OXFORD ECONOMICS

THE RECRUITMENT OF MIGRANT WORKERS BY LONDON SCIENCE AND TECHNOLOGY FIRMS

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Access to international labour is a critical concern for London's most innovative firms. How best to balance the UK government's commitment to reducing net migration with the recruitment needs of the businesses that support innovation and economic growth is an issue that is particularly pronounced in London. The breadth and depth of the capital's international trade and investment linkages and its concentration of knowledge-based and digital sector firms means that access to international labour is salient. In the science and technology sector, smaller but fast-growing businesses rely on the skills and expertise of their employees to innovate and drive growth, and exist in competitive globalised markets where being the first to commercialise a new product or service can mean the difference between success and failure.

This research has analysed the international recruitment challenge facing these firms through a comprehensive three-stage research process. It analyses the nature and extent of difficulties encountered by particularly, high-growth start-ups and spin-offs, as they seek to recruit workers from outside the European Economic Area (EEA). Three phases of research have been conducted. The first phase involved in-depth consultations with stakeholders and a small number of start-up companies to develop a detailed understanding of the challenges, particularly in relation to the Tier 2 migration route which has been reported to be the source of problems. The second and third phases involved telephone surveys: firstly of a sample of small companies in London's science and technology sector to establish their need for non-EEA recruitment; and secondly of those companies in the sector that had already registered as sponsors to enable them to recruit non-EEA migrants.

The insights of stakeholders and employers suggest that the core challenge is in getting the right skills from within a limited and highly competitive labour market. Our consultations suggested that high-growth science and technology firms, often at the cutting edge of technology and research, can face genuine skills shortages and struggle to find the people they need with the right combination of up-to-date technical ability, business skills and experience. Domestically, the market for workers with sought-after skills and experience can be extremely competitive, and start-ups can be priced out by established firms able to offer higher salaries. In these circumstances recruiting from overseas can be an attractive option.

However, firms face practical and perception-based barriers in using the Tier 2 route to overcome skills shortages. Employers facing competition from organisations in San Francisco, Toronto or Berlin want a fast and flexible system that is responsive to their needs and enables them to compete in a market where national borders mean little. However, the Tier 2 application process and website can appear complex and inaccessible, particularly to fast-moving companies whose core business is ensuring digital media are accessible and useable. This can reinforce negative perceptions but also means that smaller firms are put off by a sense that the system is too slow, that they do not have the time or expertise needed to navigate it, or that they must absorb additional costs by employing specialist advisors. Consultees suggested that these barriers were having a restrictive impact on growth for some firms, which were having to recruit employees that were not their first choice, or hire workers to be based overseas. In the longer term this trend could represent a missed opportunity to bring workers with highly sought-after skills into the UK where British workers and businesses would benefit.

Our wider survey research suggests that while some firms are undoubtedly facing challenges, the problem is not especially widespread across the science and technology sector as a whole. Survey evidence echoed the earlier research identifying the same skills shortages as a driver of the need to recruit migrants and pointing to the same sources of dissatisfaction with the Tier 2 system as being around complexity, timeliness and ease of access to information from the Home Office. Almost one-third of firms with skills gaps remaining after using Tier 2 also confirmed the trend for hiring workers based in other countries. However, our survey evidence suggests that only around five percent of the 84,000 science and technology firms in London with fewer than 50 employees could have come into contact with the Tier 2 system within the last five years. Further, around 60 percent of those who had done so described their experience as good or very good overall. Only 16 to 20 percent rated their overall experience as poor or very poor. Taking these findings together, the study has not therefore found evidence that an inability to hire highly skilled non-EEA migrants is placing a strong brake on the growth of the London science and technology sector as a whole—it implies that less than 1,000 small science and technology firms in London may actually have encountered difficulties with Tier 2 during the last five years.

However, at least some employers are encountering difficulties with Tier 2 and a faster, better-supported, and simpler process would make a real difference to employers. The nature of activity in this sector means that even apparently small problems can have big consequences if, for example, they prevent just one or two London firms from recruiting the staff that would enable them to become the next Google or Apple. Our research has identified a number of potential improvements to the system, including improving the application website, providing clearer guidance, and providing access to some kind of quick-response support service. Consideration is also needed of how to reduce complexity and accelerate the process to reduce the delays employers face in the recruitment process, which can be particularly harmful to smaller start-ups. More than one-third of respondents suggested use of a third party organisation to act as sponsor could provide a solution, but careful consideration and further research would be needed to determine how such an arrangement could be organised and funded. Either way, employer organisations might play a useful role in providing support and advice to their members as they seek to navigate the Tier 2 process.

Migration arrangements in use overseas suggest some further changes that could aid the competitiveness of UK firms. A review of visa arrangements in six comparable countries identifies some differences in rules that could make it easier for start-ups to access highly skilled workers. France, Germany, Canada and Japan all allow foreign graduates to stay and seek work for longer than is permitted in the UK, and Germany also allows highly skilled workers to seek work in the country for six months without a specific job offer. In Singapore requirements to advertise jobs domestically are relaxed for very small firms or for high-salary positions. All else equal, such arrangements should provide a larger pool of skilled and immediately available labour than is the case within the UK.

1. INTRODUCTION

Businesses in the UK operate within an international context. This is particularly true for firms in London, given the breadth and depth of the capital's international trade and investment linkages. To be globally competitive employers need easy access to workers that meet their requirements. Such workers are not always available from the UK or EEA labour market and firms will often seek to recruit outside these boundaries to reach the kinds of workers with the skills and experience that they need to expand and grow.

Access to international labour is also particularly important for certain types of businesses. For example, fast-growing firms in London's science and technology sectors tend to be knowledge-intensive, and therefore have a particularly strong reliance on the skills and expertise of their employees to innovate and drive growth. Likewise, they may be operating at the cutting edge of science or technology, where knowledge evolves very rapidly and where adaptability and nimbleness is vital in keeping pace in a global market. These firms also exist in an online market which tends not to distinguish by location or nationality. In many cases they provide almost perfectly tradable services—there are no transport costs for services provided in the online world and it may matter very little to the purchaser where the supplier is based. Moreover, the 'first-mover' advantage available to the first entrant to a new market can be huge. Such considerations feed through into organisational culture and attitudes within such firms.

For these kinds of firms, skills shortages within the domestic labour market can be particularly acute since only a relatively small number of individuals across the world may have the up-to-date expertise required. The idea of boundaries can be particularly alien for firms operating in the digital space and, in this context, the risk or perception of asymmetry can seem also more pronounced—technology firms must compete directly with organisations based in other parts of the world that may have access to a larger, or at least a different, labour pool.

In the UK however, the government is committed to cutting net migration. Over the last five years the number of routes through which business can access migrant workers from outside the European Economic Area (EEA) has been reduced. The Tier 1 (General) route, which allowed highly skilled migrants to come to the UK without a specific job offer was closed in at the end of 2010. Also in that year, the government introduced a cap to limit to 20,700 the number of highly skilled migrants coming to the UK each year under Tier 2 of the migration system. And in 2012 the government ended Tier 1 Post-Study Work visas which had allowed those studying at UK institutions to apply to remain in the UK to seek work for two years after the end of their course. These changes have raised concerns that such a tightening of migration policies could conflict with economic growth objectives since they act to reduce the potential pool of workers from which UK firms can recruit.

Stakeholders in London have also reported to the Greater London Authority that the government's points-based immigration system is overly complex, time-consuming, and places unreasonable costs and responsibilities on employers. Such concerns are thought to be particularly acute among small firms, which may not have the dedicated HR resources needed to manage more complicated international recruitment processes. Nevertheless, in the science and technology sector, in particular, small firms may be the most likely sources of innovation.

In light of these concerns, the Greater London Authority asked Oxford Economics to investigate:

- the extent to which small firms in the London science and technology economy (particularly high-growth start-ups and spin-offs) may encounter difficulties in recruiting non-EEA workers as a result of the government’s immigration system, with a focus on Tier 2 immigration;
- the impact of any such difficulties on businesses; and
- how the situation could be improved.

To answer these questions we have interviewed stakeholders and employers to understand the kinds of challenges faced by science and technology firms in recruiting the talent they need, and how the migration system may be hindering small firms’ access to highly skilled migrants (Chapter Two). Telephone surveying was then undertaken to determine the extent to which science and technology firms in London have a need for migrant workers from outside the EEA (Chapter Three). A second telephone survey gathered evidence on the experience of London firms which have used Tier 2 to recruit in the past few years (Chapter Four). Finally, we explored ideas about how the UK system might be improved, gathering feedback on potential changes through the surveys and reviewing arrangements in other countries (Chapter Five). This report summarises our findings from this stakeholder engagement process. Further details of the methodologies employed are set out in the respective sections of the report.

DEFINITION OF THE SCIENCE AND TECHNOLOGY SECTOR

GLA requested that the definition of the science and technology sector should be aligned with that used in their previous research.[1] This earlier research was, in turn, based on analysis by the Office for National Statistics to identify science and technology businesses within official statistics.[2]

Within this framework the science and technology sector comprises five sub-sectors[3]

- **digital technologies**, which includes the manufacture and repair of computers and electronic components, and computer services including software development, internet services, and computer consultancy, design and publishing of computer games and other software;
- **life sciences and health care**, which includes medical health care services (both human and veterinary), medical research and development (including biotechnologies), and the manufacture of pharmaceuticals, medical treatment machinery and optical precision instruments;
- **publishing and broadcasting**, which includes the manufacture and repair of communication equipment and the use of this by means of broadcasting, publishing and telecommunications, specialist graphic design and marketing services, advertising agencies, photography;
- **other science and technology services**, which includes knowledge-intensive services such as higher education, engineering, architecture, quantity surveying, aerospace transport services, and non-medical research and development; and
- **other science and technology manufacturing**, which includes precision engineering and the manufacture and repair of equipment for aerospace, defence, automotive, chemical products, engines and machinery (both electrical and non-electrical).

