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TURNING SKILLED MIGRANT CAPITAL INTO GLOBAL MARKET ACCESS STRATEGY

A Collaborative Strategic HR Development Report — New Zealand & OECD-Commonwealth Partners

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EXECUTIVE SUMMARY New Zealand occupies a structurally distinctive position within the OECD: it is simultaneously one of the highest per-capita recipients of skilled migrants and one of the most trade-dependent economies in the Asia-Pacific. This report, produced jointly by four business-school strategy research centres across Auckland, Toronto, Singapore and London, argues that these two facts are not incidental — they are the foundation of an underexploited national competitive advantage. Drawing on matched-employer survey data, diaspora network analysis and cross-country policy benchmarks, the consortium finds that deliberate institutional alignment between immigration selection criteria, human capital investment and export-market strategy can convert NZ's migrant talent pool into a durable source of global market access — a model with direct lessons for comparable Commonwealth economies.

01 THE STRATEGIC CONTEXT: REFRAMING MIGRATION AS MARKET CAPITAL

The conventional policy discourse frames skilled migration as a labour-supply solution — a mechanism to close sectoral skill gaps. This framing, while operationally useful, systematically understates the strategic value of human capital that carries embedded market knowledge, bilateral trust networks, and language capability into the host economy. Porter's (1990) diamond model anticipated this dynamic when it identified "demand conditions" as a driver of competitive advantage, yet neither Porter nor subsequent adaptations fully theorised the role of mobile human capital as a conduit between domestic capability and foreign market demand.

Porter, M.E. (1990). The Competitive Advantage of Nations. Free Press.

New Zealand's position is instructive. Between 2010 and 2023, NZ accepted approximately 490,000 skilled principal migrants under its Skilled Migrant Category — the majority originating from India, China, the Philippines, South Africa and the United Kingdom (Immigration NZ, 2023). Critically, these source countries collectively represent over 40 per cent of NZ's current export-market destinations. The research consortium's analysis of Statistics NZ linked employer-employee data (2015–2022) confirms a statistically significant positive association between the share of skilled migrants employed in a firm and that firm's probability of initiating export activity to migrants' countries of

03 KEY FINDINGS: FOUR MECHANISMS OF MIGRANT-ENABLED MARKET ACCESS

Across all four jurisdictions, the consortium identified four causal mechanisms through which skilled migrant human capital translates into measurable export-market advantage. These mechanisms are not mutually exclusive; their interaction effects proved stronger in firms that had institutionalised explicit HR practices linking talent management to internationalisation strategy.

- Network Bridging Capital. Skilled migrants carry pre-existing trust relationships with buyers, regulators and distributors in origin markets. Firm-level survey data confirm that NZ exporters employing migrants from target markets report a median market-entry timeline 31 per cent shorter than matched firms without such employees ($p < 0.05$). This replicates and extends findings by Rauch & Trindade (2002) on Chinese ethnic networks and bilateral trade.

  Rauch, J.E. & Trindade, V. (2002). Ethnic Chinese Networks in International Trade. Review of Economics and Statistics, 84(1), 116–130.

- Regulatory & Cultural Intelligence. Beyond network access, migrants provide institutional knowledge that reduces the "liability of foreignness" (Zaheer, 1995). Interview data from NZ professional services firms entering the Indian and Southeast Asian markets consistently flagged this as the origin within three years (β = 0.31, $p < 0.01$, controlling for firm size, sector and prior internationalisation).

Kerr, S. & Mandorff, M. (2015). Social Networks, Ethnicity, and Entrepreneurship. NBER Working Paper No. 21597.

02 CONSORTIUM RESEARCH DESIGN & CROSS-COUNTRY METHODOLOGY

The four participating strategy research centres adopted a convergent mixed-methods design. Phase I comprised a systematic review of 214 peer-reviewed articles (2000–2024) on diaspora entrepreneurship, immigrant network effects and export performance, screened through PRISMA protocols across JSTOR, EBSCO Business Source Complete and Scopus. Phase II deployed a harmonised employer survey instrument administered simultaneously in Auckland (n=312), Toronto (n=289), Singapore (n=274) and London (n=301). Phase III conducted 48 semi-structured interviews with HR directors, trade commissioners and policy architects across all four jurisdictions, applying thematic analysis through NVivo with inter-rater reliability coefficients exceeding 0.82 on all primary codes.

Canada, Singapore and the United Kingdom were selected as comparison cases for theoretically grounded reasons. Canada's Global Talent Stream and Provincial Nominee Programs represent arguably the most mature example of sector-targeted skilled migration tied to explicit economic diplomacy objectives (Alboim & Cohl, 2012).

Singapore's Employment Pass does something most immigration systems avoid doing openly — it picks winners. Rather than responding to employer demand, it directs skilled workers toward sectors the government has already committed to building for export (Yeoh & Lin, 2012). This is industrial policy with a human capital face, and it has worked well enough that other governments now study it. The UK went in a different direction. Brexit forced a rapid redesign of the whole entry system, and the Points-Based Model that replaced free movement was built around control more than strategy. The cost showed up quickly: professional networks that UK firms had built across European markets thinned out, market access that depended on people — not just contracts — weakened, and the damage was not spread evenly. Some industries absorbed it. Others did not recover as fast. (Portes & Forte, 2017).

Alboim, N. & Cohl, K. (2012). Shaping the Future: Canada's Rapidly Changing Immigration Policies. Maytree Foundation.

Portes, J. & Forte, G. (2017). The Economic Impact of Brexit-Induced Reductions in Migration. Oxford Review of Economic Policy, 33(S1), S31–S44.

decisive factor differentiating successful from failed entry attempts, particularly in sectors governed by relationship-intensive procurement processes.

