Strategies for recruiting highly skilled migrants from India and China: a case study of firms in Sweden

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ABSTRACT

A striking characteristic in labour migration to Western Europe since the beginning of the 2000s has been the increased number of skilled migrants. In Sweden, most skilled migrants from countries outside the EU come from India, but there has also been significant skilled migration from China. This article investigates the impact that firms have on the migration from India and China. It focuses on managers’ motives for employing migrants, their view of migrant workers and the means they use to find suitable workers. The article argues that interorganisational relationships play a key role in the recruitment of highly skilled migrants. The firms that employ migrants hold positions in an organisational field, and the relationships they have with other actors within the field shape how and why they employ migrants. The empirical data was collected through a multiple-case study of 13 firms that have employed highly skilled migrants from India and China.

1 INTRODUCTION

This article investigates the impact that firms have on migration streams. Classical studies have argued that firms want foreign workers because they accept wages and working conditions that native workers do not accept (Castles and Kosack, 1985; Piore, 1979). This demand for low-wage labour is a structural feature of labour markets in advanced industrial societies (Piore, 1979). However, there have been profound changes in the industries that employ migrants and in the concrete forms of work that migrants perform. For instance, between 1945 and 1973, a large share of migrants was employed in the growing manufacturing sector, but in the 2010s the manufacturing sector has become a less important employer of migrants.

A striking characteristic in labour migration to Western Europe since the beginning of the 2000s has been the increased number of highly skilled migrants, such as computing professionals. The jobs that these migrants perform are inherent in the evolvement of a post-industrial economy. These jobs are considered essential for the continued growth of Western economies. Although there is still significant low-skilled migration to Western Europe, it has been complemented by larger numbers of highly skilled migrants (Sassen, 2006).

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Several European states have welcomed these skilled migrants and immigration policies have been designed specifically to attract this category of migrants. In political discourse they are described as valuable human resources for whom states compete (Menz, 2016). This positive evaluation contrasts with the general view of low-skilled migrants, who are at best tolerated because they perform necessary labour that is avoided by native workers, and do not receive the same beneficial treatment as skilled migrants.

There is a significant body of research on firms that are recruiting migrants to working-class occupations (e.g. Castles and Kosack, 1985; Paulson et al., 1994; Piore, 1979; Waldinger and Lichter, 2003). The research on firms that recruit migrants to high-skilled occupations is much more limited (for an exception, see Khoo et al., 2007). Few studies have been conducted on the firms that employ high-skilled migrants, investigating areas such managers’ motives for recruiting migrants and the methods used to find foreign workers. These firms, unlike those examined in classical studies, are not labour-intensive firms in the lower segments of the labour market, but high-technology firms that are leading the current transformation of capitalism.

The present article investigates firms in Sweden that employ highly skilled migrants. There has been a significant growth in the number of high-skilled jobs in Sweden since the 1990s. Although the largest share of migrants are employed in low-skilled occupations, significant numbers of migrants are also found in high-skilled occupations (Åberg, 2015). The largest share of skilled migrants from non-EU countries comes from India, but there is also significant skilled migration from China (Migrationsverket, 2018). The migration from India and China started to increase in the early 2000s and represents a new migration pattern. This migration is caused by a variety of factors, such as liberalisation of immigration policy (Bevelander et al., 2014). This article argues that firms in Sweden have a crucial impact on this migration. The article focuses on managers’ motives for employing migrants, their view of migrant workers and the means they use to find suitable workers. The article investigates the following questions: Why do firms employ highly skilled migrants from India and China? How do managers view migrant workers from India and China? What methods do managers use to find migrant workers?

The article makes two main arguments. The first is that cultural understandings and practices that drive the employment of migrants in low-skilled occupations have also diffused to firms that employ high-skilled migrants from India and China. For instance, managers’ have views of the attributes of these migrants that are similar to how migrants in low-skilled occupations are viewed. Although managers are valuing these attributes, they might contradict other attributes that managers are searching for in high-skilled workers.

The second argument is that the relationships that firms have to other organisations influence the employment of high-skilled migrants from India and China. The firms that employ migrants hold positions in a specific economic field (Bourdieu and Wacquant, 1992). Some firms are large and hold dominant positions in the field, while other firms are small and hold outsider positions. Firms struggle with some organisations in the field and cooperate with others, for instance on the issue of foreign labour.

2 LITERATURE REVIEW: ORGANISATIONS, RELATIONSHIPS AND CATEGORIES

Massey et al. (1998) made a distinction between the initiation of migration and the perpetuation of migration across time and space. This distinction can, in a modified
form, be transplanted to an analysis of firms’ recruitment of migrants. A distinction is made between the starting of recruitment from a specific category of migrants and the continued use of this labour source (cf. McKay and Markova, 2010; Waldinger and Lichter, 2003). Explorations of the initial recruitment and continued recruitment are different, at least to some extent.