Following discussion with GLA, and in light of insights from the stakeholder consultations, it was decided to exclude the other science and technology manufacturing sub-sector from our analysis as many of the activities it includes are not those typically associated with the types of small science and technology firms which have expressed concerns about Tier 2.

It was also decided to exclude most of the life sciences and health care sub-sector, which includes the manufacture of pharmaceuticals and medical equipment and, particularly, activity related to health care, such as hospitals and GP surgeries. While such organisations may face recruitment challenges, they are not the primary focus of this study. Nonetheless, the study does include firms within the "research and experimental development on biotechnology" sector, which is where we might expect to find start-ups in life sciences.

[1] Gordon Douglass and Jonathan Hoffman, "The science and technology category in London" <https://www.london.gov.uk/what-we-do/business-and-economy/business-and-economy-publications/working-paper-64-science-and> [accessed 30 October 2015]

[2] James P Harris, "Identifying science and technology businesses in official statistics" <http://www.ons.gov.uk/ons/dcp171766_394876.pdf> [accessed 30 October 2015]

[3] The summary definitions presented here are taken from Gordon Douglass and Jonathan Hoffman, "The science and technology category in London" <https://www.london.gov.uk/what-we-do/business-and-economy/business-and-economy-publications/working-paper-64-science-and> [accessed 30 October 2015]. Full details of the definition, including the SIC categories included within each subsector are available on the ONS website: http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-392272

THE UK MIGRATION SYSTEM[4]

The UK operates a points-based immigration system for migrants from non-EEA countries. This system was phased in between 2008 and 2010 and is structured around four tiers under which different types of applicant can apply for a visa.[5] The tiers are outlined below.

Tier 1

There are four types of applicants who can obtain a Tier 1 visa:

- entrepreneurs who want to set up or run a business in the UK;
- those who are recognised as an exceptional talent in their field of science, humanities, engineering, medicine, digital technology or the arts;
- graduate entrepreneurs who have credible business idea;
- investors who commit to investing £2,000,000 or more in the UK.

Tier 1 previously included two other routes, which are now closed:

- Tier 1 (General) was a points-based visa for applicants who wished to become self-employed; and
- the post-study work visa, which allowed students who had completed their degrees to apply for permission to work in the UK for two years.

Tier 2

This tier is for applicants coming to the UK to take up a highly skilled job. Applicants for this visa must have an offer of a skilled job from a UK organisation which is on the Home Office ‘register of sponsors’. The job the applicant has been offered must pay £20,800 or more and applicants must demonstrate a good knowledge of the English language. Before employers can offer the job to a non-EEA migrant they must conduct a ‘resident labour market test (RLMT)’, in which they advertise the vacancy in the UK for least 28 days to ensure there are no suitable workers already living in the UK. However, if the job offered is on the Tier 2 Shortage Occupation List then the RLMT is not required.

Although not assessed within this study, Tier 2 routes are also available to applicants who:

- work for an overseas employer and have been offered a role in the UK branch of the organisation (the inter-company transfer route);
- are ministers of religion and have been offered a job within a faith community in the UK; or
- are recognised as an elite sportsperson or coach.

Tier 4

These visas are designed for students, and applicants must be either aged between four and 17 and coming to the UK to study at an independent school, or be 16 or over and have been offered a place on a course with an institution licensed to sponsor migrants under Tier 4. Applicants can stay in the UK for a maximum of four months after the completion of their

[4] Source: UK Visas and Immigration <https://www.gov.uk/browse/visas-immigration> [accessed 22 February 2016]

[5] The government originally envisaged a system with five tiers, but Tier 3, a route for unskilled migrants, has never been implemented.

course, depending on the length of the course. PhD students can also apply for the Doctorate Extension Scheme, which allows migrants to remain in the UK for 12 months after their course.

Tier 5

This tier provides visas for temporary workers coming to the UK for shorter periods of time who:

- want to do unpaid charity work;
- have been offered work in a sporting or creative role;
- want to come to the UK for work experience, training or research through an approved government authorised exchange scheme;
- are doing work covered by international law while in the UK; or
- want to preach or work in a religious order.

2. THE CHALLENGE FACING FIRMS

Our consultations with stakeholder organisations representing science and technology firms, particularly start-ups, and with a number of start-up companies themselves, highlighted a range of issues in relation to finding and recruiting the right employees to drive growth.

The following section explores these challenges in some detail before we go on to examine how widespread these experiences might be across the sector.

2.1 STAKEHOLDER AND START-UP INSIGHTS

Six telephone interviews were conducted with representatives from the following stakeholder groups:

- The City of London;
- The Coalition for a Digital Economy (Coadec), an organisation for digital start-ups;
- Fragomen, Del Rey, Bernsen & Loewy LLP, who are immigration lawyers;
- OBN, an organisation for companies in the life sciences sector;
- One Nucleus, an organisation for companies in the life sciences and health care sectors;
- University College London Enterprise.

Interviews lasted for around 30 minutes and covered topics such as employers' experiences of the Tier 2 migration system; challenges faced by start-ups when accessing the system; the impact of challenges encountered by small firms; firms' responses to difficulties; and options for improving the system.

Ideally we would also have undertaken random telephone interviewing of firms which are members of the stakeholder groups that have raised concerns. This would have allowed us to ascertain, at least within these groups, whether the issues reported reflected the poor experience of a minority of firms, or if they were representative of the experience of a large proportion of members.

However, stakeholder organisations were unable to share members' contact details without first obtaining members' permission. All of the groups therefore proposed an 'opt-in' approach whereby they circulated e-mails to members asking if they would be willing to participate in a 5 to 10 minute interview. To maximise the potential number of responses, this part of the research was not confined to firms in London. The following organisations agreed to send such invitations to their membership:

"We needed someone with multiple skills sets… The software/coding skills, as well as experience in the industry and the soft skills required to manage others… We spent six months searching the UK but could not find one."

- Bionow, which represents the biomedical and life sciences sector in the North of England;
- CapitalEnterprise, which is a membership body for providers of enterprise support services in London;
- MedCity, which supports life sciences firms in London and the South East of England;
- OBN, an organisation for companies in the life sciences sector;
- One Nucleus, a membership organisation for companies in the life science and health care industry;
- Tech UK, which represents the UK technology industry; and
- two workspace providers: Camden Town Unlimited and Impact Hub Islington.

It is not possible to be certain precisely how many employers were invited to participate in interviews, but based on the membership of the organisations above we believe that at least 2,000 companies received the request. Responses were received from 13 companies, of which 11 fell within our sector definition. It was possible to complete interviews with eight of the employers within the timescales of the project.[6]

At this stage it is worth pausing to note that the number of employers offering to be interviewed represents an extremely small proportion of those who received invitations. There may be a number of reasons for this, including 'survey fatigue' as a result of the large number of surveys and research studies that employers in sectors facing skills challenges are asked to participate in.

It is also important to recognise that companies volunteering to participate may be those who have experienced the greatest difficulties with or who have the greatest concerns about Tier 2. Their experience cannot therefore be regarded as typical or representative of start-ups in the science and digital sector. Nonetheless, respondents were able to provide useful insights into the nature of issues that firms may encounter.

2.2 THE SKILLS CHALLENGE

Our consultations with stakeholders identified concerns that technology firms face genuine challenges in finding workers with the skills and experience they need from within the EEA labour market. Stakeholders highlighted that for certain jobs, such as data scientists, the available labour pool was very limited. Stakeholders suggested that recruitment challenges are less severe in the scientific sector than in the digital sector. However, skills shortages do exist in some areas, such as for chemists.

"We were not able to find a web designer with about five to six years' experience."

In part, stakeholders suggested, the problem was being driven by the fact that the education system struggles to keep up with rapid changes in programming

[6] Six of the eight employers were in the digital sector, one was in the life sciences sector, and one was a combination of digital and life sciences. Two of the companies were already on the Home Office Register of Sponsors, five had considered registering, and one was unaware of the register. Seven of the firms were based in London and one was based in Cambridge. Each had less than 20 employees at present, though most were planning to increase their workforce during the next five years, in some cases significantly.

languages and other technological advances.[7] This was reflected in a sense that it is becoming more difficult to obtain workers from the UK labour market as the sector is growing more quickly than the supply of graduates.

We heard that as a consequence, firms felt that in some cases the only way to fill such roles is through recruitment from outside the EEA (from countries such as the US or Israel, for example). Indeed, stakeholders suggested that when jobs had been advertised online a large number of applications from non-EEA countries were received and, in many cases, these are stronger than applications received from UK or EEA workers. The feeling expressed was therefore that firms would struggle less to secure the highly skilled workers they needed if it were easier to hire from outside the EEA.

"If we had not been able to hire our senior software manager our business would have collapsed, our investors would have pulled out… the senior manager that we have hired is absolutely crucial to driving the business forward."

Our consultations also identified a widespread sense that these problems are exacerbated for start-up businesses, reflecting several factors. Start-ups, perhaps more so than other firms, are often at the cutting edge of technology and therefore have a particularly acute need for workers with expertise in the very latest techniques and can struggle to find candidates with the right skills.

