



Why recruit temporary sponsored skilled migrants? A human capital theory analysis of employer motivations in Australia

Australian Journal of Management

1–23

© The Author(s) 2020

Article reuse guidelines:

sagepub.com/journals-permissions

DOI: 10.1177/0312896219895061

journals.sagepub.com/home/aum**Chris F Wright**  and **Andreea Constantin**

The University of Sydney Business School, The University of Sydney, Sydney, NSW, Australia

Abstract

This article uses human capital theory to analyse employer motivations for recruiting skilled migrants on temporary sponsored visas, a group receiving limited attention within human resource management (HRM) scholarship despite being an increasingly important part of the workforce in many organisations and countries. We address this gap through a survey analysis of 1602 employer respondents who sponsored temporary skilled visa holders in Australia. The findings indicate that cost-effectiveness as a motivator for recruitment decisions can be achieved not only through HRM strategies to maximise worker productivity, as human capital theories emphasise, but also by identifying groups of workers perceived as harder working than other groups. The findings also draw attention to the role of government policy in this identification process, specifically visa regulations constraining the mobility of temporary sponsored skilled migrants, which allows employers to utilise these workers' human capital effectively.

JEL Classification: **J61, M12, M51, O15**

Keywords

Human capital, human capital theory, international human resource management, recruitment, skilled migration, temporary migrant workers

1. Introduction

Human capital theory is a prominent lens within the human resource management (HRM) field for analysis of employers' recruitment motivations (Coff and Kryscynski, 2011; Nyberg and Wright, 2015). While definitions of human capital vary across disciplines and depending upon the level of analysis (Lin and Tsai, 2019; Nyberg and Wright, 2015), HRM scholars have variously defined the

Corresponding author:

Chris F Wright, The University of Sydney Business School, The University of Sydney NSW 2006, Australia.

Email: chris.f.wright@sydney.edu.au

Final transcript accepted 17 November 2019 by Peter Jordan (Organisational Behaviour).

concept as ‘the economic value of an [individual’s] skill set, accumulated experience, and capacity to learn’ (Fang et al., 2009: 473) and ‘the competencies of the firm’s or the business unit’s workforce’ (Ployhart, 2006: 888). Addressing existing human capital needs by sourcing workers to fill skilled vacancies, attracting specialised talent to enable innovation or achieving ‘cost-effectiveness’ are key purposes of organisational recruitment strategies from a human capital theoretical perspective (Coff and Kryscynski, 2011; Delery and Roumpi, 2017; Ployhart, 2006). Yet, other than using HRM strategies to manage workers efficiently, the literature is largely silent on how employers achieve the latter of these objectives relating to cost-effectiveness. In particular, there has been limited analysis from a human capital perspective of the impact on employers’ recruitment decisions of regulations limiting the mobility of certain groups of workers, such as skilled migrants on temporary sponsored visas (Sumption, 2019), which potentially makes it easier for employers to utilise these workers’ human capital effectively.

This article uses human capital theory to analyse employer motivations for recruiting skilled migrants on temporary sponsored visas. This focus is important for several reasons. Skilled migrants – who HRM scholars define as ‘people on the move who possess university degrees [or equivalent higher-level vocational qualifications] or extensive work experience in a professional field at the time they leave their countries of origin to seek employment elsewhere’ (Shirmohammadi et al., 2019: 96) – have become an increasingly important source of talent for organisations and for governments (Collings et al., 2009; OECD, 2008). Human capital economic theory has strongly influenced government policies enabling increased supply of skilled migrants in many countries (Boucher, 2019). This includes Australia where there has been a shift towards a ‘specific human capital’ system whereby visa allocation is regulated through employer sponsorship (Boucher, 2016; Sumption, 2019; Wright, 2017). However, aside from some notable exceptions (e.g. Waldinger and Lichter, 2003), the businesses that engage these workers have received limited attention particularly with HRM scholarship (Chen and Ward, 2013).

