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Skilled migration boosts productivity and has employee support

New research findings published by NIESR show evidence of a positive and significant association between increases in employment of migrant workers and labour productivity. The research, which included employer interviews, focus groups and data analysis found that recruiting from outside the UK had allowed employers to fill skilled and specialist roles and enabled some organisations to expand. It also found that employees accept the need for skilled migration and have benefited from working alongside migrants, while expressing some concern for job opportunities for the UK born.

The need for skilled migration

The research found that while employers see skilled migration as most important in meeting their needs, this was at odds with the public's image of a migrant worker as in low skilled, low paid work. Public concern and knowledge about migration is largely focused on low skilled work, yet it is only part of the picture: in fact, migrant workers' skill levels are on average higher than those of the native born.

Employers reported that migrants' skills are often complementary to, rather than substituting for, those of UK born employees. A number of employers said they need people with international experience who can 'think global'. Focus group participants felt that the UK born now need to 'up their game' as labour markets become increasingly global.

Focus group participants accepted that employers sometimes need to source skilled employees from outside the UK. However, they also believed that skills shortages need addressing through measures including changes to the education and welfare systems. There is a mismatch between what employers say they do and what the public believes they do in terms of growing talent from within the UK. Employers and the education sector do not appear to articulate clearly their efforts to develop skills within the UK.

Migrants, diverse teams and productivity

Employers believe that the different experiences and perspectives of migrants create teams with different strengths and make workplaces more dynamic. The report includes a number of examples of how employers benefit from the perspectives and approaches of UK born and migrant employees. These benefits were readily acknowledged by focus group participants who felt that, at workplace level, diversity brought about through migration, was generally working well.

One of the report's authors, Heather Rolfe said

'We hear a lot about public opinion and concern about migration, but our findings suggest that the need for skilled migration is more widely accepted than is often believed. People enjoy working alongside migrants and feel they personally benefit in terms of their own skills and the services they are able to provide'

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At the same time, diverse teams were also seen to sometimes bring challenges, in particular for communications, where languages and cultural understandings differed. These challenges were also reported by employers, but were generally felt by both employers and focus group participants to be relatively minor and outweighed by the benefits.

Statistical evidence

The research found four main results in relation to migration and productivity:

- between 1997 and 2007 the presence of immigrants has been increasing in most sectors, with immigrants being on average more educated and tending to work longer hours than natives;
- a positive correlation between the share of immigrants in region-sectors and labour productivity;
- a positive and significant association between increases in the employment of migrant workers and labour productivity growth in the time period analysed; even after controlling for changes in the skill mix of the workforce, a 1% change in immigrant share in employment is associated with an increase in labour productivity of 0.06% to 0.07%.

The results from the statistical analysis appear to confirm the findings from employer interviews that migration increases productivity. However, further research is required to establish the nature of any causal relationship.

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Notes for editors:

The report's authors are Heather Rolfe, Cinzia Rienzo, Jonathan Portes and Mumtaz Lalani. The research, which included analysis of statistical data, interviews with employers and focus groups with the general public, was funded by the Barrow Cadbury Trust, NASSCOM and Unbound Philanthropy. The report and summary are available for download from the NIESR website: <http://niesr.ac.uk/publications/migration-and-productivity-employers%E2%80%99-practices-public-attitudes-and-statistical>

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