Another factor that we heard from both stakeholder organisations and start-ups themselves was that start-ups face a particular challenge in recruiting workers with the right mix of skills that they need to drive their businesses. It was highlighted that start-ups frequently need a combination of technical ability, business skills, and experience, ideally of working in a start-up environment. Individuals with this blend of skills and experience are often in short supply and it may only be possible to recruit them from the international labour pool.

"Our business requires people with knowledge and experience of working with big data. There are people with these attributes within the UK, but they tend to be in short supply and usually get hired by large corporations."

Getting the right people in place at the right time can be particularly important during the early stages of a start-up's development:

Employers highlighted that the market for workers with the skills and experience they need can be very competitive. For a start-up it can be extremely difficult to offer packages that can compete with the wages and other benefits offered by major companies, such as Google.

Another employer explained that they had successfully recruited workers from EU countries in Eastern Europe who they had found tended to have lower salary expectations than British workers. However, many of the workers with the very specific skills they needed come from further afield and so are harder to access.

"Although there are people who had the technical requirements of a lead developer, there were few who had the soft skills—interpersonal, management, and leadership."

Equally, the international nature of work, and the markets in which they operate, means that firms also often seek workers with international experience, contacts and perspectives. A life sciences firm also highlighted the role of international migration as a source of knowledge sharing. They explained that their firm could only obtain knowledge from leading global research centres in their field in the US and Asia by bringing in workers who had previously worked in those institutions.

[7] This point was also identified in previous research by Oxford Economics – see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/433755/Skills_challenges_in_the_digital_and_creative_sector.pdf

2.3 THE TIER 2 RECRUITMENT CHALLENGE

2.3.1 Culture and perceptions

Perceptions amongst start-ups, in particular, were that the migration system is very complex, and this acts as a significant barrier to engaging with the system. Such perceptions may be especially disruptive for firms used to working in an online world where there are no geographical borders. For these reasons, start-ups may regard the migration system as difficult and bureaucratic and they may be reticent to engage with it.

"The notion of borders is irrelevant to a global internet company."

Indeed, some of the employers interviewed had been put off using Tier 2 as they felt that the complexity and administrative burden were too great. One employer explained that they had initially been put off Tier 2 because they thought it would be too expensive. But they are now going through the registration process and expressed surprise that it was not more expensive. To date they had found the process and timescales to be reasonable.

Concerns were also raised about the extent to which the complexity of the system creates an impression, sometimes exacerbated by political messaging, that Britain is anti-immigration, and that this can be unhelpful for start-ups trying to attract entrepreneurs and world-class talent.

Related to this, some employers found it difficult to understand why the government would implement policies which had the effect of making it more difficult for them to develop expertise and support economic growth within the UK. One stakeholder suggested that a large proportion of digital start-ups have a founder who is non-British, and they have often created jobs for British workers. They expressed concern whether this pattern could continue in future as it is now more difficult for potential company founders to come to the UK.

2.3.2 Complexity and capacity

Stakeholders also expressed concern that these negative perceptions of complexity and impregnability had worsened since the new restrictions and rules had been introduced.

"It becomes more complex. The laws are constantly changing."

Although stakeholders acknowledged that there have been improvements in the operational efficiency of the Tier 2 system over time, policy changes have reduced the number of routes through which start-ups can obtain migrants due to the closure of post-study work visas and Tier 1 (General), and the introduction of the Tier 2 cap.

The Tier 1 (General) route previously made it possible for a highly skilled person to come to the UK and move between companies, whilst imposing no sponsorship responsibilities on employers. Given the high turnover of start-up businesses, this arrangement was particularly useful for new science and technology businesses.

There was agreement among stakeholders that the Tier 2 migration system is especially difficult to navigate for smaller companies and, once again, particularly for start-ups. Large companies, it was suggested, are more able to pay for professional advice to assist them with applications and are more likely to have specialist HR functions. Furthermore, large firms recruit more frequently, which enables them to develop familiarity with the system and spread the set-up cost of learning how the system works across a larger number of recruits.

In contrast, small firms may never have recruited a worker from outside of the EEA previously, and face a steep learning curve to understand the system and register as a Tier 2 sponsor. It was suggested that they would often not have the financial resources to pay for specialist legal advice, particularly during the early stages of development.

"It was very bureaucratic and places a burden on the company. We want to spend our resources on innovation but it diverts time away from this."

The overall bureaucracy of the process, it was suggested, could also place a large burden on the resources of small company, diverting time away from their core business activity. Smaller firms also regarded the system with some anxiety—there was a fear that if an employer missed something in the process, perhaps because of changes to the regulations, then their licence could be revoked at any time.

Complexity was the main issue highlighted by start-ups themselves also, and they reported how it had led several of them to employ specialist advisors, with the effect that the migrant recruitment process became significantly more expensive. For example, one employer explained that it was necessary to have someone within the company dedicated to navigating the Tier 2 process, and also a lawyer. One factor driving employers' decision to engage external expertise to support the process was some ambiguity in the language on the application form, which had undermined the confidence of some employers in their ability to complete the form correctly. One employer was fortunate in having access to free legal advice, but explained that they could not have completed the process without this support.

2.3.3 Timing and delays

Stakeholders reported that science and technology employers often felt the migration system is time consuming to navigate. This was at odds with the fast-moving nature of these kinds of business. Rapid technological change and the pressure to secure an early market presence meant, it was suggested, that digital start-ups, in particular, often had a pressing need to bring in personnel quickly.

One employer highlighted that even having to wait for a week to receive a response from the Home Office was a long time for a fast-growing start-up. And because there is no guarantee the application would be successful, this represented a further source of uncertainty and anxiety, making it difficult to plan.

In contrast to this fast pace, it can take up to three months to work through the various stages of the application process when seeking to recruit a Tier 2 migrant for the first time. Larger firms, it was argued, might be better placed to cope with these kinds of timeframes by being able to reallocate existing resources, but for a smaller firm this could be particularly damaging. Furthermore, the longer it takes to complete the process, we were told, the greater the chance that a candidate would receive another job offer and drop out.

2.4 THE IMPACT OF THESE CHALLENGES

There was a strong sense amongst technology stakeholders and start-ups (at least those which agreed to participate) that long delays in recruiting non-EEA migrants prevented firms from growing in line with their full potential.

The time taken to recruit workers through Tier 2 had led some firms to instead recruit candidates that would not have been their first choice, with the effect that the business had not developed as quickly as might otherwise have been the case.

"If we had been able to bring on a web developer, we could have developed and quality-assured the platforms quicker."

Again, we heard how the funding structure of start-ups created particular challenges. For example, start-ups might need to demonstrate to potential investors that the senior personnel were in place to make a business viable. Once funding had been secured there might be a rapid need to increase staff numbers, but this would often be time-consuming and difficult. Delays caused by the migration system, it was suggested, only served to exacerbate this situation.

One stakeholder explained that some firms are responding to challenges with the recruitment of migrants by hiring workers overseas, and then setting up an office for those individuals to work in within their home country, though this was thought to be more common practice among firms at a slightly later, and therefore larger, stage of development. This might work very well for some companies, but for others it was considered a second-best solution. Founders might themselves go overseas for a period of time to oversee the expansion.

This was confirmed by employers who explained that in some cases they would have no choice but to move work overseas if they are unable to obtain workers with the necessary skills within the UK. Another explained that they had already opened an office in Singapore because it was easier to bring workers from other parts of the world to work there. However, one employer who had outsourced certain aspects of their business overseas explained that it was not sustainable to have workers located in different countries. They felt that they needed workers in the same place to share knowledge and generate ideas.

Finally, we heard that the nature of R&D activity created further challenges, due to the long-term nature of research and time lags between initial research and the commercialisation of a new product or process. A Tier 2 visa can be valid for a period of up to six years. Depending on when breakthroughs occur, there is a risk that a scientist's visa may expire before the benefits of their expertise can be fully exploited. This arguably represents an inconsistency between innovation policy and migration policy.

"We are considering setting up a remote team in another country that has the skills we require. We acknowledge that managing them would be a challenge, but we may not have a choice."

2.5 POTENTIAL IMPACT OF THE IMMIGRATION SKILLS CHARGE

As part of its recent Review of Tier 2, the government's Migration Advisory Committee (MAC) was asked to analyse the potential impact of introducing an 'Immigration Skills Charge' on employers using Tier 2. The MAC's analysis suggested that a charge of £1,000 per worker per year could create an incentive for employers to reduce their reliance on migrant workers and to instead invest more in the training of UK workers.[8]

There were mixed views on the impact of this among the employers interviewed. Two suggested that the additional payment would tip the balance against hiring migrants, and that it would not be worthwhile if this additional cost was imposed.

"That is a significant burden, but we would have done it anyway."

Other employers suggested that while such a charge would represent a significant burden for a young start-up, they would still go ahead as the value generated by the migrant workers would justify the charge. One employer suggested that the impact of introducing the system could be made more palatable to employers by linking it to improvements in the system.

8 Migration Advisory Committee, "Review of Tier 2: Balancing migrant selectivity, investment in skills and impacts on UK productivity and competitiveness, Executive Summary" <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/493038/Executive_Summary-Tier_2_FINAL.pdf> [accessed 22 February 2016]

3. HOW WIDESPREAD IS THE CHALLENGE?

The previous chapter outlined stakeholders' and employers' concerns regarding the ability of science and technology firms in London to access migrant labour. The next stage in our analysis was to assess the extent to which such issues may be representative of the experience of firms in the science and technology sector as a whole. The first step towards this comprised a short telephone survey to establish the extent to which London's science and technology firms have been unable to meet their skills needs from the EEA labour market.