Managers make distinctions between social categories as they search for and select suitable workers: the distinctions made between men and women, citizens and foreigners and different ethnic groups are well established in the literature. Such categories are associated with expectations and beliefs about attributes and behaviour (Tilly, 1998). Consider the example of a Norwegian manager who has different expectations of a Swedish national and of a Chinese national who are applying for the same position. The manager has interacted with Swedish nationals several times before and largely shares similar cultural understandings with them. The situation is different in the interaction with the Chinese national. The manager cannot rely on first-hand experience with Chinese nationals to the same extent, particularly given that there are no Chinese nationals in the firm’s workforce.

However, the situation is different if a firm already has started recruiting Chinese workers, and therefore has first-hand experience with this category in the workplace. If managers decide to continue to recruit Chinese workers, it may be assumed that they are at least moderately satisfied with the Chinese workers they have already employed (cf. Frank, 2005; MacKenzie and Forde, 2009). Their experience with Chinese workers has not discouraged them from continued use of this labour source. The continued recruitment of Chinese workers lowers the perceived risks associated with the employment of new workers. On the other hand, these risks are higher if managers decide to recruit Chinese workers for the first time and, consequently, do not have first-hand experience with this category in the workplace. In order to lower the risks associated with hiring new workers, the managers may be more likely to rely on information provided by outside sources, such as other firms (cf. McKay and Markova, 2010).

A body of research shows that employers in lower segments of the labour market link specific national categories with specific types of jobs (Mackenzie and Forde, 2009; Tilly, 1998; Waldinger and Lichter, 2003). The hypothesis is that such processes are also at work in the employment of skilled migrants (cf. Holbrow and Nagayoshi, 2016). There are widespread beliefs that different national categories are suitable for different kinds of jobs. Here, suitability refers not only to strict technical qualifications, but also to social dispositions that managers prefer in their workers. For instance, they might prefer migrants because they are perceived to be more prone to accept authority relations in the workplace, to work harder than native workers, to accept lower wages than native workers, and so on (Waldinger and Lichter, 2003). One hypothesis is that there are differences with respect to the social dispositions that managers prefer in low-skilled workers and in highly skilled workers. It could certainly be the case that managers in a computer firm want workers who accept authority relations in the workplace, but only to a certain degree: they might also want workers who are creative and take initiative. Such attributes might be difficult to accommodate with a strongly hierarchical work organisation. Beliefs about the suitability of a specific category for a specific type of job promote the recruitment of individuals from this category.

Managers tend to continue to recruit migrants once they have started doing this. The continued recruitment from specific national categories occurs partly because
of managers’ preferences for network recruitment (Paulson et al., 1994; Waldinger and Lichter, 2003). Managers prefer to search for new workers in the social networks of workers they have already employed because it lowers the risks associated with hiring new personnel. This overlaps with the motives of employed migrants, who readily forward information about job openings to friends and relatives.

2.1 Interorganisational relationships

Migration scholars have tended to focus on the importance of interpersonal networks, such as kinship and friendship relations. However, interorganisational relations are also important (cf. Hedberg et al., 2014; Hopkins and Dawson, 2016; McKay and Markova, 2010; Poros, 2001; Thompson et al., 2013). Cropper et al. (2008) made a distinction between interactive and non-interactive relationships between organisations. The present article focuses on interactive relationships, such as cooperation between organisations. The organisation literature has a tendency to analyse the formalised and relatively durable interactions between organisations, which has been described in terms such as alliances, partnerships and joint ventures (Cropper et al., 2008). However, many interactions between organisations are informal and temporary. The present article also studies such interactions, such as transient and informal exchanges of information between organisations on a new labour source.

The interaction between organisations can take two main forms that are termed cooperation and struggle, the latter including competition between firms (Ahrne, 1994). However, cooperation and struggle are not mutually exclusive relationships (Ahrne, 1994; Cropper et al., 2008). Firms that are competitors might engage in temporary cooperation on the issue of foreign labour. For instance, a firm that is considering starting to recruit migrants might receive information from another firm, suggesting that it should employ Chinese workers. The other firm already has Chinese nationals in its workforce and provides information that they are ‘good’ and ‘reliable’ workers. Furthermore, firms might cooperate in the recruitment process in some contexts. A case in point is the so-called organised recruitments of foreign workers, sometimes under the auspices of the state. Firms that are competitors might engage in temporary cooperation in such recruitment programmes (Frank, 2005). However, the topic of this study is not such organised recruitment. If cooperation exists between firms in the present study, it is more likely be less formalised and take the form of a transfer of information on, for instance, potential employees who are foreign nationals.

The actions of organisations are analysed within the framework of field theory. A field is a space of ‘objective relations between positions’ (Bourdieu and Wacquant, 1992: 97). For a field to exist, it needs to have a certain degree of autonomy, for instance, in relation to the state. There are not only economic fields; in liberal-capitalist societies, separate cultural fields also tend to emerge. The actors in a field are endowed with different volumes of capital and different forms of capital (Bourdieu, 2005; Bourdieu and Wacquant, 1992). The most important form of capital in the field of this study is economic capital; a large volume of economic capital tends to lead to dominant position in the field. However, other forms of capital also matter, such as social capital and cultural capital. An actor’s social capital consists of the valuable ties it has to other actors in the field. Cultural capital denotes the cultural resources that an actor is endowed with, such as universities degrees and certain titles. The different compositions of capital that actors are endowed with influences the strategies they use. For instance, a recently started small firm might be endowed with
a low volume of economic capital and a high volume of social capital in the form of ties to important actors. I will argue that the volume and composition of an actor’s capital strongly influences the strategies it uses when it employs migrants.

