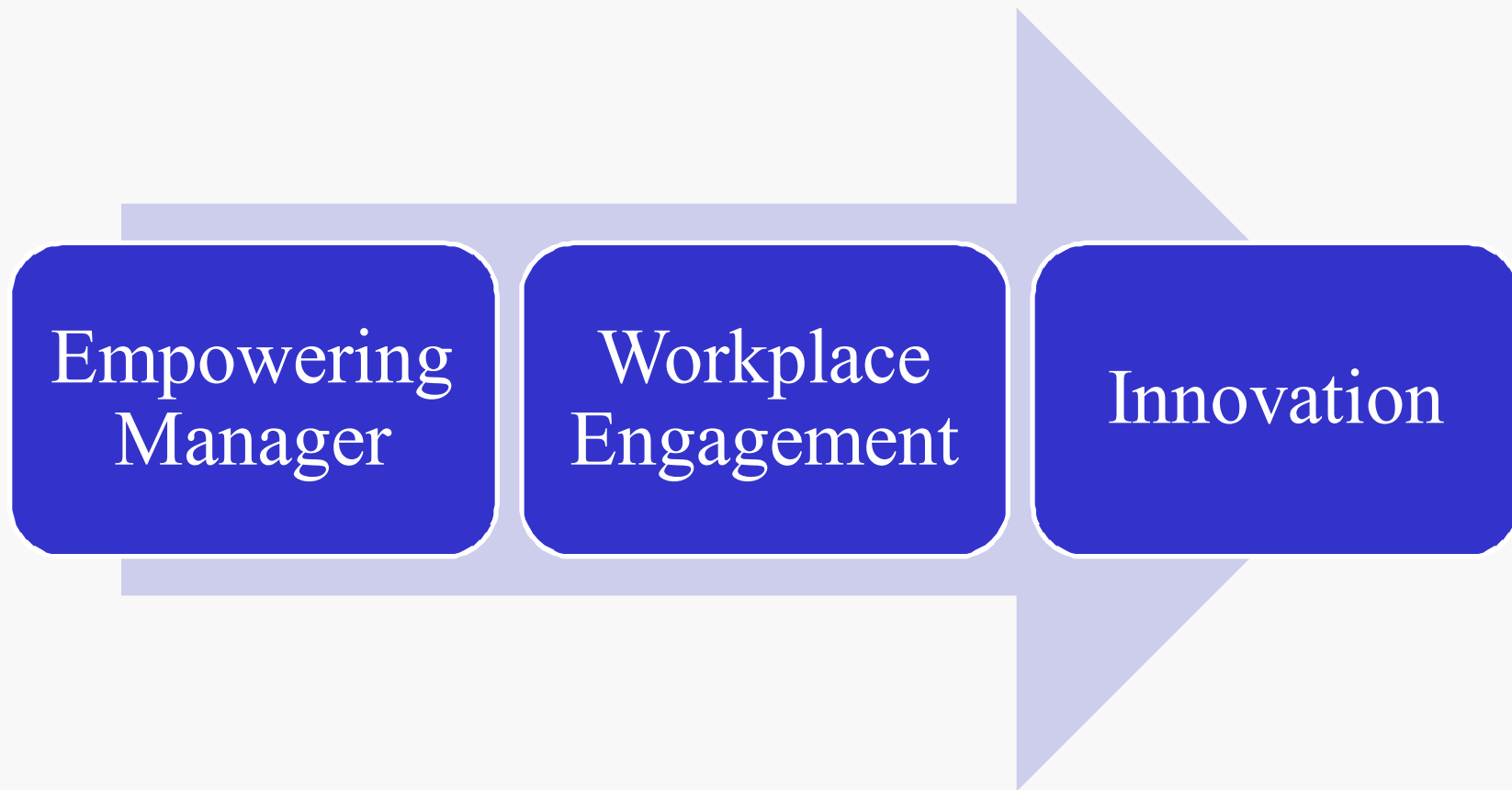


Immigrants and Innovation

Employees' Perspective



Employees' Perceptions



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?