SURVEY APPROACH

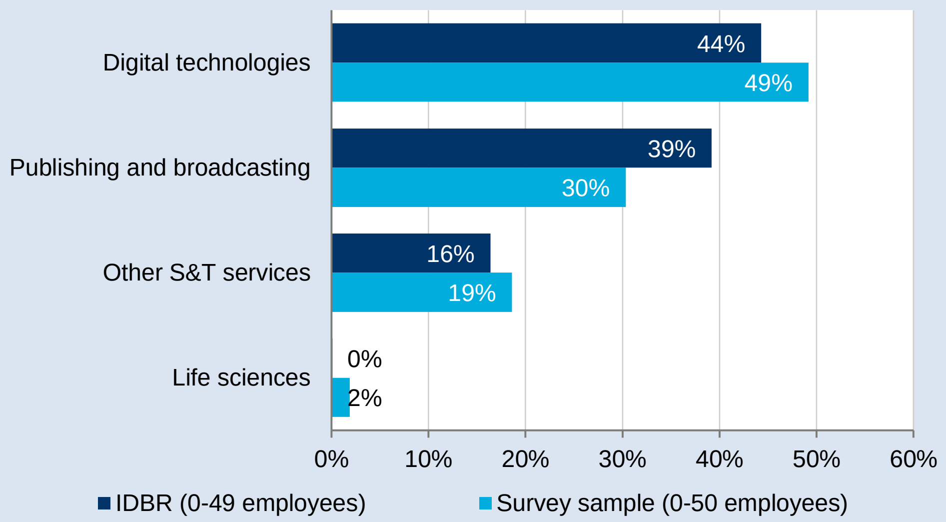
The insights provided by stakeholders and employers suggested that smaller firms were more likely to encounter difficulties with migrant recruitment, given that they typically do not have dedicated HR functions to manage the process. In light of this it was decided to focus this part of the analysis on firms with up to 50 employees.

The survey aimed to gather evidence from a representative cross-section of small firms in the science and technology sectors of interest, in London. To support this, ONS provided data from the Inter-Departmental Business Register (IDBR) on the number of workplaces in London in the relevant SIC categories, by size of enterprise. These data suggest that in 2014 there were around 84,000 enterprises in London which had up to 49 employees, and which fell within the sectors of interest to this study. Of these, 44 percent were in the digital sub-sector, 39 percent were in publishing and broadcasting, and 16 percent provided other science and technology services. Only around 100 small firms in London are involved in biotech research and development (R&D) activity.

The telephone survey was undertaken by Perceptive Insight Market Research (PIMR) who obtained firms' contact details from the Experian National Business Database, via www.marketingfile.com. Firms were randomly selected from the relevant SIC categories and PIMR aimed to ensure that the proportion of firms within each science and technology sub-sector was broadly aligned with the proportions in the IDBR. They also aimed to obtain a reasonably representative spread of individual SIC codes within each sub-sector. A total of 478 firms were contacted within our sectors of interest.

Such a process is difficult to control precisely because, to an extent, the outcome is determined by the willingness of employers in each category to be interviewed. Nonetheless, the chart below shows that the final split of firms across sub-sectors was reasonably representative of the IDBR data. There was a slight under-representation of firms in the publishing and broadcasting sub-sector, but other sectors were within a few percentages points of target.

Fig. 1. Distribution of small science and technology firms in London by sub-sector



Source: ONS IDBR, Perceptive Insight Market Research Base: 478

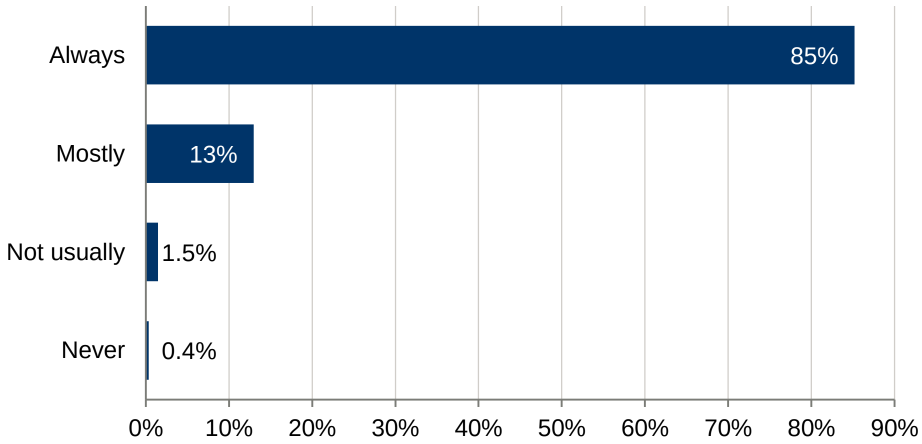
3.1 EXTENT OF THE CHALLENGE

Of the 478 participants in our survey, 105 were sole-traders or self-employed individuals with no employees and no plans to recruit. Of the remaining 373 firms, 103 had not recruited during the last five years. This left 270 London science and technology firms which had recent experience of recruitment. The split of these 270 firms across the four science and technology sub-sectors was similar to that for the initial sample.

Amongst those firms that had recruited, the vast majority had always been able to find the workers they needed from within the UK and EU labour markets. Just two percent of firms reported that they had not usually or ever been able to access the workers they needed.

Fig. 2. Has your firm been able to find workers within the UK and EU labour markets with the skills and experience to meet the needs of the business?

Based on 270 firms with experience of recruitment in the last five years



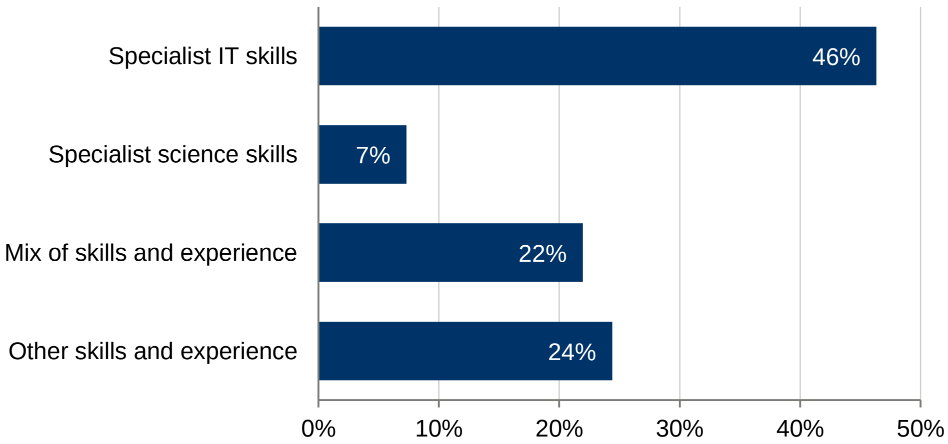
Source: Perceptive Insight Market Research

Base 270

Based on the last three categories in the chart above, around 15 per cent of science and technology firms suggested that they had encountered difficulties accessing the workers they needed, at least some of the time. These firms were asked which skills they had been unable to obtain within the UK or EU labour market. Around half of respondents cited specialist IT skills. One-fifth suggested that they needed a particular mix of skills and experience which was difficult to obtain, reflecting the observations of our stakeholder and start-up consultees.

Fig. 3. What skills and experience have you been unable to find among UK/EU workers?

Based on 40 firms which reported hiring difficulties at least some of the time (more than one response permitted)



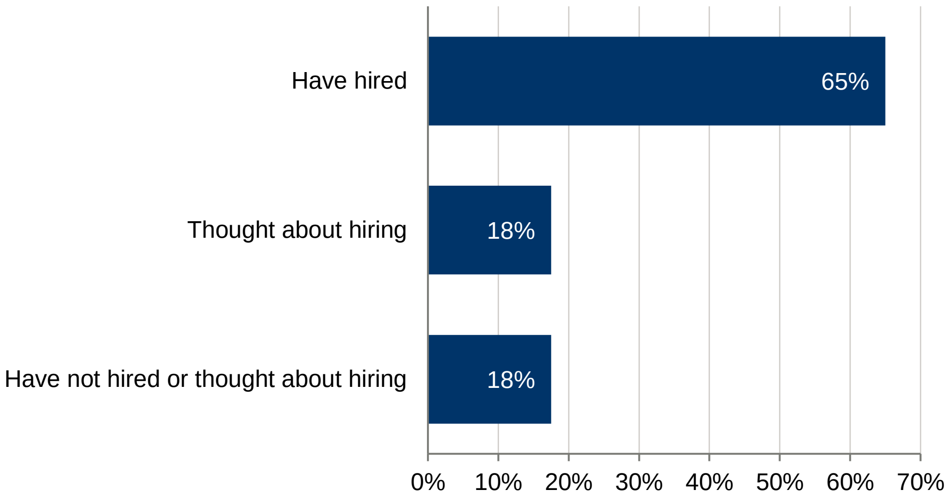
Source: Perceptive Insight Market Research

Base: 40

Two-thirds of firms had responded to difficulties in obtaining the workers they need from the UK and EU labour market by hiring workers from outside the EU.

Fig. 4. During the last five years, have you hired or thought about hiring migrant workers from outside the EU?

Based on 40 firms which had not always been able to find the workers they need within the UK or EU labour market



Source: Perceptive Insight Market Research

Base: 40

Of the 26 firms in the sample which had hired workers from outside the EU, 21 had used the Tier 2 route. A further four firms had started the Tier 2 process but did not end up hiring anyone. That is, of the original 478 firms in the sample of firms in the London science and technology sector, just 25, or five percent, had actually come into contact with the Tier 2 system.