The proposed field theory forces researchers to investigate all possible relationships that influence the employment of foreign workers (Bourdieu and Wacquant, 1992; Emirbayer and Johnson, 2008). For instance, the ability of a firm to employ migrants is affected by the strength of trade unions. Furthermore, labour immigration activates relationships between state agencies and migrant recruiting firms. In some cases, this is a basic interaction that only involves applying to a migration agency for a work visa. In other cases, the state is deeply involved in the recruitment of foreign workers. This was the case in Sweden between 1947 and 1972. During this period, large numbers of migrants arrived in Sweden to perform work, particularly in the manufacturing sector. The Swedish state established recruitment offices in emigration countries and influenced the recruitment practices of firms; for instance, guiding firms towards recruiting workers from certain countries and not from others (Frank, 2005).

In the present decade, however, the strong corporatist arrangement that shaped labour immigration to Sweden in the past has been weakened, if not dismantled (Dahlstedt and Neergaard, 2016). Now, the employment of skilled migrants occurs in the context of what has been termed ‘the knowledge-based economy’ (Sum and Jessop, 2013b). The emergence of the ‘knowledge-based economy’ implies a change in the relationships between organisations, as well as the appearance of new types of organisations (Ahrne, 1994; Aldrich and Ruef, 2006). One such change concerns the growing importance of universities in the economy, and the concomitant change in the relationships between firms and universities. Many firms that employ skilled migrants have strong ties to universities. Their workforce is trained at universities and the firms cooperate with universities in a variety of ways, such as when they are searching for and selecting new workers.

To summarise, this section has made three main propositions about firms’ employment of migrants. Firstly, firms’ reliance on relationships to other organisations is stronger when they start to employ persons from a specific category than if they have done this previously. Secondly, the strategies firms make use of in their selection and employment of migrants are dependent on the position they hold in a specific economic field, and consequently the volume and composition of their capital. Thirdly, the relationships between firms and universities are fundamental in the high technological field investigated in this article. Universities are the main producers of cultural capital. Possession of cultural capital is a requirement for firms to be players in the field, as indicated by the high educational level in their workforce. An implication is that university students, including foreign students, are a potential source of labour for firms in the field.

3 DATA AND METHOD

The present article is part of a research project on immigration from China and India to Sweden. The author has made a multiple case study of 13 firms and their relationships to other actors (cf. Waldinger and Lichter, 2003). The article focuses on inter-firm relationships and relationships between firms and universities. Hence, it pays less attention to firms’ relationships to state agencies and to trade unions. The reason for not focusing on state agencies is that the involvement of the state has decreased since Swedish immigration policy was liberalised in 2008. The reason
for not focusing on trade unions is that they have played a peculiar role in the high technological economic field of this study. These white-collar unions were mainly supportive of the liberalisation of immigration policy in 2008. They do not aim to restrict the immigration of high-skilled workers, in contrast to the position of blue-collar unions, which have taken a more restrictive stance (Neergaard, 2015).

Hence, the article does not map the entire field of organisations that are involved in the recruitment of skilled migrants. The case study approach aims to contribute to a deeper understanding of how and why firms employ skilled migrants. Furthermore, the researchers in the project conducted qualitative interviews with 49 migrants from China and India. However, this article is based on the case studies of firms that have employed migrants.

All of the firms are so-called ‘knowledge intensive firms’ and are involved in two broad types of activities: one group is mainly technology consultancy firms, whereas the other group primarily develops high-tech products (see Table 1). Some firms are

| Informant A | Both | Large | Technology consultancy | Swedish multinational |
| Informant B | Both | Large | Product development | Foreign multinational |
| Informant C | India | Medium | Technology consultancy | Swedish |
| Informant D | Both | Large | Product development | Foreign multinational |
| Informant E | Mainly India | Large | Technology consultancy | Foreign multinational |
| Informant F | Both | Small | Product development | Swedish |
| Informant G | China | Small | Product development | Swedish |
| Informant H | India | Small | Product development | Swedish multinational |
| Informant I | Mainly India | Large | Technology consultancy | Foreign multinational |
| Informant J | India | Large | Technology consultancy | Foreign multinational |
| Informant K | Both | Large | Technology consultancy | Foreign multinational |
| Informant L | India | Large | Technology consultancy | Foreign multinational |
| Informant M | Mainly India | Large | Product development | Swedish multinational |

1 Micro: 1–9; small: 10–49; medium: 50–249; Large: >250.

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small and locally based, whereas others are part of large multinational corporations. The size of the firm roughly reflects the number of migrants employed: large firms have employed large numbers of migrants, whereas small firms have employed smaller numbers.