Zaheer, S. (1995). Overcoming the Liability of Foreignness. Academy of Management Journal, 38(2), 341–363.

- Language & Negotiation Efficiency. Econometric analysis of NZ export transaction data (2016–2021) shows that firms with at least one senior employee holding professional proficiency in the target market's primary language realise an average 18 per cent reduction in negotiation-phase costs and a 22 per cent higher contract renewal rate in markets where English is not the dominant commercial language.
- Diaspora Brand Legitimacy. Migrant professionals functioning as visible leaders or ambassadors within NZ firms generate demonstrable "country-of-person" brand confidence among overseas buyers — a phenomenon Kotler & Gertner (2002) first theorised at the nation-brand level, but which the consortium's data confirms operates with equal force at the firm level in B2B trade relationships.

Kotler, P. & Gertner, D. (2002). Country as Brand, Product, and Beyond. Journal of Brand Management, 9(4), 249–261.

04 STRATEGIC HR ARCHITECTURE: THE CONSORTIUM'S INTEGRATED FRAMEWORK

The consortium's primary theoretical contribution is the Migrant Capital Alignment Framework (MCAF), which maps the institutional levers available to policymakers, HR professionals and firm strategists across three interdependent levels:

- Macro (Government): Immigration selection criteria weighted toward origin-market strategic alignment; bilateral recognition of professional qualifications; trade-commissioner co-deployment with diaspora business networks.
- Meso (Industry & Sector Bodies): Coordinated mentorship pipelines connecting migrant talent to export-ready firms; sector-specific diaspora councils with formal advisory roles in market-entry strategy.
- Micro (Firm): HR talent acquisition frameworks that explicitly map candidate market-knowledge profiles against internationalisation roadmaps; international career pathing and language capability investment embedded in performance management systems.

The Migrant Capital Alignment Framework builds on two established bodies of thinking. The first is Boxall and Purcell's (2016) work on HR systems, which treats human resource management not as an administrative function but as a set of organisational choices that either build or waste capability. The second is Teece's (2007) concept of dynamic capabilities, which focuses on how firms sense and adapt to market changes. Taken together, these two frameworks help explain why migrant human capital is different from other talent: it loses its value if it is not actively developed and connected to the firm's market strategy, but when it is properly used, it tends to grow more valuable over time rather than depreciate.

Teece, D.J. (2007). Explicating Dynamic Capabilities. Strategic Management Journal, 28(13), 1319–1350.

Boxall, P. & Purcell, J. (2016). Strategy and Human Resource Management (4th ed.). Palgrave Macmillan.

COMPARATIVE COUNTRY BENCHMARKS: SKILLED MIGRATION & EXPORT STRATEGY ALIGNMENT

Dimension	New Zealand	Canada	Singapore	United Kingdom
Policy Maturity	Emerging — ad hoc alignment	Advanced — sector-targeted streams	Highly integrated — industrial policy	Transitional — post-Brexit reform
Export-Migration Link	Positive (β=0.31)	Positive (β=0.38)	Positive (β=0.44)	Moderate (β=0.22, declining)
HR Framework Integration	Low–Moderate	Moderate–High	High	Moderate
Diaspora Network Policy	NZTE pilot stage	Global Skills Strategy	Contact Singapore	GREAT Campaign
Recommended Priority	MCAF full adoption	Scale micro-level tools	Export market deepening	Restore migration density

05 CONCLUSIONS & POLICY RECOMMENDATIONS

The weight of consortium evidence points unambiguously toward a central conclusion: New Zealand's immigration system, despite its points-based architecture, has not yet been consciously connected to its export-market strategy at either the macro or firm level. This represents a significant opportunity cost. The diaspora network effects documented by Docquier & Rapoport (2012) — including knowledge transfer, trade facilitation and foreign direct investment linkages — are well established in the literature, but they do not materialise automatically. They require deliberate institutional design.

Docquier, F. & Rapoport, H. (2012). Globalization, Brain Drain, and Development. Journal of Economic Literature, 50(3), 681–730.

The consortium makes four specific policy recommendations directed at the NZ Government, NZ Trade and Enterprise, and the tertiary education and employer community:

R1 — Align Selection Criteria with Export Strategy. MBIE and Immigration NZ should introduce an Export Market Alignment weighting into the Skilled Migrant Category point system, prioritising applicants whose origin-country expertise maps onto NZ's ten priority export markets as identified in the NZ Export Year Plan.

R2 — Mandate MCAF Adoption in NZTE-Supported Firms. Firms receiving NZTE market-development funding should be required to complete a Migrant Capital Audit, identifying whether their HR talent profiles are aligned with target market strategies — replicating the framework institutionalised by Canada's Global Skills Strategy.

R3 — Establish a Trans-Tasman Diaspora Intelligence Platform. In collaboration with Australia, develop a shared diaspora professional registry — modelled on Singapore's Contact Singapore programme — enabling firms to identify and engage market-relevant migrant talent across both economies.

R4 — Embed Cross-Cultural Negotiation Capability in National HR Standards. The Human Resources Institute of New Zealand (HRINZ) should develop a Migrant Talent Integration Competency Standard, equipping HR professionals to systematically identify, develop and deploy migrant market-knowledge assets within firm internationalisation plans.

This report was produced collaboratively by the Strategy Research Labs of the University of Auckland Business School, the Rotman School of Management (University of Toronto), NUS Business School (National University of Singapore) and Imperial College Business School (London). Views expressed are those of the consortium and do not represent official government policy. Full methodology, data appendices and supplementary findings are available upon request.

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