The IDBR data suggest that in 2014 there were around 84,000 firms in London within our sectors of interest, and with up to 49 employees. Taking five percent of this total suggests that approximately 4,400 small science and technology firms in London could have come into contact with Tier 2 during the last five years.

Of those who had used Tier 2, just over half rated their experience of the system as ‘good’ or ‘very good’. However, this result was based on a very small sample of firms, and further surveying is needed to establish the robustness of this finding. Nonetheless, combining the broad estimate of the number of firms which may have come into contact with Tier 2 and the observation that more than half felt their experience was at least good, implies that less than 2,000 firms may have had a less than good experience of Tier 2 during the last five years. And less than 1,000 may have actually had a poor experience.

The initial round of surveying therefore suggests that a relatively small number of firms in the London science and technology sector need to access migrant workers through Tier 2. Our initial findings suggest that there is not widespread dissatisfaction amongst firms that do use the system.

4. EXPERIENCES OF THE TIER 2 MIGRATION SYSTEM

The approach used in the first round of surveying was helpful in establishing the extent to which small firms in the London science and technology sector as a whole rely on the recruitment of skill migrants from outside of the EEA. However, it identified that a relatively small share of firms have actually used the Tier 2 system. It does not therefore offer an efficient means to gathering evidence of Tier 2 users' experiences of the recruitment process. In this chapter we report the findings of a second round of surveying which directly targeted firms in London which had at least some experience of Tier 2.

SURVEY APPROACH

The objective of this survey was to directly approach firms that had experienced the Tier 2 migration system, to gather evidence of their experience of the process. Such firms appear on the Home Office Register of Sponsors, and are listed in a spreadsheet available from the Home Office website.[9] This allowed us to identify the names of companies in London that are registered to recruit skilled migrants through Tier 2. Further analysis was required to obtain contact details of the firms, and to identify those that fell within our selected definition of the science and technology sector. Two approaches were taken to do this.

An initial sample was obtained by matching the names of companies in the Home Office register that were identified as being within relevant one- and two-digit SIC categories, to the Experian National Business database. The resulting list of contacts was then edited to remove companies that did not fall within the detailed four- and five-digit sectors of interest to this study.

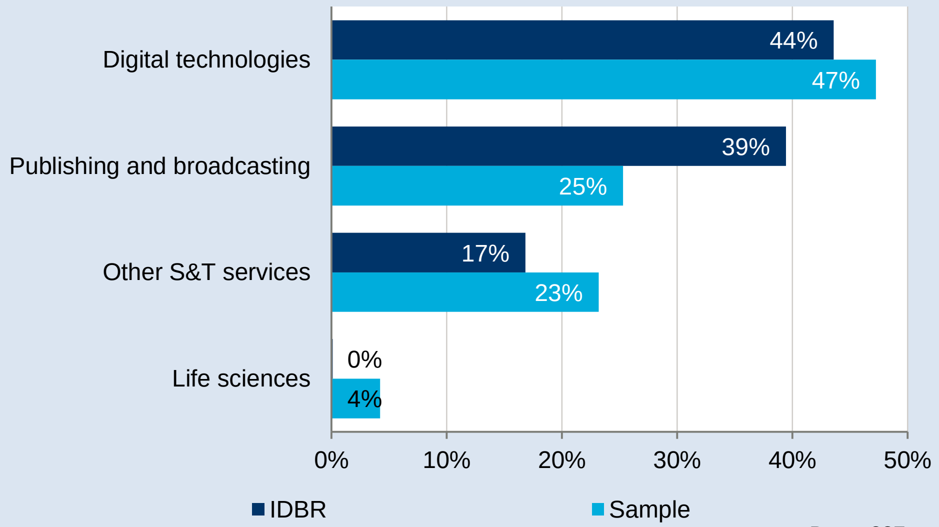
A second sample was obtained by matching firms on the Home Office register to the London Tech Map.[10] This enabled us to identify a further group of firms within the relevant sectors. Contact details of these firms were obtained through manual web searching.

Through the two approaches, contact details for a total of 1,400 firms were obtained. From these, Perceptive Insight Market Research was able to complete 237 interviews with firms within the relevant science and technology sectors. To maximise the available sample there was no deliberate attempt to ensure a representative spread of results across sub-sectors. Nonetheless, the chart below suggests that the final sample was reasonably representative of the relevant science and technology sub-sectors in London. Once again, publishing and broadcasting were under-represented, but there was a slight over-representation of other science and technology services and life sciences. Given that stakeholder feedback to GLA on Tier 2 issues has largely focussed on digital and life science activities, this distribution of responses was broadly appropriate to the needs of the research.

Of the 237 firms interviewed, 208 were currently on the Home Office Register of Sponsors, 18 used to be on the register, and 11 had considered being on the register.[11]

[9] https://www.gov.uk/government/publications/tier-2-sponsor-information-as-of-10-septemebr-2014
[10] http://www.techmap.london/

Fig. 5. Distribution of firms by sub-sector



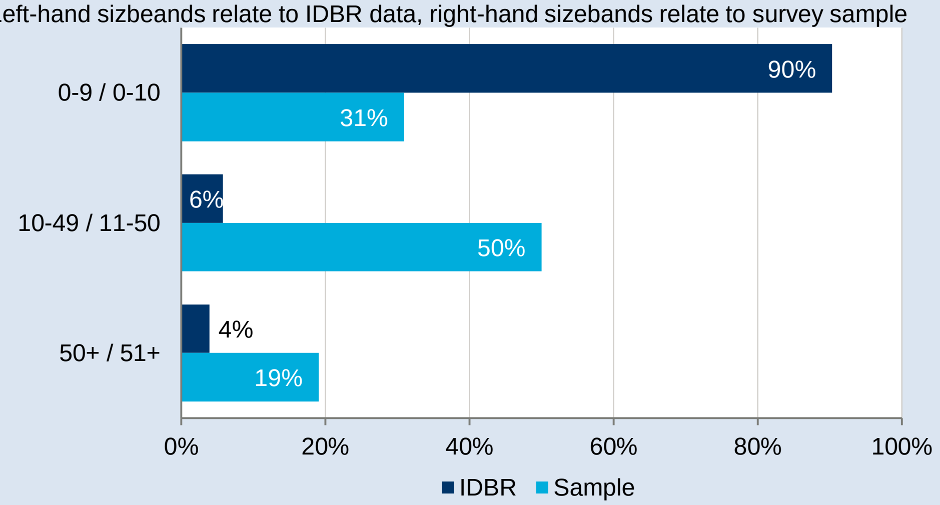
Source: ONS IDBR, Perceptive Insight Market Research

Base: 237

This round of surveying was not limited to smaller firms, to enable testing of whether there were systematic differences in the experiences of larger and smaller firms. The IDBR shows that a very high proportion of firms fall within the smallest size band, reflecting the large number of self-employed, sole traders and micro businesses which operate in the science and technology sectors. In contrast, the firms in the survey sample were spread more evenly across the size bands. To some extent, this may reflect that larger firms are more likely to use Tier 2 as they hire more employees.

Fig. 6. Distribution of firms by size

Left-hand sizbeands relate to IDBR data, right-hand sizebands relate to survey sample



Source: ONS IDBR, Perceptive Insight Market Research

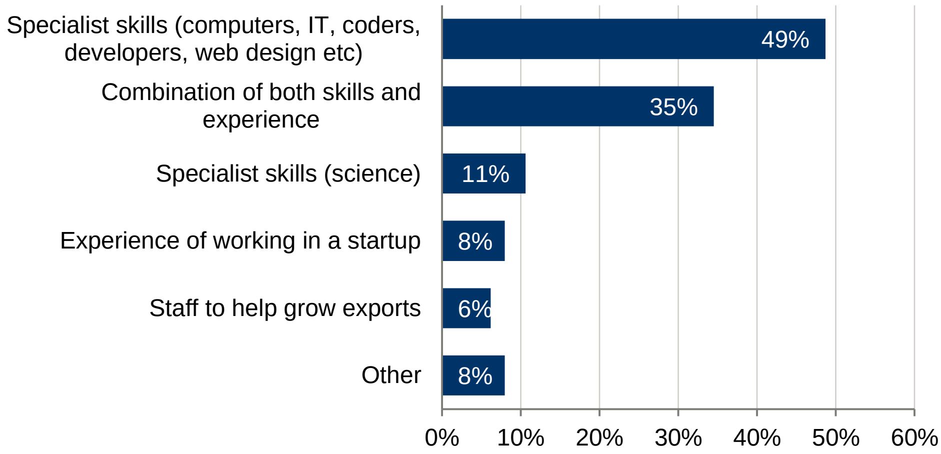
Base: 236

[11] It is unclear how these 11 firms ended up on the published Home Office spreadsheet, but this may reflect that they had started, but not completed, the registration process

4.1 DRIVERS OF DEMAND FOR TIER 2 MIGRANTS

Firms were asked what skills and experience they had been unable to find within the UK and EU labour market. Consistent with the first round of surveying and the case study interviews, around half of respondents reported that specialist IT skills were the main challenge. Further probing suggested that the biggest difficulties were encountered when recruiting coders, software developers, and web developers. Consistent with the case study interviews, around one third of respondents suggested that they needed a combination of skills and experience that they had not been able to obtain within the UK labour market.