Immigration and Trade

Preference for
Home-country
Products

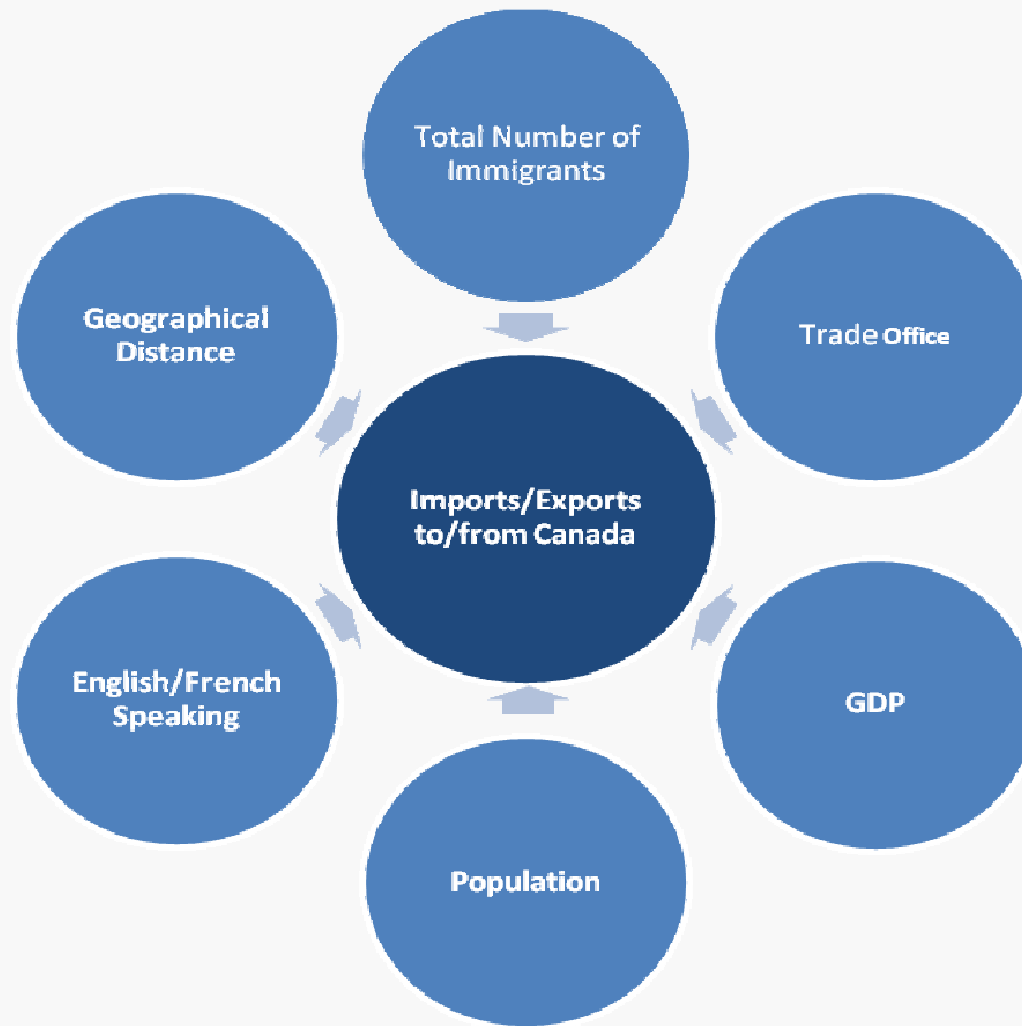
- Imports

Information &
Contacts

- Imports
- Exports



Trade Model: Key Variables



Implications for Imports

Country	Immigrants	Imports	Per Capita
	1.00%	0.20%	
United States	2 505	\$444 Million	\$177,000
China	4 669	\$69 Million	\$15,000
Mexico	499	\$32 Million	\$65,000
Bhutan	1	\$51	\$51
Guinea-Bissau	1	\$6	\$6



Implications for Exports

Country	Immigrants	Exports	Per Capita
	1.00%	0.11%	
United States	2 505	\$393 Million	\$157,000
United Kingdom	5 796	\$11 Million	\$2,000
Japan	217	\$10 Million	\$48,000
Guinea-Bissau	1	\$300	\$300
Lesotho	1	\$300	\$300



Do Immigrants Increase Innovation Globally?



