

Global Hiring & U.S.-Educated Foreign Nationals: Can Colleges and U.S. Businesses Fulfill Implicit Promises from Participation in U.S. Higher Education?

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The number of foreign students attending U.S. colleges and universities continues to grow, particularly at the bachelor’s degree level. The following table provides an historic overview of foreign student enrollment over the past four decades. The top countries where foreign students matriculate from and the total number of foreign students enrolled in that year is provided. The shift is pronounced; the most striking being the recent dominance by Asian countries with fast- growing, technology-oriented economies. The political connotations of which countries dominate the list also provide an instructive insight to foreign student enrollments.

1980		1990		2000		2008	
Venezuela	3.8%	Canada	4.5%	Taiwan	4.6%	Taiwan	4.6%
Japan	4.3%	S. Korea	5.7%	Canada	5.0%	Canada & Hong Kong	4.7%
Canada	4.6%	India	7.1%	Japan	7.1%	Japan	5.4%
Nigeria	5.6%	Taiwan	8.2%	S. Korea	9.5%	S. Korea	11.0%
Taiwan	6.2%	Japan	9.0%	China	10.8%	China	13.0%
Iran	15.2%	China	9.7%	India	14.3%	India	15.0%
332,880		407,272		547,787		633,805	

As colleges and universities continue to expand foreign enrollments, a pressing challenge has emerged regarding the access to and availability of professional related work experiences (allowed under the guidelines of their student visas that can lead to full-time employment) either within the U.S. or with a U.S. company in their home countries. U.S. students, whether they have their tuition subsidized through scholarships, institutional financial support, federal financial aid, or loans, hold the expectation that they will have access to internships (professional practice), if they choose, and opportunities for full-time employment upon receiving their degree. Most foreign students come with these same expectations, magnified by the fact that the vast majority are paying full-tuition and room and board. Foreign students’ frustration erupts when they encounter a limited number of work opportunities, confusion among career staff and corporate HR staff about the processes to transition them into work

opportunities, and the disconnection within corporate staffing units over the internal hiring processes among their global operations.

In an attempt to gain even a glimpse of what may be transpiring within U.S. corporations' global staffing units, several members of CERI's advisory board huddled together to design a set of questions for the 2010-2011 Recruiting Trends survey. These questions were intended to draw an initial picture of the landscape surrounding global hiring that could be used to inform further discussions among organizations who were trying to attain similar objectives with their global workforce. The information would also give career advisors some baseline information when working with foreign nationals.

Numbers of businesses and organizations with operations or aligned with operations outside the U.S:

137 organizations or 28% of all responding participants indicated that they had operations outside the U.S.

Profile of these organizations:

- Average size: 22,761 employees.
- 35% are organizations with more than 4,000 employees; 65% have fewer than 3,999 employees.
- 20% of the organizations were fast growth companies. (Fast growth companies are also referred to as second stage growth companies that have emerged from the entrepreneurial stage and are beginning to grow by adding personnel quickly.)
- All twenty sectors (NAIC) were represented with these sectors dominating – Manufacturing (30%) and Professional and Scientific Services (20%)
- These sectors also appeared (between 3% and 8%): Finance & Insurance, Government, Retail, Education, information Services and Non-profits.
- 138 sub-sectors were represented with the following providing the highest number of responses (3% to 6.5%)

Computer Systems Design & Related Services	Securities, Commodities & Financial Investment
Management Consulting Services	Electrical Equip., Appliance & Component Mfg
Chemical Manufacturing	Military, Security (National)
Insurance Carriers	Food Manufacturing
Manufacturing (general category)	

- All 50 states and the District of Columbia were represented, with these states as key leaders: Illinois, New York, Ohio, Texas, California, Wisconsin, Florida, North Carolina, Michigan, Minnesota, and New Jersey.

Knowledge of hiring targets for college talent of your operations outside the U.S:

- 211 or **only 19% of those with operations** outside the U.S. indicated that they knew the hiring targets for U.S.-educated foreign students for positions outside the U.S.

