Who Wants Global Talent?

Idea In Short

Treat skilled immigration as a competitive asset, not a political football. Immigrants supply half of American Nobel prizes, a third of inventors and 40 percent of cancer researchers. Rising visa denials and processing delays push that talent toward Canada and China, and employers are already relocating projects.

A Half-Century Magnet

For all its faults, the United States has been the destination of choice for emigrants for half a century. The country remains a magnet for talented, ambitious risk takers, as anyone with friends or family holding recent green cards can attest. Harvard professor Bill Kerr titled his book The Gift of Global Talent, and his thesis is simple even where the data collection was difficult: immigrants drive a large share of American growth, innovation and entrepreneurship.1 One factoid captures the stakes. Roughly 40 percent of United States cancer researchers are immigrants. People want to live and work in America, and that has largely been a blessing.

Demand Outruns Supply

The economy generates demand the domestic workforce cannot fill. With unemployment at a 50-year low, October 2018 counted seven million unfilled jobs in the United States, including 450,000 highly skilled manufacturing positions. Basic economics says suppliers move to fulfill demand, and the visa numbers prove the point. The H-1B season opens April 1 with 85,000 visas to allocate, and applications typically reach 300,000 within one week. The queue is the market speaking.

Where Elite Talent Lives

Migration statistics reveal a steep talent gradient. Most people live in their birth country, with only 2 to 3 percent living elsewhere. College-educated people migrate at two to three times that rate, and for Nobel prize winners the figure reaches one in two. American universities anchor the pipeline, awarding 50 percent of United States doctorates to immigrants. The prize data tells the story across generations. In 1950 one in three American Nobel winners was an immigrant, and now it is one in two. In 2016, seven Americans received Nobel prizes, six born outside the country. The seventh, American-born laureate was Bob Dylan. Through 2016, 107 American Nobel winners had immigrated to the United States, against only four American-born winners who emigrated elsewhere.

Inventors follow the same curve. In 1975 one in twelve American inventors, defined by patent filings, was an immigrant, and today it is one in 3.5. Chinese and Indian nationals accounted for 3 percent of United States patent awards in 1975 and 18 percent now. The enabling factors include top-shelf research universities, a liberal social-political environment, access to capital and a tolerance for entrepreneurship embedded in forgiving bankruptcy laws. Geography shifted too. Invention that once thrived in corporate towns like Rochester and Detroit now clusters in San Francisco, Boston and New York, a live demonstration of Michael Porter's cluster theory over industrial policy. The largest technology companies unsurprisingly submit and win the most H-1B applications.

Four Reasons Talent Looks Elsewhere

The magnet is weakening for four reasons. Visas have become difficult, with lower hiring caps, more paperwork and more rejections. The environment reads as increasingly hostile, including the threatened repeal of H-4 work authorization for spouses and partners. United States multinationals can simply place global talent in offices abroad. And non-United States companies now offer great careers, growth and compensation, with China matching America's count of unicorn companies valued above one billion dollars. None of these forces requires talent to suffer. Talent has options, and options get exercised.

The Cost of Parsimony

Dick Burke, chief executive of Envoy Global, argues that United States policy for highly skilled workers needs a reboot.2 In a survey of 400 human resources executives, roughly 26 percent had postponed a project, canceled a project or moved one overseas because of talent shortages. The administrative record explains why. Visa denials rose 41 percent year over year. Requests for evidence (RFE) multiplied, some seemingly frivolous, such as asking a company with 100 billion dollars in revenue whether it can afford the hire. H-1B transfers that once took 15 days with premium service now take six to seven months. The Wall Street Journal summarized the burden:

> "The USCIS site lists a mind-boggling 95 forms a sponsoring company must review before completing an application. Then there's cost. In addition to a $1,500 non-refundable filing fee for each application, firms must budget for additional expenses incurred by legal, human resource and IT departments which can tally as much as $20,000 per visa application. In 2014, five percent of H-1B applications were rejected by the USCIS. In 2018, 25% were denied. Moreover, 60% of applications are now returned to sponsoring companies asking for additional information via 'request for evidence' mandates. In 2016, 30% of applications were returned seeking more evidence."

The United States Citizenship and Immigration Services (USCIS) processes remain the gatekeeper, and the gate keeps narrowing.3

What Employers Can Do Now

Companies cannot rewrite visa policy, and they can still manage around it. Practical moves include filing earlier and more completely to survive evidence requests, budgeting the full 20,000 dollars per application rather than discovering the cost midstream and building redundancy into staffing plans for visa-dependent roles. Larger employers increasingly maintain ready capacity in Toronto, Vancouver or European hubs so that a denied petition moves a desk rather than killing a project. Talent strategy also extends to advocacy, since HR leaders who quantify postponed and offshored projects give policymakers the evidence that abstractions never provide. The firms that treat immigration operations as a competence rather than an administrative chore convert a shared national handicap into a private advantage.

Canada Says Welcome

While America adds friction, Canada removes it. Streamlined processes can authorize work within 15 days. Toronto ranks as the most cosmopolitan city in the world, with more than half its residents foreign nationals. Salesforce committed two billion dollars to build out multiple Canadian campuses, a corporate vote of confidence in the policy gap. The immigration debate is not new, and the data on origin countries stretches back generations. What is new is credible competition for the talent America once attracted by default. Executives planning multi-year talent strategies should assume the friction persists and locate work accordingly. Countries, like companies, compete on how easy they make it to say yes.

- 1Harvard Business School
- 2Envoy Global
- 3USCIS

Summary

Global talent concentrates wherever universities, capital and openness invite it. America built a half-century advantage on that formula and now taxes it with denials, delays and paperwork. Canada moves faster. Executives should plan talent strategy assuming the friction persists.