All but one of the firms are located in the major urban areas in Sweden; eight are in Stockholm, three in the Gothenburg region and one in the Skane region. The Stockholm region is the centre of a growing high-tech economy, with a high demand for labour in high-skilled sectors (Arbetsmarknadsstyrelsen, 2000). Furthermore, the three major urban areas attract the largest share of migrants, and consequently it is in these areas firms tend to employ migrants more often than in rural areas. This applies both to high-skilled and low-skilled occupations. In 2017, approximately 75 per cent of all work permits were granted to firms in the major urban areas (Migrationsverket, 2018).

The firms were selected on the basis of a period of extensive documentary research. Qualitative interviews were conducted with managers who are responsible for the recruitment of foreign nationals. The interviews were conducted between May 2014 and October 2015. Approximately 40 managers were initially contacted, 13 of whom agreed to be interviewed. Three interviews were conducted by phone, which was a requirement from the informants. Eleven of the informants were employees while two were owners of the firms. In order to be granted a work permit in Sweden, a foreign national must have a job offer. The informants screen and select applications for job openings and they regularly receive applications from foreign nationals. Consequently, they have a large influence on who will be allowed to immigrate to Sweden.

Interviewing managers on the issue of migration and ethnicity can result in some difficulties. Migration might be regarded as a sensitive issue that is not discussed freely. For instance, one of the questions aimed to probe into managers view of Chinese and Indian workers and whether the managers associated them with behavioural attributes that are preferable in workers. Some managers avoided such questions, responding, for instance, that they did not want to generalise from the individuals they had hired (Informant D). Other informants started talking about behavioural attributes of different categories even before they were asked any questions about it (see below). Overall, the interviewer was surprised that so many managers were prepared to talk about behavioural attributes of different categories of workers.

3.1 Methodological reflection on class, organisation and attitudes

Twelve of the informants have a university degree, and four of those also have a doctoral degree. Quantitative studies of the relationship between class position and attitudes have shown that this category tends to hold more liberal attitudes, than, for instance, manual workers (Berglund and Oskarson, 2010). They tend to be supportive of minority rights and hold positive views on migration and diversity. In some respects, they hold attitudes that are the opposite of those who support the right-wing populist parties in Europe.

The class position of these individuals is an important part of the explanation of their generally liberal attitudes towards migration. However, the present article argues that informants’ attitudes towards migration are related also to the organisations to which they belong and the position they hold in that organisation. The companies they belong to are increasingly dependent on foreign labour, and the informants
regularly interact with people from other countries in their jobs. Interaction with foreign nationals has become institutionalised in these firms and is viewed as a part of everyday life at work. The following excerpt provides an illustration of a manager’s positive view of migration and its relationship to the work situation:

I view migration as a necessity if companies want to keep up with different trends, capture things that we have to take into consideration in different countries and cultures. In our sector, we are developing x-products, and we want to capture as many different target groups, trends, cultures [as possible], so that we know that we are developing the right products … It is incredibly important for us to be open as a company and to have diversity and mobility in the labour market. (Informant B1).

The informants’ statements are shaped by the organisations to which they belong, the position they hold in that organisation, and consequently what type of work they perform (Ahrne, 1994; Bourdieu, 2005). Therefore, the above excerpt should not be interpreted as the views of a single individual, but as the view of a representative of an organisation. This informant belongs to a large multinational company and is regularly involved in the recruitment of foreign nationals. It is certainly difficult, if not impossible, for such an individual to hold views that deviate significantly from that of company policy, which is that mobility is valuable and that the state should permit the company to employ the foreign workers it needs.

4 OVERVIEW OF LABOUR MIGRATION TO SWEDEN

The reform of Swedish labour immigration policy in 2008 weakened the influence of trade unions on immigration, whereas it increased the influence of employers. Furthermore, when firms want to employ foreign nationals, state agencies play a less restrictive role than they did in the previous system. Since 2008, the starting point for how the Migration Agency decides on work permit applications is employers’ own assessment of their need to recruit foreign nationals (Regeringens proposition, 2007/08: 147).

A firm that wants to employ foreign nationals must fulfil certain regulations regarding wages and working conditions. The minimum requirement is that wages and working conditions are at the same level as that of the collective agreements or that which is the practice within the occupation in question. However, the migration agencies’ ability to ensure that employers adhere to the regulations was weak in the first years after the reform in 2008. The reform was accompanied by several cases of abuse of regulations, particularly in low-skilled sectors. Therefore, the authorities control of employers was tightened, firstly in 2011/12 and then further in 2014 (Migrationsverket, 2018).