HRM scholars have used human capital theory to explain skilled migrants’ labour market outcomes, particularly in terms of the impact of individual and organisational human capital investment on the success of immigrant professionals’ careers (Fang et al., 2009) and the challenges of getting skilled migrants’ qualifications and work experience recognised in the host country (Almeida and Fernando, 2017; Turchick Hakak and Al Ariss, 2013; Zikic et al., 2010). However, to our knowledge, there has been no previous application of human capital theoretical perspectives to analyse employer decisions to recruit skilled migrants. This article addresses this gap in existing scholarship with reference to the following research question: *to what extent can human capital theoretical perspectives explain employers’ motivations for recruiting temporary sponsored skilled migrants?*

Human capital theory is a supply-side perspective concerned primarily with the skills and other valuable attributes of workers (Ployhart, 2006). However, demand-side factors, particularly the actions of employers and government policies that guide these actions, are important to consider for understanding how and why different sources of human capital are utilised (Almeida and Fernando, 2017; Strober, 1990). Demand-side factors are important when considering employer motivations for recruiting skilled migrants because temporary employer-sponsored visas limit the mobility of workers in ways that can make them more attractive to employers (Bahn, 2015). According to Sumption (2019),

the fact of linking [sponsored migrant workers] to jobs gives employers more power over their workers, as the worker’s stay is contingent on their jobs . . . The worker’s right to remain in the country and work thus depends on maintaining a good relationship with their employer. (pp. R30–R31)

Sponsorship arrangements can potentially make it easier for managers to convert potential productive human capital into actual productive output among temporary sponsored skilled migrants. These workers, like other groups of workers, ‘can quit, withhold effort, and bargain for rents’ (Coff and Kryscynski, 2011: 1432). However, similar to visa rules in other countries, workers on engaged on temporary sponsored skilled visas in Australia, which is the empirical focus of this study, lose their residency rights – and therefore any potential to gain permanent residency or citizenship (Bauder, 2006) – if their employment relationship ceases and if they cannot find another sponsor within 60 days (Wright et al., 2017). This creates a degree of ‘hyper dependence’ which can diminish the capacity of workers to seek redress if they are mistreated (Anderson, 2010; Zou, 2015). While not accounted for in human capital theoretical perspectives within HRM scholarship, the constrained mobility of temporary sponsored skilled migrants needs to be considered when assessing employers’ recruitment motivations.

The next section of this article develops hypotheses from a review of human capital theory and other relevant literature on employer recruitment of temporary sponsored skilled migrant workers. After outlining important contextual issues and the methodological approach, we analyse the results of a survey of 1602 employer sponsors of temporary skilled visa holders in Australia to address the research question. Given that employer motivations for recruiting migrant workers is likely to be influenced by industry-specific factors such as technology, geography and institutional arrangements (Scott, 2013), the survey findings and analysis are disaggregated to the industry level. The final two sections of the article discuss the findings and consider the broader implications for scholarship, policy and practice.

2. Human capital perspectives on employer recruitment of temporary sponsored skilled migrants

There are a range of different HRM theories relating to employer recruitment (Hurrell and Scholarios, 2013), with the resource-based view and human capital theory being among the most prominent (Orlitzky, 2007). The resource-based view is concerned primarily with identifying the impact of different recruitment strategies and associated practices on employee and organisational performance (Boxall, 1996). This is also a focus of human capital theoretical perspectives (Boxall, 2011), which has been used primarily to analyse and identify how organisations utilise talent to gain a competitive advantage (Wright et al., 2001).

Human capital perspectives have focused on a wide range of HRM practices and systems and their strategic alignment with broader organisational goals (Delery and Roumpi, 2017). While recruitment decisions and strategies are therefore but one facet of human capital theories of HRM, they provide insights into why firms may prefer certain sources of human capital over others. This has been framed in terms of firms’ strategic choices to ‘build’ human capital internally through employee development or ‘buy’ it externally through recruitment (Hamori et al., 2011). In this context, human capital theory provides a framework for analysing employers’ motivations for buying different sources of human capital externally.

