The Potential of Place: Using Location to Attract Global Talent

Dr. Kathrine E. Richardson
Dr. Richard Florida
Dr. Kevin Stolarick
Introduction

• Main contextual thrust of paper~
  • Rise of a global economy and the globalization and mobility of talent
  • Firms will pick a location less for what is already there and more for the potential to attract key factors (in this case diverse global labour)

• Locations where it is easy to gain access to a broad mix of global talent, and attract and amass it over time, will gain advantage
Introduction-The Case Study and Hypothesis

• Studied the decision of a world class Seattle based high technology firm to locate a key innovation centre in Vancouver, British Columbia

Hypothesis: High Tech Firms will be attracted to regions that demonstrate low barriers of entry for potential talent
Literature Review

• Location Theory in General

• The Location of Talent

• Talent and Regional Growth

• The Role of Diversity
Methodology

• Revolved around a detailed case study of Company X’s Innovation Centre
  • Established in Vancouver, B.C. in July 2007
• Conducted over 12 semi structured interviews with Innovation Centre executives and managers
• Questions focused on three main areas:
  1. Site Selection
  2. Talent Attraction and Retention
  3. Jurisdictional Advantage
• Quantitative and Qualitative Analysis of Company X’s Innovation Centre’s bimonthly newsletter and relevant newspaper articles and other materials
Findings – Attracting a Global Labour Force

• Canada was open and facilitative towards professional immigration

• 90 percent of the Innovation Centre employees were from countries other than Canada and the U.S.

• The average employee can be characterized as foreign, young and male

“….but diversity is more than a nice story. [It is] more than something that makes us feel good about our cultural mosaic. It’s also a competitive advantage for Company X and Canada……being here is attractive to the best and brightest young developers, but that diversity also makes our products better. What’s the best way to create products for the world? Simple. Have them be developed by people from every corner of the globe. Our makeup ensures that different perspectives and fresh ideas are the norm, not the exception, and this helps fuel innovation at Company X.”

~Innovation Centre Managing Director
Findings - Time Zone and Proximity Advantage

- Being in the same time zone was a key feature to location choice (Human Pace)

- Being within a 2.5 hour driving distance of Seattle was also critical (Face to Face interaction)

- Runs counter to Global Distributive Development and Time/Space Compression

Cartography: Paulo Raposo, MPI
“….Why Vancouver, you ask? It’s because it is in the same time zone as our headquarters, which is Seattle. So it’s the same time zone, with a driving time of about 2.5 hours [door to door]….regarding time zones, it absolutely does matter! If you want to have a meeting with someone on the East Coast after 2:00 p.m. our time, they would have already left the office by then. It is so easy to have an office in the same time zone like this. It’s so easy for managers to drive from there [Seattle] to here [Vancouver] and take care of important [matters]…the team meetings happen as well. [Our] employees drive there [Seattle, Washington] in the morning. They can come back [to Canada] in the evening. So the proximity also does matter.”

~Facilities Manager, Company X Innovation Center, Vancouver
Findings-Westcoastness

• The Vancouver approach to living and lifestyle were also important factors

• Hippie Culture and Greenpeace legacy - Strong notions of environmental awareness and action (Skytrain and the 2010 Olympic Village LEED design standards)

• Strong work/life balance

• The above is know as “Westcoastness”
Findings-The Multiculturalism Advantage

- Canada is still very open to foreigners immigrating

- With a total of 2 million people over 38 percent of the population found in the Greater Vancouver area is foreign born.

- Gives rise to “Cultural Pockets” (Persian Community in North Vancouver) and Cultural Neighborhoods (Little India, Little Russia), and what Wei Li calls Ethnoburbs (Richmond, B.C. and central Surrey, B.C.)

- Very attractive to Company X’s global workforce
Findings – The Multiculturalism Advantage

The Ethnoburb of Richmond B.C.
## A Comparison of Selected Features of the Populations of Richmond, B.C. and Redmond, Washington

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>Richmond, British Columbia</th>
<th>Redmond, Washington</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>173,565</td>
<td>54,340</td>
</tr>
<tr>
<td>Total Visible Minorities</td>
<td>65.1%</td>
<td>24.4%</td>
</tr>
<tr>
<td><strong>Visible Minorities from Asia</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian Indian</td>
<td>8.0%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Chinese</td>
<td>43.6%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Filipino</td>
<td>5.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Japanese</td>
<td>1.9%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Korean</td>
<td>0.7%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Other Visible Minorities</td>
<td>1% (West Asia-Iran and Afghan)</td>
<td>7% (Hispanic)</td>
</tr>
</tbody>
</table>

The Greater Vancouver Region has a strong Jurisdictional Advantage when it comes to attracting global high technology firms based on the following four factors:

1. Low barriers to entry for potential foreign talent

2. Same time zone and close geographic proximity to headquarters

3. Westcoastness-High Quality of Life and Work/Life Balance

4. Evidence of Strong Multiculturalism