Fig. 7. What skills and experience have you been unable to find among UK/EU workers?
Respondents could provide more than one response



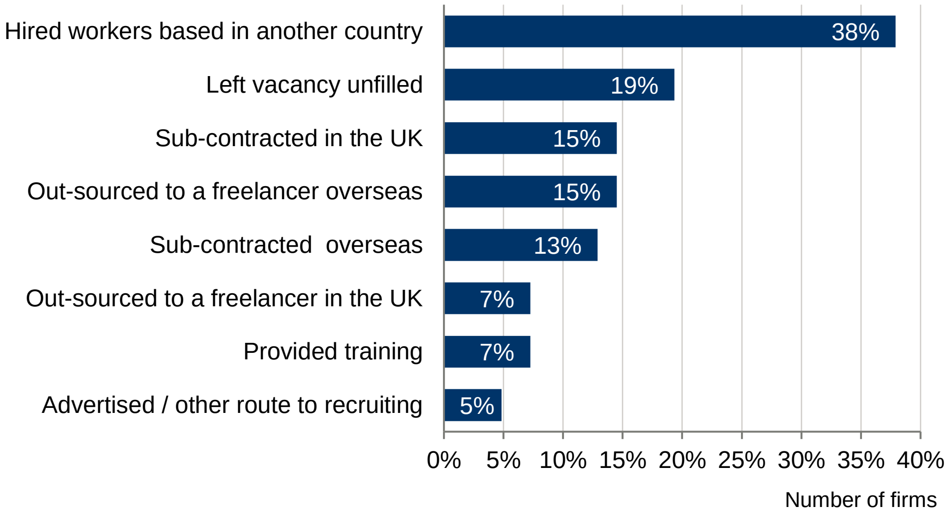
Source: Perceptive Insight Market Research
Base: 226

For almost half of the firms interviewed, the recruitment of Tier 2 migrants had been sufficient to fill their skills gaps. For the other half of firms, however, a range of other measures had also been deployed to overcome skills gaps.

As reported in Chapter Two, stakeholders and start-ups highlighted a trend towards hiring workers based in other countries to address skills gaps. This was confirmed by firms in the survey of Tier 2 sponsors: almost one-third of firms which had skills gaps remaining after Tier 2 recruitment reported that they had hired workers based in other countries, thereby reducing the number of migrant workers they needed to bring to the UK. Along similar lines, almost one-quarter of respondents had outsourced to a freelancer or a sub-contractor based overseas. Just six per cent of respondents reported that they had provided training to overcome skills gaps.

Fig. 8. Apart from recruiting non-EU workers, what other measures have you taken to overcome skills gaps that could not be filled by UK/EU workers?

Amongst firms which had unfilled skills gaps despite their recruitment of Tier 2 migrants. Respondents could provide more than one answer



Source: Perceptive Insight Market Research

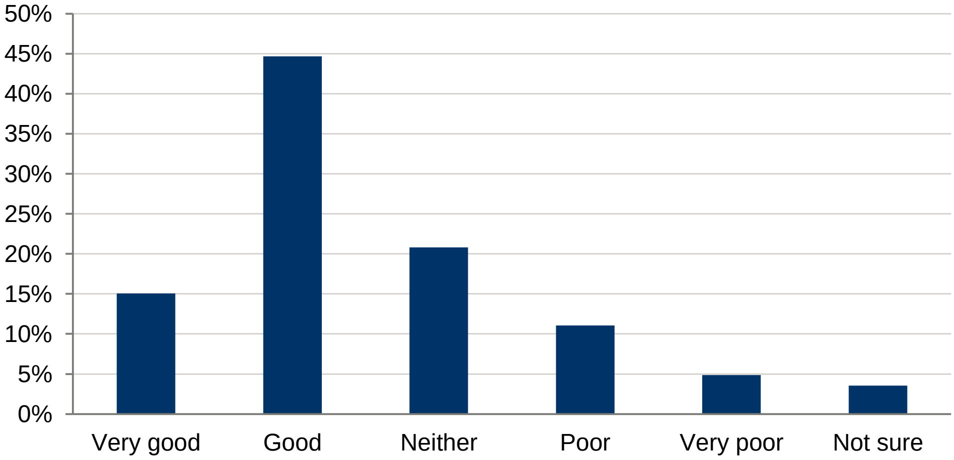
Base: 124

4.2 SATISFACTION WITH THE TIER 2 SYSTEM

The majority of respondents had had a reasonably positive experience of the Tier 2 migration system: 60 percent rated their experience as good or very good. Just 16 percent of respondents reported that they had had a poor or very poor experience.

"It's not difficult if the paperwork is all done correctly."

Fig. 9. How would you rate your overall experience of the Tier 2 migration system?



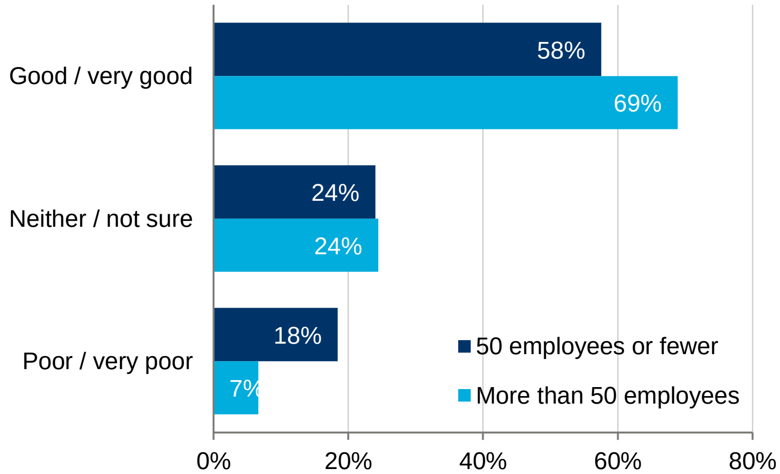
Source: Perceptive Insight Market Research

Base: 226

Closer examination of the results suggests that firms with more than 50 employees may have had a slightly better experience of the Tier 2 system than those with 50 employees or fewer. This finding should be treated with caution due to the relatively small sample size available for larger firms, but it appears to provide a degree of confirmation of the insights provided by stakeholders that the system can be more challenging for smaller firms. Nonetheless, 58 percent of firms with 50 employees or fewer rated their experience of Tier 2 as good or very good, and just 18 per cent said their experience had been poor or very poor.

Fig. 10. How would you rate your overall experience of the Tier 2 migration system?

By size of firm



Source: Perceptive Insight Market Research

Based on 179 responses from firms with 50 employees or fewer, and 45 from those with more than 50 employees

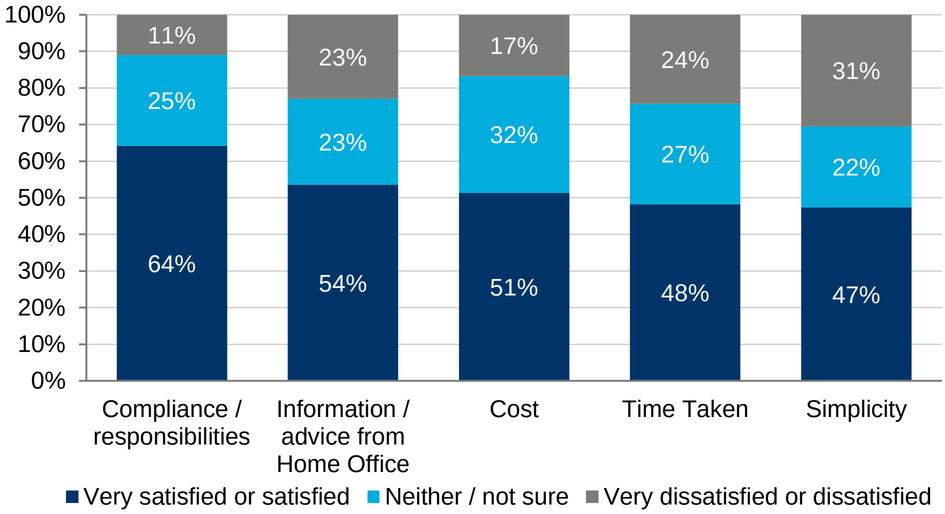
These findings are in contrast to the picture presented by stakeholders and in the case study interviews, and suggest that even many smaller firms have found the Tier 2 process to be satisfactory.

"The system is far too complex."

To explore some of the particular concerns that had been identified by stakeholder organisations and start-ups, interviewees were asked how satisfied they were with specific aspects of the migrant recruitment process. The survey of sponsors suggested that the greatest sources of dissatisfaction were complexity, the time needed to work through the system, and difficulties obtaining information and advice from the Home Office. However, almost two-thirds of firms were happy with their compliance responsibilities.

"It was difficult to get in touch with the right people and then sometimes you receive conflicting advice."