Human capital factors underpin employer recruitment in three key ways, according to human capital perspectives (Coff and Kryscynski, 2011; Delery and Roumpi, 2017). The first relates to *human capital supply challenges*: organisations may source workers with particular skills and capabilities that relate to existing competitive advantages, that is, to address skilled vacancies. The second relates to *innovation*: organisations may seek to bring new skills, capabilities and ideas that are not currently present within the organisation but which may help it to attain a human capital advantage over its competitors. The third factor relates to *cost-effectiveness*: organisations may attract and retain ‘employees with valuable human capital at an economic discount relative to

competitors' (Coff and Kryscynski, 2011: 1431). These human capital motivations relate to themes identified within the HRM literature and wider scholarship relating to employer motivations for recruiting skilled migrants.

2.1. Addressing human capital supply challenges

Addressing human capital supply challenges is the first factor potentially motivating employers to recruit temporary sponsored skilled migrants. Human capital supply challenges can be caused by one or a combination of factors. A local shortage of workers with 'hard skills', in the form of the qualifications and experience required to perform a particular job, is identified in various studies as an important reason why employers recruit sponsored migrants (Cameron and Harrison, 2013; Khoo et al., 2007). These shortages may occur across an entire national labour market or may be specific to certain regions. For instance, in health care, there is a tendency for skilled medical professionals in Australia to seek work in large cities, thereby creating workforce maldistribution. This has led employers in rural and remote areas to recruit skilled migrants and internationally trained medical graduates, many of whom are willing to work in these areas and encouraged to do so by various migration pathways, in order to address local shortages (Hawthorne, 2012; Hawthorne and Hamilton, 2010).

Human capital supply challenges are often framed in terms of 'skills shortages' (Ruhs and Anderson, 2010). Hard skills typically form the basis of the definition of 'skill' in many countries, such as Australia, for assessing skills shortages and permitting employers to sponsor migrants for a particular occupation or profession (Richardson, 2009; Sumption, 2019). However, a lack of workers with sufficient 'soft skills' or interpersonal competencies, for instance, the capacity to work effectively in teams (Almeida and Fernando, 2017; Moriarty et al., 2012), can also create human capital supply challenges since workers may require soft skills to utilise their qualifications productively. This is despite immigration regulations typically failing to acknowledge the importance of soft skills as a factor motivating employer recruitment (Cangiano and Walsh, 2014).

Hypothesis 1a: Employers recruit temporary sponsored skilled migrants to address a shortfall of workers with requisite 'hard skills' (Table 3 and Figure 1)

Hypothesis 1b: Employers recruit temporary sponsored skilled migrants to address a shortfall of workers with requisite 'soft skills' or interpersonal competencies (Table 3 and Figure 1)

Hypothesis 1c: Employers in remote locations recruit temporary sponsored skilled migrants to address a localised shortfall of skilled workers (Table 4)

2.2. Fostering innovation

Reflecting human capital perspectives that sourcing exceptional talent is a precondition for innovation (Wright et al., 2001), various studies find that skilled migrants can be instrumental in knowledge acquisition for organisations seeking organisational learning (Collings et al., 2009). This can enable organisations to innovate and gain a competitive advantage in global markets (Guo and Al Ariss, 2015; Härtel, 2004). Using skilled migrants or 'assigned expatriates' (Andresen et al., 2014) to train other employees can facilitate this knowledge transfer (Cameron and Harrison, 2013; Khoo et al., 2007). This may be particularly pertinent for multinational enterprises who see posting their employees across borders as critical for internal knowledge diffusion and continued innovation (e.g. Collings et al., 2009).

A desire for a culturally diverse workforce has been cited as another important innovation-related factor motivating organisations to recruit higher skilled migrants (Zikic, 2015). Studies have found that workforce diversity can positively affect organisational performance but only to a

certain point: too much diversity can produce sub-groups within the organisation which can hinder communication (Grillitsch and Tavassoli, 2018). Nevertheless, cultural diversity may be attractive for organisations seeking to enter new markets or to create greater employment opportunities among workers from diverse backgrounds (D'Netto et al., 2014).

