



MISUM ACADEMIC INSIGHTS

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WHY DO ORGANIZATIONS UNDEREMPLOY HIGHLY SKILLED MIGRANTS?

BACKGROUND AND RESEARCH AIM



Despite Europe's shortage of labor market skills, organizations are underemploying highly skilled migrants – those with tertiary level educations and/or with extensive professional experience. Within Sweden, the underemployment rate for highly skilled migrants is four times that of native Swedes with a similar experience level. Multiple rationalizations have been proposed for this situation, from macro-level situational barriers to micro-level explanations focused on the individual including available capital, linguistic barriers, and the career type.

Current research on organizational factors affecting migrants' employability is in its infancy. Research, to date has primarily focused on migrant employability regarding the role of Human Resources in supporting employee retention and promotion once in an organization. Most of the literature on the topic holds the assumption that organizations are willing to hire migrants, and if underemployment is occurring that this is due to individual characteristics such as an inadequate level of Swedish language or the migrants' career choice, and therefore, beyond the scope of the organization.

This study challenges this assumption by considering the possibility that organizations may lack an incentive to recruit migrants or that they may even have reasons for underemploying them. Taking the position that organizations do play a significant role in co-constructing migrants' employability, this study shifts the focus from the current micro-level emphasis on the individual to a mezzo-level, posing the question: why do organizations underemploy highly skilled migrants?

RESEARCH METHOD

To contribute to the understanding of why organizations underemploy highly skilled migrants, a case study of a Swedish civil society organization, anonymized as 'Diversity for Profit' was used. An in-depth qualitative study was performed on their mentorship program which facilitates the labor market integration of highly skilled migrants from countries such as Ukraine and Syria. The program supports the development of inclusive work practices through corporate education and develops the employability of mentees through education and mentorship.

A thematic inductive analysis was carried out on over 80 hours of observations and 27 interviews with Diversity for Profit Mentors and Mentees, using NVivo software. Organizational archival data, promotional material, information from the organization's website, and employment platforms provided further context for the study.

Through the application of the theoretical framework - relational theory of risk, a rigorous deductive analysis was conducted to gain an understanding of the actor's experiences through their own frames of interpretation.

FINDINGS



Two main themes were repeatedly put forward by interviewees to explain underemployment:

1. Alleged risk of lower performance

Interviewees outlined the organizations' problems in evaluating a migrant's degrees and competences, which made it difficult for them to predict how these recruits would contribute to organizational performance.

Participants also pointed to language proficiency as a potential problem. Less than perfect language skills were perceived as hindering job efficiency. An assumption existed that communication between a migrant employee and a manager or client, for example, will be negatively impacted, as will the person's ability to do the job well.

Interviewees also mentioned it would be more costly to hire migrants in general, because, they believed, the migrants' perceived lack of certain skills have to be addressed before they can perform their role effectively. The hiring of migrants is clearly associated with potential difficulties in maintaining optimal organizational performance.



HR tells us that when they suggest a foreign candidate the hiring managers say, 'Well, no, I prefer someone with the name Andersson who can start to do the job from day one, with whom I can feel sure.' Even though it says in the CV that the applicant speaks Swedish well, the managers think more of their own needs and it is coloured by what they are used to.

-Diversity for Profit Mentor



But if it is [a] local company (. . .) why would they hire someone, even with higher education, but who is not a Swede? Why? I mean it's safer, more comfortable, and more convenient for them to take Swedes.

-Diversity for Profit Mentee

2. Potential disturbance to organizational normality

From the perspective of the organization, organizational normality was found to be an important decider, as conforming to certain norms was preferable for all parties.

When taking an organizational perspective, interviewees noted that the employment of migrants is clearly associated in the minds of recruiters with putative harm to organizational performance and disruption of organizational normality. It is also associated with conditional entry into the labor market, with entry at a lower level seeming to be expected by the mentors and reluctantly accepted by the mentees.



Figure 1. The relational theory of risk to explain the underemployment of highly skilled migrants as an organizational logic.

KEY TAKEAWAYS



This study contributes to the literature on the underemployment of migrants in the following ways:

- Firstly, through the application of the relational theory of risk, a new mezzo-level understanding of highly skilled migrants' underemployment in Swedish organizations is established. The underemployment of highly skilled migrants is explained as an organizational response to a perceived, alleged risk. When migrants are perceived as a threat, organizations' protective reaction is to employ them below their skills level, or not at all.
- Secondly, the study provides a theoretical contribution to the ways in which migrant employability is shaped by organizations. It is not only the individual characteristics of migrants that shape their employability, but also the organizations. In other words, the underutilization of migrants' skills in society is partly due to organizations not being capable of recognizing these skills.
- Thirdly, the study highlights the problems with 'organizational normality' in the recruitment process. Unless the organization is already diverse or international, applicants with a migration background might be seen as 'abnormal' and thus employed below their skills. If organizations give preference to their current 'normality' rather than a continuous development, this impacts how migrants can access the labor market.

ACADEMIC REFERENCE

Risberg, A. and Romani, L. (2022). Underemploying highly skilled migrants: An organizational logic protecting corporate 'normality'. *Human Relations* 75(4), pp.1–26. Open Access: <https://doi.org/10.1177/0018726721992854>