Fig. 11. How would you rate your experience in terms of each of the following:

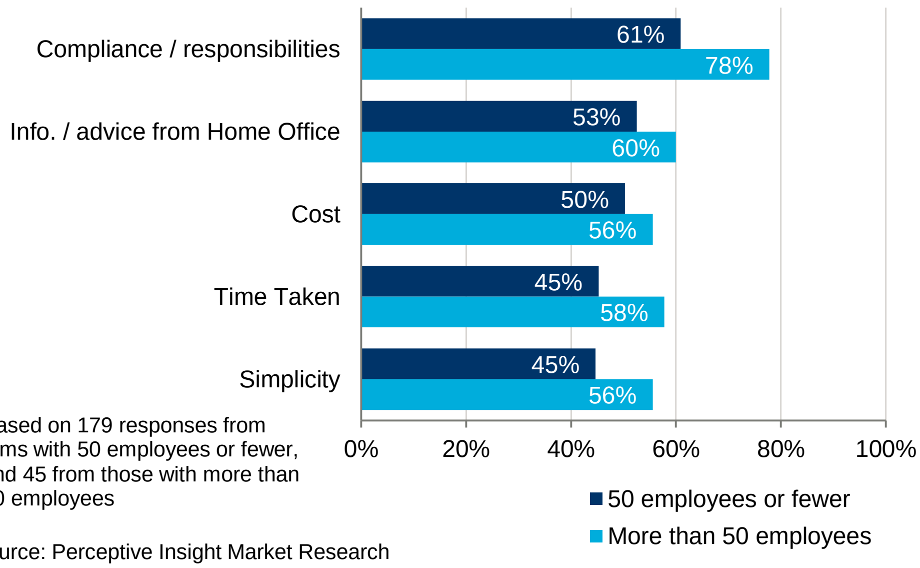


Source: Perceptive Insight Market Research Base: 226

Once again there is some indication within the results that companies with more than 50 employees were more likely to be satisfied than those with 50 employees or fewer. As before, a degree of caution is required in interpreting this finding due to the relatively small sample of larger firms, but the pattern is, nonetheless, observed across all five of the criteria.

"It doesn't agree with smaller businesses. There is a lot of irrelevant information."

Fig. 12. How would you rate your experience in terms of each of the following:
Percent of firms which were satisfied or very satisfied, by size of firm



Based on 179 responses from firms with 50 employees or fewer, and 45 from those with more than 50 employees

Source: Perceptive Insight Market Research

5. CONCLUSIONS AND OPTIONS FOR REFORM

5.1 KEY FINDINGS

Having access to highly skilled people can be essential to success, particularly in globally competitive science and technology markets where being first to market can mean the difference between success and failure. Nonetheless, our research suggests that only around five percent of the 84,000 science and technology firms in London with fewer than 50 employees may have come into contact with the Tier 2 migration system within the last five years. Amongst those who have used the system, around 60 percent of firms describe their experience as good or very good. Only 16 to 20 percent of science and technology firms who have experience of the system rated their experience as poor or very poor.[12] Taking these findings together suggests that less than 1,000 small science and technology firms in London may actually have encountered difficulties with Tier 2 during the last five years.

The study has not therefore found evidence to suggest that an inability to hire highly skilled migrants from outside of the EEA is placing a strong brake on the growth of the London science and technology sector as a whole. However, at least some employers do encounter difficulties within Tier 2 and it appears that smaller and fast-growing start-up firms within the technology sector are most likely to hold concerns. The nature of activity in this sector means that even apparently small problems could have big consequences if, for example, they prevented just one or two London firms from recruiting the staff that would enable them to become the next Google or Apple. In short, we cannot take the lack of proof to be proof of lack of a problem.

Our research suggests that a range of factors combine to create difficulties for such firms. In particular they often need to secure experienced staff with a combination of technical and softer skills to help drive the growth of the business. But such individuals are in short supply within the UK labour market due to strong demand from a rapidly-growing sector, and a shortage of graduates with the right skills. These factors have driven up wages for the best workers in certain occupations, but start-ups at an early stage of their development do not have the financial resources to offer the salaries to secure the services of the staff they need. Against this backdrop, the recruitment of migrants can be an attractive option. It widens the potential labour pool, increasing the employer's chances of obtaining a worker who meets their specific skills requirements at a wage they are able to pay.

Employers' concerns may also be, at least partially, related to issues of culture. National borders may mean little to a London technology firm facing competition from organisations in San Francisco, Toronto or Berlin to be the first to enter a new market. Businesses aiming to be world leaders need access to world class talent, and some employers find it difficult to understand why

[12] The first sector-wide survey suggested 20 percent and the second survey of sponsors suggested 16 per cent.

they cannot easily bring in highly skilled migrants to support growth of a UK business. Less fundamentally, the Tier 2 application process and website can appear complex and inaccessible to companies whose core business is ensuring digital media are accessible and useable to the widest possible audience.

Such considerations can affect perceptions of the system amongst science and technology start-ups, but they also mean that such firms may not have the time or specialist expertise to engage with it. This can create additional financial costs if it results in the employer deciding they could only recruit from outside of the EEA by engaging the services of specialist immigration advisors.

This study has uncovered some evidence that science and technology firms are already hiring workers to be based overseas because they are unable to bring the staff they need to the UK. The implications of such behaviour may be significant if this trend takes hold as it represents a missed opportunity to bring workers with highly sought-after skills into the UK where British workers and businesses could benefit from the skills and knowledge they possess.

5.2 POTENTIAL IMPROVEMENTS TO THE SYSTEM PROPOSED BY STAKEHOLDERS

Stakeholders were generally supportive of the concept of a third party model, whereby a migrant is sponsored by an organisation outside of the company, such as a trade body. While small businesses may not have the time or resources to learn about and navigate the migration system, it should be more effective for a small number of organisations to become familiar with the system and manage applications on behalf of their members. This could significantly reduce the cost per migrant compared to an approach where each employer works through the process individually. There could also be benefits to the Home Office as they would need to oversee fewer sponsor organisations.

One stakeholder did, however, express concern about who would have the knowledge and resources to act as a sponsor. They suggested that trade bodies might not have the capacity or be able to bear the risks involved, although another stakeholder suggested the risk could be overcome if the employer were to place a bond with the sponsor organisation. Such a bond could be withheld in the event of a breach, eliminating financial risk for the sponsor.

Another stakeholder highlighted the Chinese model of responding to skills shortages, whereby the government identifies shortage occupations, and then grants one-year residence visas to individuals able to work in those roles. Visas are extended for those able to find work.

Suggestions for more minor adjustments to the system included:

- accelerating and simplifying the sponsor licensing process;
- increasing the length of time a Tier 2 migrant can stay in the country to enable them to find work with another start up; or
- increasing the promotion of Tier 1 Exceptional Talent visas, and making it clearer how these could be used by tech start-ups (stakeholders felt there

was a perception that they are currently orientated towards academic roles).

5.3 EMPLOYER EVIDENCE

"The process needs to be more straightforward."

Respondents to the survey of firms on the Home Office Register of Sponsors were also asked to suggest how the Tier 2 system could be improved. The most frequent suggestion related to reducing the complexity of the system. As well as making the process itself simpler, a number of respondents suggested that there is a need for simpler and clearer guidance (at present, the government's guidance document runs to 160 pages[13]). Closely related to this, a number of respondents indicated that the process could be improved if it was easier to make contact with a Home Office expert and obtain a fast response to queries. A number of respondents highlighted that the Tier 2 visa website is outdated, difficult to use, and does not provide sufficient advice. One suggestion was to simplify it along the lines of other gov.uk websites.

"It would be helpful if there was someone who could be easily contacted at the Home Office."

A number of respondents explained that they had used a third party agency to process their application, consistent with the evidence from the stakeholder and start-up interviews. If the process had been simpler, or if clearer guidance had been available, they would have felt better able to manage the process themselves, avoiding the cost of external support.

Some employers suggested that it would be helpful if the process could be accelerated, with less waiting time between stages. Even if this were not possible, some employers suggested that having better defined timeframes for each stage would be an improvement. One explained that the time taken to obtain responses sometimes varies, which caused anxiety as they were not sure if a longer wait might indicate that their application had been unsuccessful.

"We went through an outside agency but if it was more straightforward we may be able to do it ourselves."

One of the firms interviewed for the case studies suggested making it easier to transfer students to Tier 2 visas. The employer explained that they currently employ a student on a temporary basis, but to take them on permanently under Tier 2 the student has to return to their home country before they can be offered a job. This creates a delay of two months or so to complete the process, but there is also no guarantee it will be successful.

Survey respondents were also asked to rate the extent to which they believed four specific improvements could help improve the system. The proposal with strongest support was to reduce waiting times at each stage, which almost half of respondents felt would represent a substantive improvement. Support was almost as strong for free and subsidised legal advice and better information from the Home Office, although to some extent the latter could offset the need for the former.

"More clear cut deadlines on when a decision when a decision would be reached as we were left in a state of limbo."

The fourth suggested improvement related to the suggestion from stakeholders of a third party organisation to carry out some or all of the sponsorship

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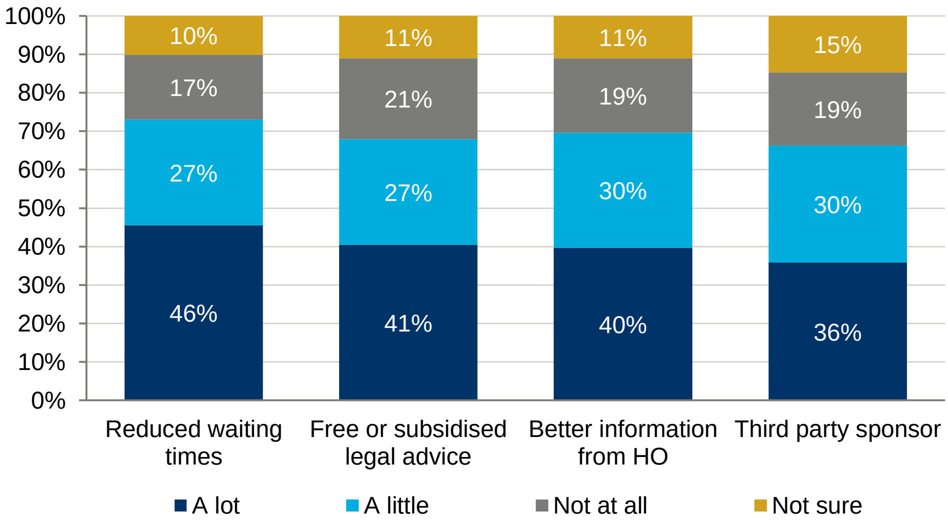
[13] UK Visas and Immigration, "Tier 2 and 5 of the Points Based System: Guidance for Sponsors" <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/492799/Tier_25_guidance_11-15_word_v1_1_addendum.pdf > [accessed 22 February 2016] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/492799/Tier_25_guidance_11-15_word_v1_1_addendum.pdf

requirements. Just over one-third of respondents suggested that this could make a lot of difference to the Tier 2 experience. Careful consideration and further research would be needed to determine how such an arrangement could be organised and funded. But even if the third party model were not feasible, the strength of support for more minor improvements to the system suggests that employer organisations might play a useful role in providing support and advice to their members as they seek to navigate the Tier 2 process.