Hypothesis 2a: Employers recruit temporary sponsored skilled migrants to enable international knowledge transfer (Table 5)

Hypothesis 2b: Employers recruit temporary sponsored skilled migrants to improve the cultural diversity of their workforce (Table 5)

2.3. Improving cost-effectiveness

Human capital perspectives posit attracting talent on a more cost-effective basis than competitors as another factor motivating organisational recruitment decisions (Coff and Kryscynski, 2011). To achieve this, HRM scholars emphasise 'the criticality of the management of human capital resources in creating and capturing value' (Delery and Roumpi, 2017: 2). Aside from using HRM strategies and practices to ensure an organisation's workers are more productive compared to those of competitors (Nyberg and Wright, 2015), this could potentially involve identifying groups of workers who are perceived as harder working, more loyal and/or more willing to work for lower wages and inferior working conditions than other workforce groups (Waldinger and Lichter, 2003). Employer perceptions that, compared to local workers, migrants are more reliable, more temporally flexible and have a stronger work ethic have been identified in studies of industries characterised by lower job quality, such as hospitality, retail, construction and agriculture (e.g. Baxter-Reid, 2016; MacKenzie and Forde, 2009; Moriarty et al., 2012; Ruhs and Anderson, 2010). Employers in these industries typically face challenges in attracting and retaining committed and motivated workers within the local labour market (Knox et al., 2015). This may affect employer perceptions that sponsored migrants whose visas restrict their ability to switch employers are relatively harder working, more loyal and more reliable than other groups of workers (Ruhs and Anderson, 2010; Scott, 2013).

While migrant workers with human capital attributes in high demand may have sufficient bargaining power and agency to avoid mistreatment at work (Bauder, 2006; Sumption, 2019), the limited mobility of sponsored visa holders to switch employers may erode this bargaining power and agency (Wright et al., 2017). This can potentially make these workers more attractive to employers. The dependent nature of temporary sponsored workers' migration status restrains their ability to quit their jobs and to find alternative employment with another sponsor, thus making them more predisposed to accepting lower wages and worse conditions (Cangiano and Walsh, 2014; Zou, 2015). Temporary migrants may be more willing to tolerate poor working conditions because maintaining their employment relationship can serve as an 'escalator' or 'stepping stone' to permanent residence or better quality employment (Scott, 2013; Thompson et al., 2013). This potentially gives employers the opportunity to gain cost-efficiency advantages from hiring sponsored migrants (Walsh, 2014).

Hypothesis 3a: Employers recruit temporary sponsored skilled migrants because these workers are perceived as being hard working (Table 5 and Figure 2)

Hypothesis 3b: Employers recruit temporary sponsored skilled migrants because these workers are perceived as being easier to control (Table 5 and Figure 2)

3. Context: temporary sponsored skilled visas in Australia and recent policy changes

An analysis of motivations of employers in Australia using the Temporary Work (Skilled) Visa (Subclass 457) ('457 visa') is used to test the hypotheses. The 457 visa and the schemes that replaced it (discussed below) represent 'one of the largest temporary migration schemes in OECD countries considering the population size' of Australia (OECD, 2018: 19), which makes it suitable for addressing the research question.

Table 1 presents an overview of the annual intakes of temporary sponsored skilled visas granted to primary applicants by industry over the past decade. From 1996 to 2018, the 457 visa allowed a skilled migrant worker to gain sponsorship from an employer for a period of up to 4 years. The explicit purpose of this scheme upon its creation was to make it quicker and easier for organisations to engage professional and managerial skilled migrants on a temporary basis, particularly multinational corporations seeking to internally transfer their staff to Australian operations (Wright and Clibborn, 2017). The scheme evolved in the early 2000s so that addressing skills shortages became its principal objective (Department of Immigration and Border Protection, 2014: 3). These changes led to an expansion of the scheme's usage beyond industries with a concentration of multinationals, such as financial & insurance services and information media & telecommunications (see Table 1).

