

DIVERSITY

Big Tech's Greatest Asset: Diversity

by David Salisbury



America's booming tech sector relies on skilled labor from overseas. The H1-B visa program has historically proven attractive to foreign workers. Will new immigration policies constrain growth?

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There are no easy answers when it comes to uniting people. Deep-seated distrust of differences and preconceived assumptions of others are difficult to overcome. Call it caveman tribalism or just xenophobia, people do not trust each other anymore. But what consistently joins us in a capitalist society is our capacity to overlook differences in the name of the only color that unites: green. And one of the greenest industries of the modern era is tech. Ironically, what makes tech so green is that the industry has embraced and welcomed global talent through immigration.

Diversity Means Value

Immigrants have a huge impact on the current economy, having helped found 60% of the most valuable American tech companies, according to a Kleiner Perkins Caufield & Byers partner Mary Meeker's speech to the Code Conference in 2018. Right now those companies - which include Alphabet (worth \$780B), Amazon (\$626B), Apple (\$900.5B), and Facebook (\$522B) - have a combined market value of \$3.8 trillion. That's up about \$800 billion from the previous year.

Tech companies, as well as the vast majority of Silicon Valley, rely heavily on immigration and foreign talent to staff their businesses, compensating for a shortage of tech workers in the U.S. Nearly 70% of high-skill H-1B visas (the permits that let companies bring highly skilled tech workers to the US) approved in 2016 went to people in computer-related fields according to United States Citizenship and Immigration Services. It's clear to see that recruiting outside has directly resulted in the tech boom the United States is currently enjoying.

They're Classics for a Reason

However, diversifying the talent pool for hiring is not anything new. A 2016 University of Chicago & Stanford study attributes one quarter of GDP growth from 1960-2010 to declining social barriers that have allowed women and non-white people into job recruitment pools formerly exclusive to white men.

According to the study, "In 1960, 94 percent of doctors and lawyers were white men. By 2010, the fraction was just 62 percent. Similar changes in other highly-skilled occupations have occurred throughout the U.S. economy over the last fifty years. Given that innate talent for these professions is unlikely to differ across groups, the occupational distribution in 1960 suggests that a substantial number of innately talented people were not pursuing their comparative advantage." By including other previously underused

demographics, the level of talent in the job market increased. By including other previously underused demographics, the overall level of talent in the job market increased.

The Crumbling Foundation

The current administration's hardline anti-immigration policies have made it harder for tech companies to bring highly skilled workers to the US, according to recent immigration data. 25% of new and continuing applications for H-1B visas were declined in the last three months of 2018. That's up from just 5 percent during the same period in 2014, and follows on the heels of Trump's executive order on immigration. The absolute number of new and continuing H-1B approvals has declined as well.

This could mean very bad news for America's ever-expanding tech industry, as it still needs capable talent to feed growing demand. In a survey of 400 US hiring managers with experience sourcing foreigner employees, 22% said their companies were relocating work overseas due to the current US immigration system. Some 26% said they were delaying projects altogether.

Companies like Microsoft, Google, Apple and Facebook are protesting ICE in Silicon Valley because they know losing foreign talent will cause a brain drain in the tech mecca Bay Area. Amidst the good and talented foreign people American tech workers have learned from and become united with, basic human empathy for people seeking their goals and dreams is not only an economic issue, but an ethical human rights one.



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