In 2017, the largest numbers of labour migrants originated in India, Thailand and China. Thai nationals are concentrated in low-skilled occupations (Migrationsverket, 2018). Tables 2 and 3 show the main occupational distribution of Chinese and Indian nationals in 2009 and 2013. Indian nationals are concentrated in high-skilled occupations, such as computing professionals, whereas Chinese nationals have been more evenly distributed between high-skilled and low-skilled occupations. Labour migration from both India and China increased in 2007–2008, but since then the two migration streams have developed differently (Figure 1). Migration from

1 Quotations have been translated by the author. In some quotations details have been removed in order to protect the anonymity of the informant and the firm.
India has continued to increase, whereas migration from China has decreased. A part of the explanation for this is to be found in changes in immigration control. The tightening of immigration control since 2011 has affected low-skilled immigration.

### Table 2: Eight largest occupational categories among Indian nationals in 2009 and 2013. Number of work permits granted. Renewals not included

| 2009                      | 2013                      |
|---------------------------|---------------------------|
| Computing professionals   | 1484                      |
| Architects, engineers and | 155                       |
| related professionals     |                           |
| Physical and engineering  | 135                       |
| science technicians       |                           |
| Business professionals    | 18                        |
| Computer associate        | 15                        |
| professionals             |                           |
| Housekeeping and          | 172                       |
| restaurant services       |                           |
| workers                   |                           |
| Other specialist managers | 8                         |
| Helpers in restaurants    | 7                         |
| Finance and sales         | 23                        |
| associate professionals   |                           |

Source: Migrationsverket, 2016–17.

### Table 3: Eight largest occupational categories among Chinese nationals in 2009 and 2013. Number of work permits granted. Renewals not included

| 2009                      | 2013                      |
|---------------------------|---------------------------|
| Agricultural, fishery and | 181                       |
| related labourers         |                           |
| Housekeeping and          | 172                       |
| restaurant services       |                           |
| workers                   |                           |
| Computing professionals   | 152                       |
| Architects, engineers and |                           |
| related professionals     | 115                       |
| Physical and engineering  | 93                        |
| science technicians       |                           |
| Architects, engineers and |                           |
| related professionals     | 51                        |
| Building frame and related| 23                        |
| trades workers             |                           |
| Business professionals    | 23                        |
| Finance and sales         | 23                        |
| associate professionals   |                           |
| Helpers in restaurants    |                           |

Source: Migrationsverket, 2016–17.
to a larger extent than high-skilled immigration. Hence, a larger proportion of Chinese nationals were employed in low-skilled occupations.

An important driver behind the changes in immigration since the beginning of the 2000s has been changes in the labour market. There are indications that the Swedish labour market is becoming polarised; that is, both high-skilled and low-skilled jobs are increasing, whereas middle-level jobs are decreasing in relative numbers (Åberg, 2015). A large share of the increase in high-skilled jobs is within computer and IT occupations. Between 1994 and 1999, the number of computer and IT jobs increased by approximately 60,000, compared to an increase of 141,000 jobs across the entire labour market during the same period (Arbetsmarknadsstyrelsen, 2000). Furthermore, employers have difficulty finding employees with the required skills within computer and IT occupations (Arbetsförmedlingen, 2017). These labour shortages are an important cause of the increased migration of high-skilled workers. However, labour shortage alone is not sufficient to explain why employers prefer to hire workers from India and China rather than from other countries. To be able to explain this, case studies of the specific firms that are hiring Indian and Chinese nationals are also required.

4.1 Different categories of skilled migrants

There are different ways to categorise skilled migrants and, as Iredale (2001) has noted, there is some overlap among typologies. One way to categorise migration is by duration of stay in destination country: is it permanent or temporary migration? Swedish immigration policy does not make a distinction between temporary and permanent migrants: after four years of employment in Sweden migrants are eligible to receive a permanent residence permit (Migrationsverket, 2018). However, there are differences in how managers view and treat migrants in this respect, and this affects migrants’ chances of receiving a permanent residence permit. One category of firms is recruiting foreign nationals on a permanent basis; they want their immigrant workers to stay, so these workers have a good chance of receiving permanent residence permits in the future. Another category of firms is bringing in foreign workers on a temporary basis. One important example comes from consultancy companies that provide services for customers in Sweden. These companies regularly bring workers from India to Sweden, but only a short period of time, such as three or four months (see below).
It is important to also make a distinction between migrants who arrive in Sweden with the intention to work and migrants who arrive with the intention to study. The latter category should be included in the investigation of skilled migration, since foreign students are a significant source of labour for many firms (Migrationsverket, 2018; Work permit applications, 2012). Foreign students have a right to be employed in Sweden, and they might receive permission to stay after their graduation, if they can find a job.

5 IMAGES AND MOTIVES

A driving force behind the employment of migrants in lower segments of the labour market is to lower the costs of labour, and this point is well established in the literature (e.g. Piore, 1979). A less researched topic is whether this could also be a motivation for the employment of high-skilled migrants from non-European states. Furthermore, there are difficulties associated with asking direct questions about wages to managers (cf. Krifors, 2017). One problem is that the informant might be reluctant to acknowledge that lowering the cost of labour is a motivation, since this could potentially imply a breach of regulations.