The 457 visa was abolished in March 2018 and replaced immediately by two other temporary employer-sponsored skilled visas known collectively as the Temporary Skill Shortage (TSS) scheme (Wright and Clibborn, 2020). These changes involved 'tighter eligibility conditions' that removed certain occupations from sponsorship and 'stricter safeguards' designed to minimise the potential for worker exploitation (OECD, 2018: 16). Otherwise, the TSS scheme is very similar in its regulation, function and operation to the 457 visa, particularly in the focus of both schemes on addressing shortages of 'hard skills', that is, workers with the technical qualifications and experience necessary to perform a particular skilled occupation. Like the 457 visa, the TSS scheme requires a worker in a 'skilled' occupation – which is defined as those categorised by the Australian government as a professional, managerial or trades occupation requiring university level or equivalent vocational qualifications – to gain sponsorship from an employer (Department of Immigration and Border Protection, 2017).

Notwithstanding the replacement of the 457 visa with the TSS scheme, many key regulatory features of temporary sponsored skilled visas remain unchanged. In particular, despite addressing skills shortages continuing as the key objective of the scheme, there is no independent verification of employer claims that they face a skills shortage before they can sponsor workers, which labour economists generally see as a technical precondition for affirming the existence of skills shortages (see Ruhs and Anderson, 2010). This suggests that previous criticisms that the 457 visa never actually met this objective apply also to the TSS visa (Howe, 2013; Oliver and Wright, 2016). Another continuing feature of the temporary sponsored skilled visa scheme is that visa holders can only work for their sponsor and in the skilled job they are nominated to perform. If a visa holder loses his or her job, they have only 60 days to find a new sponsor before relinquishing their residency rights (Department of Immigration and Border Protection, 2017). Various provisions exist under this scheme to ensure that sponsored migrant workers receive the same employment conditions and protections as 'local' workers. However, there is growing evidence to indicate that these provisions are inadequately enforced (Birrell et al., 2016; Clibborn and Wright, 2018). Furthermore, because visa holders are effectively tied to their sponsoring employer, they have limited mobility within the Australian labour market. This increases their susceptibility to

mistreatment, which they may be willing to tolerate given the provision for sponsorship of certain occupations to serve as a pathway to permanent residency (Wright et al., 2016).

In sum, despite recent policy changes, the critical aspects of temporary sponsored skilled visas relating to how skills shortages are defined, how employers sponsor skilled migrants and the limits on visa holders' mobility between employers remain unchanged. This means that analysing employer motivations for recruiting workers under the scheme in 2012, when the study was conducted (see below), remains relevant to the scheme's design and therefore to policy implications arising from the empirical analysis (see Section 6).

Nevertheless, there are some notable differences of the TSS visa compared to the 457 visa that deserve mention. The number of skilled occupations eligible for sponsorship on the TSS visa has been reduced from 651 to 435 occupations. Most of the excluded occupations previously had low rates of sponsorship: in the 6 years prior to the changes, these occupations together accounted for around 10% of all visa grants (Birrell, 2017). Furthermore, the TSS visa makes it harder for workers to gain permanent residency than was previously the case with the 457 visa. One of the main reasons for this relates to division of the TSS visa into two categories. The first category includes occupations eligible for sponsorship under a 2-year Short-Term Skilled Occupation List (STSOL). This category includes several occupations that had been among the largest for sponsorship in recent years, such as cook, resident medical officer, café or restaurant manager, marketing specialist and recruitment consultant. The second category includes occupations eligible for sponsorship under a 4-year Medium- and Long-Term Strategic Skills List (MLTSSL). Occupations included on the MLTSSL include several that have accounted for high rates of sponsorship in recent years, including developer programmer, ICT business analyst, university lecturer, general practitioner, software engineer, chef, management consultant, analyst programmer, accountant (general) and motor mechanic (general). In contrast to the 457 visa where all successful applicants had a possible pathway to permanent residency, under the TSS scheme this pathway is now only available to workers sponsored for an occupation on the 4-year MLTSSL.