Profile of these organizations

- Average size was 13,511 employees.
- Only 23% of these organizations were large companies (over 4,000 employees).
- 36% of these organizations were fast growth companies; more smaller companies tended to know their hiring targets for outside the U.S. than large companies.
- Leading economic sectors: Professional and Scientific Services (30%), Manufacturing (17%), Finance & Insurance (8%), Government (6%), and Information (4%); within Manufacturing less than 50% of the companies know their overseas hiring targets.
- Key sub-sectors (83 represented): Computer Systems Design, Management Consulting, Education, and Securities & Commodities are the leading sub-sectors
- States: (38 represented) New York, California, Illinois, Florida, Massachusetts, and Virginia are the leading states.

Percentage of total college hires comprised by foreign college students

- 94 respondents provided this information – median 5% to 10% of total hires are comprised of U.S.-educated foreign nationals (range 1% to 100%).

What role does your unit play in hiring for operations outside of the U.S.?

Only 125 companies reported that they have direct involvement in hiring U.S.-educated foreign nationals for home country assignments. **Slightly more than 85% have no responsibility** for hiring outside the U.S. Based on the options provided to them, respondents with international operations indicated the following:

Do not handle hiring outside the U.S.	86%
Direct candidates to website for international hiring	5%
Source international hiring to intermediary firm	2%
Source directly to counterpart in home country	6%
Connect through foreign alumni	1%

Profile of organizations with responsibility to directly source to home country:

- Average size 15,112 employees.
- Large companies represented 22% while fast growth and entrepreneurial companies comprised 30% each. Companies under 500 made up 56% of this group.
- Manufacturing (27%) and Professional & Scientific Services (23%) were the leading sectors which also included Finance and Insurance (8%), Education (7%) and Information Services (6%).
- Key sub-sectors included: Computer Systems Design, Computer & Electronic Manufacturing, Education, Management Consulting, Electrical Equipment & Appliances, and Scientific Research and Development.
- Key states: New York, Texas, Virginia, Utah, Michigan, Florida, California, Colorado, and Arizona.

What value do U.S.-educated foreign nationals bring to your organization?

Respondents were asked to rate the value derived from hiring U.S.-educated foreign nationals for their operations in the student's home country. The rating scale ranged from 1 – “not at all important” to 5 – “extremely important.” The highest rated attributes that U.S.-trained foreign nationals bring to the organization include: understanding U.S. business culture, understanding social norms and customs of the U.S. culture, and increasing the organization's adaptability to work within diverse environments. Introducing U.S. workers to foreign cultures and influencing business activity in their home countries were viewed as less important.

Value Derived from Hiring U.S.-Educated Foreign Nationals	Mean
Understanding U.S. business customs	3.39
Understanding U.S. culture (social norms, customs)	3.38
Increase adaptability to work within diverse environments	3.37
Increasing diversity of thought among decision makers	3.15
Gaining insights into international business practices	3.00
Developing global mindset for future global leadership positions	2.97
Introducing U.S. workers to foreign culture	2.75
Influencing business activities in home country upon return	2.67

What academic majors do you seek among U.S.-educated foreign students for overseas operations?

- General Engineering Majors 14%
- General Business Majors 11%
- Education 8%
- Computer Science 7%
- Accounting 6%
- Human Services 6%
- Electrical Engineering 5%
- Mechanical Engineering 5%
- Finance 5%

What are the countries to which U.S.-educated foreign students are likely to be sourced?

- China 35%
- India 26%
- England 20%
- Canada 19%
- Germany 13%
- Australia 10%
- Japan 9%
- Mexico 9%
- Brazil 7%
- France 7%

Leveraging academic institutions to help with staffing needs in target countries

Respondents were asked how closely they worked with colleges and universities to assist them in filling their hiring needs in targeted countries. Over 70% **did not work with any academic institutions** while about 25% worked with multiple institutions.