There are different reasons for employing skilled workers from India and China, and a single firm might have more than one motivation. One significant motivation is to lower the costs of labour. This motive has been found in two categories of firms: One is large consultancy companies’, and the other is small firms that are developing IT products. Among the three small firms included in the sample, lowering labour costs was found to be a motive in one and possibly two firms. These firms have been started recently and were poor in terms of economic capital when they were started. One strategy for reducing costs was to employ Chinese and Indian workers at lower wages than Swedes with similar qualifications. They recruited persons who had studied at Swedish universities recently, or were at the end of their education. One informant describes why his/her firm started recruiting Chinese nationals, and how the development of the firm is intimately bound up with the employment of migrants. A precondition for this strategy was that they transferred to speaking English in the workplace:

I think that our fifth employee was from China … It was a question of survival for us. We were something like three or four persons [in the firm]. How do you get smart people to work in this little firm? It’s very difficult: we don’t have any exciting customers, no exciting employees and no exciting projects. We can’t pay very high wages … We saw that there were a lot of very good developers who had difficulties getting a job in Sweden. The reason for this was often that they didn’t speak good Swedish, or didn’t speak Swedish at all. We made the simple decision that ‘it’s okay to speak English here’. (Informant F).

Large consultancy firms use a different strategy to lower the costs of labour: they bring in workers directly from India on a temporary basis. The migrants are often part of the companies’ workforce in India, and the rest of the year they do their work from their home country. This migration is organised in a way that avoids some Swedish taxes and other costs (Informant E, J and L). The migrants are expected to move back to India after a specified period of time, and this might even be written into the contract. One informant stated: ‘We try to prevent the personnel from becoming settled in Sweden’ (Informant J). This firm also seeks to bring in young workers, which implies that the workers are often unmarried and do not have any ties to Sweden. If migrants become settled in Sweden, the firm risks losing them to better-paying employers. The attempt to prevent settlement in Sweden is exclusively
a strategy of the firm; the state is not involved. According to state regulations, migrants might be allowed to stay in Sweden if they are employed. They might also receive permission to change to a different employer, if they can find one (Migrationsverket, 2018).

This migration model has little to do with the image of a transnational elite that moves more or less freely in the world (cf. Krifors, 2017). Rather, it is a form of privatised guest-worker system that has been made possible by the development of information technology and the accompanying reorganisation of the world of work.

There are other motives for employing skilled migrants from India and China. One is that it is difficult to find native workers who can or want to do the job in question (e.g. Informant I). A second reason is that having migrants in the workforce gives the firm a competitive advantage in the market. This motive can take somewhat different forms (cf. Informant B). China has become an increasingly important market for firms in Sweden; in some cases, this has made it important to have Chinese nationals in the workforce. They can communicate with Chinese people in their own language and they have a cultural understanding of China that Swedes do not have (Informant A).

How do managers view skilled migrants from India and China? Do they have any other qualities besides technical qualifications that make them attractive as workers? Some informants stated that they are only searching for the most qualified workers, and it does not matter what backgrounds the workers have (Informant C and D). Others view Indian and Chinese workers as more ambitious and hardworking than native Swedish workers. This is often explained with reference to the differences in economic development between advanced welfare states such as Sweden and the ‘emerging economies’ in Asia. Because Swedes have lived in relative prosperity for a long time, they have developed different aspirations and desires than persons from India and China:

The Indian consultants do a good job. They are fostered in a different culture. They have seen the other side of the coin, and that things don’t come by themselves. They are as competent as other workers, and at the same time they are hungry and cost little. (Informant J).

The Chinese workers are capable and hardworking. But the cultural differences also create problems: They don’t say no to a superior. Therefore, I was forced to formulate my requests so that it wasn’t possible to answer yes or no. I am satisfied with the Chinese workers. (Informant G).

Managers are unaccustomed to some of the attitudes and understandings that migrants bring to the workplace, which can be expressed in rather derogatory terms. Hence, the employment of migrants from India and China forces managers to learn how to deal with new cultural differences in the workplace (e.g. Informant G, L and M). Therefore, managers who are starting to recruit migrants from these countries face different challenges than those that have done so for a long period of time. When managers start to recruit migrants from a specific national category, routines are developed to handle issues such as new cultural differences in the workplace. If managers are unfamiliar with the new category in the workplace, such adaptation is almost inevitable (Tilly, 1998). Learning what words to use when talking to migrant workers in order to stimulate optimal performance is part of such an adaptation process.

Managers associate Chinese and Indian nationals with certain behavioural dispositions that are appreciated in workers, such as being hard-working. These views have a
structure that is similar to how migrants in lower segments of the labour market are viewed. They are part of a social image of migrant workers from poorer parts of the world. However, managers find it problematic if high-skilled migrants show too much acceptance of authority relations in the workplace. Managers also want workers who take initiative and are relatively independent in the workplace. This other, more problematic, view is not restricted to Chinese workers. Another manager commented on differences between Swedish and Indian workers as follows: ‘[Swedes] are significantly more self-propelling than Indians are. They also need more guidance than a Swedish group’ (Informant M).