Since these changes were announced, there has been a decline in the number of temporary sponsored skilled visas granted to primary applicants (i.e. those sponsored to work, as distinct from secondary applicants who are the partners and children of primary applicants) from 46,480 in 2016–2017 to 34,450 in 2017–2018 (see Table 1). One likely reason for this decline is the removal of the pathway to permanent status for workers with occupations on the STSOL, which list may have resulted in many would-be skilled migrants deciding not to apply. Another factor relates to a new minimum work experience requirement that makes it more difficult for recent university graduates to gain sponsorship (Birrell, 2017). While the decline in new visa grants has been especially acute in industries such as mining, public administration & safety, and rental, hiring & real estate services, it has been more modest in health & social care. Rates of sponsorship have increased slightly in electricity, gas, water & waste services (Department of Home Affairs, 2018). In 2018, a new Global Talent Scheme was introduced providing employers with a streamlined avenue for sponsorship of high-skilled and high-paid workers in occupations not covered by the TSS scheme. This may partly offset the impact of the TSS changes, particularly for accredited businesses and start-ups in the technology-based and STEM-related fields that are the main targets of the new scheme (Ministers for the Department of Industry, Innovation and Science, 2018).

Table I. Annual intake of temporary sponsored skilled visas granted to primary applicants by industry, 2008–2009 to 2017–2018.

Industry	2008–2009	2009–2010	2010–2011	2011–2012	2012–2013	2013–2014	2014–2015	2015–2016	2016–2017	2017–2018
Accommodation & food services	2520	990	1540	3660	6790	6270	6050	5510	5130	3700
Administrative & support services	330	310	200	320	290	320	380	340	330	240
Agriculture, forestry & fishing	900	570	470	980	1390	880	860	720	950	910
Arts & recreation services	810	590	890	930	820	590	540	560	620	390
Construction	5540	3330	5920	9160	7870	4740	3970	3000	3400	2130
Education & training	2500	2050	2770	3410	3460	2860	2810	2330	2500	1940
Electricity, gas, water & waste services	930	480	710	1050	1200	840	570	370	450	490
Financial & insurance services	1950	2040	2620	2510	2360	1750	1710	1690	1740	1100
Health care & social assistance	9480	6520	6270	7870	7430	5150	4630	4810	4920	4570
Information media & telecommunications	3990	3780	5430	7520	6700	5820	6990	6880	6000	4060
Manufacturing	4390	1940	2490	4100	3800	2350	2410	2070	2010	1440
Mining	4300	2490	3650	6460	4630	2670	1850	1090	1030	400
Other services	2690	3130	5960	7900	8440	7210	8280	6240	8050	5940
Professional, scientific & technical services	70	950	2550	4890	5580	5070	5820	6490	6150	5030
Public administration & safety	840	890	520	500	560	380	220	160	170	70
Rental, hiring & real estate services	4620	2150	2470	1500	440	300	340	230	230	80
Retail trade	1690	920	1230	2220	3070	2440	1880	1650	1640	1110
Transport, postal & warehousing	950	450	640	850	1000	860	790	540	570	390
Wholesale trade	1180	690	950	1310	1610	1120	920	700	630	450
Not specified	990	540	780	1180	1070	330	130	20	10	10
Total	50,670	34,810	48,060	68,320	68,510	51,950	51,150	45,400	46,530	34,450

Source: Department of Home Affairs, Temporary Resident (Skilled) Reports, various years.