- Do not work with any institutions 71%
- Work with individual institution 3%
- Work with selected group of institutions 15%
- Work with a number of institutions 11%

U.S. institutions with whom your organization partners for international placements

Respondents were asked to list up to five institutions that they partnered with for international placements. Companies tended to list colleges and universities in close proximity to their staffing

operations. No single campus stood out as the principle go-to institution. After sorting the responses, the most frequently mentioned schools included:

- Stanford University (9%)
- University of Texas (8%)
- Cornell University, Michigan State University, MIT, University of North Carolina-Chapel Hill, Northwestern University (6%)
- University of California-Berkeley, Columbia University, University of Florida, Harvard University, ITT Technical Institute, Johns Hopkins University, London Business School, University of Miami, University of Michigan-Ann Arbor, University of Pennsylvania, Pennsylvania State University (5%)

Provide U.S.-educated foreign nationals with work experiences before return to home country:

The controversial issue is whether these companies offer professional experience to foreign students prior to returning to their home country. Professional experience could be provided in the form of an internship, co-op placement, or short-term employment based on visa restrictions. **Nearly 60% of companies who have international operations do not provide any type of work experience** for U.S.-educated foreign students. Twenty-one percent provide short-term opportunities that meet OPT/CPT limitations. About 20% have situations where they can provide work experience from one to two years after completion of the degree.

➤ Do not provide any type of work experience	59%
➤ 6 months or less (internship or co-op)	13%
➤ 12 months (OPT/CPT limit)	8%
➤ 1 to 2 years	8%
➤ Greater than 2 years	12%

Toughest challenges faced in recruiting U.S.-educated foreign nationals for positions in their home country:

- Visa troubles (which includes paperwork, cost, etc.). (27%)
- Communication/language barriers when the national returns to their home country along with some culture shock. (18%)
- Not having the desire to leave the United States. (10%)
- Financial challenges. (10%)
- Having the right set of qualifications. Might be under-qualified in the U.S., but could also be overqualified in home country. (9%)

- Federal and state government regulations. (8%)
- Citizenship and the troubles with immigration. (8%)

U.S. agencies and firms that your organization relies on for expertise and assistance in hiring foreign nationals to return to home country: (Only a few respondents chose to answer this question.)

Multiple responses

- USAID
- CIEE
- Visiting International Faculty
- CCUSA
- Spirit

Single responses

- Cordell Hull Foundation
- Coca Cola
- CETUSA
- Work Exchange
- Attorneys: Immigration
- Atlantic Travel & Limousine
- Ambassador Travel
- Work & Travel
- ITAC
- DOC
- Camp America
- State Department of Education
- Fragomen
- ICE
- Educational Partners International, LLC
- Workaway International
- AIPT
- Sterling Relocation
- Friends of Alexander von Humboldt Foundation
- Black and Decker
- Stanley
- Camp Leaders
- Intrax

Local organizations, agencies and firms within home country that your organization partners or relies on for expertise and assistance when hiring foreign nationals when returning to home country: (Only a few respondents chose to answer this question.)

- CETUSA
- Visa Connections
- Harley Medical
- CIEE
- JETRO
- Slovenian Commerce
- Allstate (Northern Ireland Subsidiary)
- Queens University – Belfast
- Camp Counselors USA
- Camp America
- German Academic International Network
- German Research Foundation
- German Rector’s Conference
- German Universities

Concluding Thoughts

With the small number of organizations that have direct involvement in their international placements, career staffs at colleges and universities will have to take the leadership in developing the linkages that will develop into a job pipeline. This can be done by working with U.S. hiring managers to identify their company’s counterparts in their foreign operations. By building these connections, foreign students can be directed to the source for hiring in home country.

The harder issue to resolve surrounds the U.S. based work-experience that foreign students expect. The legal issues are clear (about as clear as U.S. tax law) but the willingness to offer these opportunities to U.S.-educated foreign students. Options exist to facilitate providing these experiences. Consideration should be given to the Professional Year Experience program at the University of Toronto. The PYE occurs at the completion of the junior year and last from 12 to 16 months before returning for the senior year. Over 90% of foreign students, enrolled in engineering, computer science, math and several of the sciences, take advantage of this experience. Regardless of the options to consider, U.S. institutions need to be proactive on this issue if they continue to enroll increasing numbers of foreign students.