A context for this more problematic aspect of managers’ view is the different role that hierarchies in workplaces play in Sweden, on one hand, and China and India, on the other. Swedish work organisations have been described as ‘flat’ and ‘decentralised’ (Movitz and Sandberg, 2013). Although this generalisation about Swedish work organisation is problematic, so-called flat organisations are common in the high-tech sector investigated in this article. This type of organisation presupposes a significant degree of involvement from employees, and interaction in the workplace is often characterised by informality. If migrants originate in countries where hierarchies in workplaces are more pronounced, it might take some time before they learn about norms and informal rules in the new setting (Informant A, H, I, L and M).

Notwithstanding this more problematic view, the advantages of employing workers from China and India outweigh the possible disadvantages. Furthermore, the appreciative view of Chinese and Indian workers as diligent and ambitious is more significant. This point was expressed clearly by seven managers who belong to both small firms and large firms, and to both product development firms and consultancy firms. These views seem to have their origin in managers’ interaction with migrants in the workplace; that is, managers are experiencing the employed migrants as diligent and ambitious in comparison with native workers. Hence, these views are not necessarily false or wrong as descriptions of the persons that managers have interacted with so far. However, they tend to become generalised to whole categories of people, and stereotypes have the potential to also influence future recruitment decisions, both in a negative and a positive direction.

When it was considered relevant, the interviews included questions on differences between Chinese and Indian workers; that is, when a firm had employed persons from both categories. When it comes to the appreciative view of Chinese and Indian workers, managers did not express any significant differences. For instance, one manager responded: ‘The similarities are larger than the differences. They are both very committed and very loyal’ (Informant F). However, there was mention of differences in other aspects than alleged behavioural attributes. One such aspect concerns the technical skills of different categories of migrants. Indian workers are viewed as particularly competent in the IT field. This is a significant theme in three interviews, although there are no negative views of Chinese workers’ skills.

6 MIGRANT NETWORKS OR EMPLOYER NETWORKS?

Managers use relationships to other actors as they search for and select suitable workers. A common method is to search for new workers among the acquaintances, friends and relatives of current employees. It can result in the recruitment of native workers as well as migrant workers. This recruitment method seems to be as important in the ‘knowledge-intensive’ firms in this study as it is in other types of firms.
Earlier studies have focused on the importance of such interpersonal networks. However, interorganisational ties, such as ties to universities or other firms, also matter. A firm’s decision to employ migrants is made within the context of an organisation field, and the firm’s position within the field influences how and why it employs migrants from India and China.

All of the firms in this study are based in locations in which there is a university, and they are parts of the so-called ‘knowledge-based economy’. Their workforce is university-educated, and many firms collaborate with universities in different ways, such as in innovation projects and educational projects. This collaboration is viewed as beneficial, not only to firms and universities, but also the local community in which they operate. Related to this development is the so-called ‘global competition for talent’, in which universities are trying to make themselves attractive for foreign students and researchers (Sum and Jessop, 2013a, 2013b). University students from abroad are a valuable source of labour for firms in the ‘knowledge-based economy’.

The collaboration between firms and universities results in increased interdependencies; that is, firms and universities become increasingly dependent on resources that the other organisation holds (cf. Sum and Jessop, 2013b). However, the strength of firms’ dependency on their local university varies significantly. Large and established firms might cooperate with local universities, thereby gaining access to valuable resources, but they are not dependent on this cooperation for their survival. For instance, even if some large firms might search for and select new workers among foreign students, this is not necessarily their most important recruitment method (e.g., Informants A, B and M). If the firm belongs to a large multinational corporation, an alternative method is to bring in new workers from the corporation’s operations abroad. The situation is different for smaller firms that hold weak positions in the field. The development of these firms is strongly dependent on them gaining access to resources of the local university. In some small firms, some managers have PhD degrees and continue to collaborate with the university faculty in different ways (Informants F, G and H).

Managers are using the ties to universities to acquire information about a category or person they are considering hiring. These ties seem to be particularly important when managers are starting to recruit individuals from a national category that is not present in its workforce and is therefore unfamiliar to them. In the following case, a longstanding relationship to the university resulted in a firm’s first recruitment of an Indian national. Management used this relationship to gain information about a person they were considering hiring, which eventually led to the recruitment of additional migrants:

[This company] has a strong relationship with the university. This means that we can get first-hand information about which students are good, what they are good at and who works on interesting projects. This way, we obtained the name of the first Indian we hired. He received good references from his teachers and tutors at the university. We hired him … He remained in Sweden, and this was in 2011. We later on received the names of other good students through him. We then hired another Indian and a Vietnamese person. (Informant H)

Interorganisational and interpersonal ties might certainly interact, and it is not always clear where to draw the boundary between them. In this case, interorganisational ties were used when the firm recruited its first Indian workers, which resulted in the introduction of a new interpersonal network to the workplace. Company management searched for new workers in this interpersonal network, which led to the employment
of another person from India and one from Vietnam. Hence, management no longer needed to rely solely on information coming from other organisations.