Fig. 13. If you were to use the Tier 2 system again, to what extent, if at all, would each of the following be beneficial?



Source: Perceptive Insight Market Research

Base: 237

5.4 PRACTICE IN OTHER COUNTRIES

London competes with other science and technology hubs around the world. In considering whether there is need to improve the Tier 2 system it is therefore informative to assess the extent to which firms in London face higher or lower barriers than those in competitor cities when recruiting highly skilled migrant workers. As part of the study we have reviewed the visa arrangements which apply to firms seeking to hire highly skilled migrants in six countries: Canada, France, Germany, Japan, Singapore and the US.[14]

Details of visas which are broadly equivalent to the Tier 2 route in each country are set out at Appendix A. This evidence suggests that each of the countries considered has arrangements in place which are similar in nature to the UK's Points Based System. However, in some cases differences in rules could make it easier for start-ups to access highly skilled workers.

Certain countries permit graduates to remain in-country for longer than the four months permitted in the UK in order to seek work. These countries include France, Germany, Canada and Japan. Germany also allows highly skilled

[14] These countries were selected in discussion with GLA, and on the basis that they each have important science and technology hubs which compete with London.

workers without a specific job offer to enter the country to seek work for six months. And in Singapore, firms with 25 employees or fewer, or which are recruiting for a role with a monthly salary of at least S$12,000, are exempted from the requirement to advertise a position within Singapore before applying for a visa. All else equal, such arrangements should provide a larger pool of skilled and immediately available labour than is the case within the UK.

ANNEX A: MIGRATION REGIMES IN INTERNATIONAL COMPETITOR CITIES

CANADA

Temporary visas

The Temporary Foreign Worker Program visa allows employers to hire foreign workers to fill temporary labour and skill shortages. Most employers need a Labour Market Impact Assessment (LMIA) before they can hire a temporary worker. The LMIA assesses the likely impacts of hiring the foreign worker and needs to show that there is a need for the foreign worker to fill the job on offer and that there is no Canadian worker available to do the job. There is a cap on low-wage positions, but not on high-wage positions. These visas have a duration of four years.

Permanent visas

The Federal Skilled Worker Program is for migrants coming to Canada to carry out highly skilled professional work. For applicants to be considered for permanent residence, they must pass an assessment of how well they are likely to contribute and adapt to Canada's labour market. This considers six main criteria:

- English and/or French skills;
- education;
- work experience;
- age;
- arranged employment; and
- adaptability.

Applicants are awarded points against each criteria. Those who obtain the highest scores are invited to apply for permanent residence. Employers can increase an individual's chance of success by making a job offer supported by a Labour Market Impact Assessment. The job must be in either a management, professional, technical or skilled role.

Post-Graduation Work Permit Program

This allows students who have just graduated from a Canadian post-secondary institution to work for a period of time equal to the length of time of their study program, up to a maximum of three years.

Source

http://www.cic.gc.ca/english/work/index.asp?_ga=1.152312057.1531714404.1453218428

FRANCE

Work permit

The work permit allows foreign workers to come and work within France if they have a specific job offer. In determining whether to approve the visa, the government considers labour market pressure for the job in question and the steps an employer has already taken to seek candidates. They must prove the position cannot be filled by a French national. Job offers that match an occupation on the shortage of occupations list are not subject to a labour market test. Employment conditions and pay must be equivalent to those for other workers in the same occupational group. This type of work permit has a duration of 12 months or more.

European Union Blue Card

This is a residence permit valid for up to three years which is issued to applicants who:

- hold a degree or at least five years of professional experience;
- earn a salary worth at least 1.5 times the average gross salary; and
- possess an employment contract lasting at least one year. Employers are not required to justify the hiring decision with reference to the local job market.

Post graduates

After graduation, students may now stay in France for one year to look for work in an area related to their course. Once they have found a job, they have to apply for a work permit and a residence permit.

Sources

http://ec.europa.eu/immigration/what-do-i-need-before-leaving/france_en

http://www.ambafrance-nz.org/-English-

http://www.consulfrance-washington.org/spip.php?rubrique2

GERMANY

High-skilled residence permit

Degree-qualified migrants who wish to look for work in Germany must obtain a visa to enter Germany, unless they are from Australia, Canada, Israel, Japan, New Zealand, South Korea or the US. Once in Germany, the migrant is allowed six months to search for work. A different type of permit is issued once a job has been secured.

European Union Blue Card

This is a four-year residence permit issued to applicants who:

- hold a degree or at least five years of professional experience; and
- possess an employment contract with a specified minimum salary. The salary threshold is lower for occupations that face a labour shortage.

Post graduates

Post graduates may obtain a residence permit which allows them to remain in Germany for up to one and half years to seek work. If the individual finds a role which is appropriate to their qualifications, a work permit may be issued. Self-employment is also possible under this scheme.

Source

http://ec.europa.eu/immigration/what-do-i-need-before-leaving/germany_en

JAPAN

Highly skilled professional visas

This visa provides preferential treatment within Japan's points based system for highly skilled professionals in one of three categories:

- advanced business research activities;
- advanced / specialised technical activities; or
- advanced business management activities.

Applicants must have an offer of a job with a salary of at least three million yen, although there is no labour market test to check for potential impacts on domestic workers. Points are awarded on the basis of academic background, work experience, annual salary and age. The visa has a duration of five years.

Engineer visas

This visa is targeted at those with technological skills, knowledge of the physical or natural sciences, or engineering. Applicants must have a job offer and be a university graduate of a subject relevant to the job. They must also have at least 10 years relevant experience. The salary of the job offered should be equivalent to that for a Japanese national doing equivalent work. This visa can be for various durations, from three months to five years.

Post graduates

Graduates are permitted to stay in Japan to seek work for up to one year after graduating.

Source

http://www.immi-moj.go.jp/english/index.html

SINGAPORE

Employment pass

To be eligible for this pass, an individual must hold an offer of a job in a managerial, executive or specialised job in Singapore, with a monthly salary of at least SG$3,300. They must also hold suitable qualifications for the role. There is no quota attached to this pass and it is valid for two years.

Before employers submit an Employment Pass application they must advertise the job domestically for at least 14 days. However, this is not necessary if:

- the company has 25 or fewer employees;
- the position pays a monthly salary of S$12,000 or above;
- the application is for an intra-company transfer; or
- the position is for not more than a month.

Source

http://www.mom.gov.sg/passes-and-permits

UNITED STATES

Temporary Visas

H-1B specialty occupations visa

This visa is for foreign nationals who wish to accept a job in a ‘speciality occupation’, which is generally defined as a role which requires a bachelor’s degree or higher. Applicants must have a job offer from their prospective employer and they must demonstrate they have all the qualifications required for the job. This visa is valid for 3 years and 65,000 such visas may be issued in each fiscal year.

H-2B temporary non-agricultural workers visa

This enables employers to bring a foreign national into the US to fill a temporary non-agricultural job for up to three years. The employer must demonstrate that US workers are not available to fill the role; that employing a foreign national will not adversely affect the wages and working conditions of similarly employed US workers; and that the job is temporary.

66,000 such visas may be issued in each fiscal year.

Permanent Visas

Second preference EB-2 visa

This visa is for foreign nationals working in occupations requiring an advanced degree, or who have exceptional ability in science, business or the arts. Applicants must have either:

- a job offer and an advanced degree plus 5 years work experience in the relevant field, or a level of expertise significantly above average workers in the relevant area; or
- a national interest waiver, which is issued if it is determined that the individual’s employment would greatly benefit the US.

Where the visa is linked to a job offer, employers must demonstrate that there are not workers within the US who are able to fill the vacancy in question.

EB-3 visa

This visa is available to professional, skilled or unskilled workers with a job offer. Eligibility is as follows:

- professionals must have the equivalent of a US baccalaureate degree and that this is the normal requirement for the job they wish to take up;
- skilled workers must demonstrate that they have two years of relevant work experience or training; and
- unskilled workers must demonstrate they can undertake the job they plan to take up.

Employers must demonstrate that there are not workers within the US who are able to fill the vacancy in question.

Post graduates

Students studying under an F1 academic visa can stay in the US for 60 days after their course has ended. They may seek work during this period, but would have to make a successful application for the relevant work visa to be able to take up employment and remain in the US. In addition, students who have completed or been pursuing their degrees for more than nine months may undertake a period of Optional Practical Training (OPT) during which they are permitted to work for one year towards practical training to complement their education.

Source

https://www.uscis.gov/working-united-states/working-us

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