Innovation Globally

(Boston Consulting Group, 2007)

Highest Ranked		Other Noteworthy		Lowest Ranked	
1	Singapore	8	United States	106	Benin
2	South Korea	9	Japan	107	Cameroon
3	Switzerland	14	Canada	108	Venezuela
4	Iceland	15	United Kingdom	109	Burundi
5	Ireland	19	Germany	110	Zimbabwe



Immigration and Innovation Globally

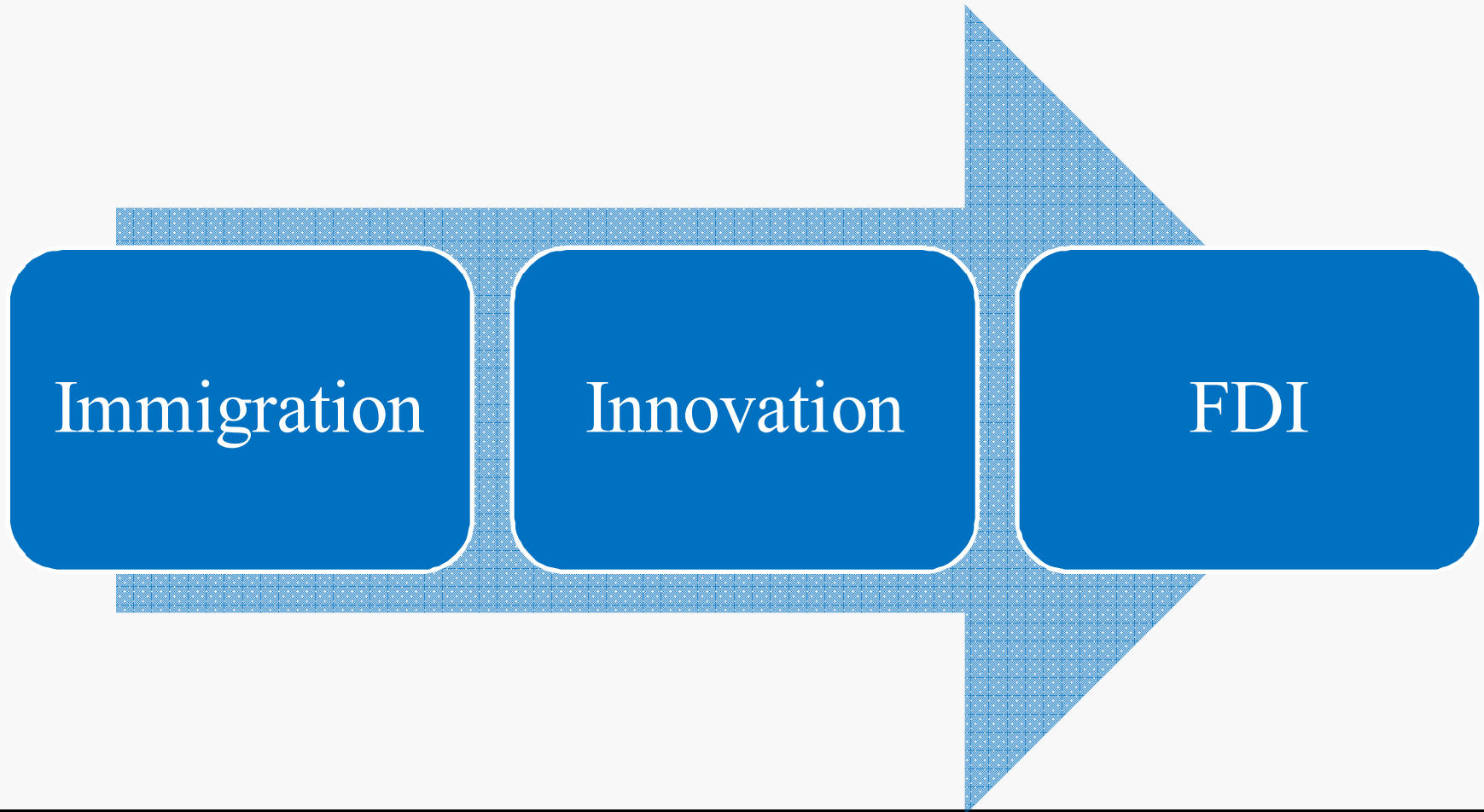


Immigration

Innovation



Pathway to Increase 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.



Contact

Michelle Downie

Senior Research Associate

The Conference Board of Canada

E-mail: downie@conferenceboard.ca

Tel: 613-526-3090 ext. 442