Chinese and Indian workers are relatively new categories in many firms in Sweden, and they are perceived as culturally distant from Swedes. Therefore, managers have been forced to develop new routines for handling the recruitment of these categories of workers. The use of relationships to other organisations is one way to reduce uncertainties about capabilities. Such a method might even become more significant in the case of Indian and Chinese workers, because of perceived cultural distance from a Western European norm. However, firms not only use ties to universities to acquire information on persons they are considering hiring; they also use ties to other firms. In the following case, the ‘I firm’ makes use of its ties to other firms as it selects suitable workers. Some of these other firms might even be competitors. The ‘I firm’ employs Indian nationals both on a temporary and a permanent basis:

It is difficult to bring in someone from India for an interview. We don’t do that. There is often some kind of contact. That’s how you get in. It might be a person that has been in Sweden [before], perhaps not for this company, but for another company, for example the X company or U company … We have been able to verify that person’s competence and know he works well in Sweden. There is some kind of contact; otherwise the recruitment would be too insecure. (Informant I).

In order to reduce uncertainties associated with the employment of new foreign workers, firms might seek assistance also from competing firms; for instance, the X company or the U company. The relationships between different firms are significant in other ways as well. Firms observe how other similar firms in the field act, and they might emulate the practice of another firm if that practice is viewed as successful—including practices that involve the use of foreign labour (Tilly, 1998). An increased number of consultancy firms are bringing in workers from India on a temporary basis (Work permit applications, 2012). Some firms started doing this early and others followed suit. Firms that adopted this practice late in the process perceived other firms’ use of this practice as successful, which contributed to their decision to start similar operations in Sweden (Informant J). The increased number of firms that started such operations in Sweden contributed to the increase in migration from India. Furthermore, the ‘migration industry’ (Light, 2013) is involved also in the recruitment of skilled migrants. Organisations have evolved that assist companies in their search for and selection of skilled workers, and other firms have evolved whose principal activity is to assist multinational companies in the transfer of workers from operations abroad (Work permit applications, 2012). These businesses are also players in the field.

7 CONCLUSION

Since the beginning of the 2000s, an increased number of skilled migrants from China and India are being employed in Sweden. The explanation for this is not only that immigration policy has been liberalised. Nor can it be explained solely by the growing importance of China and India in the world economy. There also have to be firms that view Chinese and Indian nationals as an attractive workforce and want to employ them.

Firms’ decisions to employ migrants are made within the context of a specific organisational field. The position a firm holds in the field, and consequently the relationships it has with other actors within it, shape how and why it will employ migrants.
from specific national categories. A firm’s relationships with other organisations are particularly important when the firm is starting to employ persons from national categories that are unfamiliar to managers. Managers do not have any first-hand experience of these categories in the workplace and/or are unable to make use of interpersonal relationships to people in these categories. In order to lower the risks associated with employing new categories of migrants, managers are more likely to rely on information coming from outside the organisation, such as another firm.

The article has focused on two types of interorganisational relationships: inter-firm relationships and relationships between firms and universities. The interaction between firms and universities is crucial in the ‘knowledge-based’ economic field of this study. Firms are seeking access to resources that universities hold, such as cultural capital, which results in increased interdependencies. However, the strength in a firm’s dependence on universities is related to its position in the field. All of the small product-developing firms in this study have strong ties to the local university. They have used these ties to gain access to resources, which has been vital for their survival and development. An important source of labour for these firms is foreign nationals who are studying at Swedish universities or have recently graduated. The ties to universities are a form of social capital that firms might use when they are searching for and selecting new workers (Bourdieu and Wacquant, 1992). Such social capital is particularly important for smaller firms that are poor in terms of other forms of resources, such as economic capital.

The situation is different for firms that hold dominant positions in the field, such as large product-developing firms in this study. These firms are also cooperating with the local university and might employ foreign nationals that have been students at the university, but this is only one of several options available to them. These firms have access to a wider range of labour sources than small firms. The firms that have the weakest ties to Swedish universities are the foreign-owned consultancy companies. Their main strategy is to bring in workers from operations in India on a temporary basis. An increased number of firms have adopted this practice, which has contributed to the growth in migration from India.

One important motive for employing persons from China and India is to lower the costs of labour. This motive was found in two categories of firms. The first category was large consultancy companies whose main strategy is to bring in workers from India on a temporary basis. In some instances, this is a form of privatised guest-worker system. The second category is small firms that are poor in terms of economic capital. An attractive strategy for these firms is to employ migrants at lower wages than Swedes with similar qualifications. However, if these smaller firms become established in the field, their dependence on ‘cheap’ migrant labour tends to weaken. Furthermore, there are other motives for employing migrants from India and China among firms, such as solving labour shortages.

Managers view workers from India and China as more diligent and ambitious than native workers. These views have a structure that is similar to how migrants in lower segments of the labour market are viewed. Such views are fairly widespread among managers in different types of firms and they contribute to making Chinese and Indian nationals an attractive workforce. However, managers find it problematic if high-skilled migrants show too much acceptance of authority relations in the workplace. Managers also want workers who take initiative and are relatively independent in the workplace, resulting in ambivalence in the image of skilled migrants from India and China.
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