A final contextual issue to note is the operation of temporary sponsored skilled visas alongside permanent skilled visas as the main ways skilled migrants can gain access to employment directly related to their qualifications in Australia. The important role of temporary sponsored skilled visas in Australia's system of 'two-step' or 'multi-stage' migration can allow migrants already in Australia on another temporary visa, such as an international student, working holiday or temporary graduate visa, to apply for a temporary sponsored skilled visa 'onshore' without having to return to their home country (Gregory, 2014; Hawthorne, 2010). In recent years, there has been a significant growth in the number of onshore applications for temporary sponsored skilled visas, from 10,913 in 2001–2002 to 32,523 in 2012–2013 (Azarias et al., 2014: 36). A majority of all temporary sponsored skilled visas were granted to onshore applicants in 2013–2014 (Hawthorne, 2015). Hawthorne (2015: S175–S176) notes that onshore sponsorship rates differ markedly across skilled occupations. For instance, 62% of nurses who were granted visas in 2013–2014 made onshore applications compared to 22% of those in computing and ICT skilled occupations. Onshore applications can allow employers to assess applicants in person, which may be important for identifying whether they have adequate 'soft skills' or interpersonal competencies to utilise their qualifications productively. This may explain why onshore sponsorship rates are higher for the nursing field, where interpersonal competencies tend to be particularly important, compared to computing and ICT occupations, where relatively greater value may be placed on hard skills and technical knowledge than interpersonal competencies. An alternative explanation is that offshore sponsorship may reflect a business strategy among multinational companies to transfer staff from their operations abroad. According to Birrell et al. (2016), the high rate of offshore applications relating to computing and ICT occupations reflects a dominant strategy among Indian multinational companies, which account for a large share of ICT sponsorship, to transfer workers from their Indian operations and employ them at below market salary rates in breach of visa regulations to produce a competitive advantage in the Australian ICT market.

4. Methodology

A cross-sectional quantitative research methodology in the form of an employer survey was chosen to test hypotheses relating to different motivations of employers across industries for recruiting temporary sponsored skilled migrants. Cross-sectional methods such as large-scale surveys are appropriate for analysis of data where the nature of the sample population is likely to produce variation and where data can be collected at a single point in time (Bell et al., 2019: 58–61).

The survey was commissioned by the Australian Government's Department of Immigration and Citizenship (now the Department of Home Affairs), which made the data available to the authors. This research has been used as part of parliamentary inquiry submissions to inform government deliberations over skilled immigration regulations (Wright and Constantin, 2015) and in conjunction with other datasets to examine how these regulations interact with training policies to influence employer demand in the hospitality industry (Wright et al., 2019). The sample population of the survey is 1772 current and previous employer sponsors of temporary sponsored skilled visa holders, of whom 1602 responded. The sample population was drawn randomly from the Department of Immigration and Citizenship's database of approximately 4500 current and previous employer sponsors, with analysis conducted to ensure the sample population was broadly representative of this database (Arnott and Coulter, 2012). The industry breakdown of survey respondents is presented in Table 2. Our analysis focuses only on 'main industry sponsors', that is, those accounting for 5% or more of visas granted in the 2011–2012 financial year, when the survey was conducted (see Department of Immigration and Citizenship, 2012).

The survey was carried out via telephone in May and June 2012 and yielded a response rate of 90.3% among employers contacted. The main objective of the survey was to evaluate the effectiveness of the temporary sponsored skilled visa in meeting employers' skills needs. To this end,

questions were asked about employers' business and workforce characteristics, their use of and satisfaction with the scheme, their labour needs and how they addressed these, their processes for sponsorship and their experience with workers recruited on the visa. To understand why employers recruit skilled migrants, our analysis is focused on specific components of the survey that can allow the hypotheses to be addressed. The questionnaire was developed with reference to previous research and in consultation with various stakeholders involved in the research and the visa sponsorship processes to minimise any potential for bias (Arnott and Coulter, 2012). Nevertheless, it is important to acknowledge the limitations of government-commissioned research, particularly how research designers may perceive certain issues as requiring or not requiring attention in certain policy environments if these are considered politically sensitive or unimportant (Boswell, 2008). As such, some caution needs to be taken in analysing these data.

The survey was conducted by the Social Research Council, an independent research agency, which used a Computer-Administered Telephone Interviewing methodology for collecting the data. The research complied with the Australian Market and Social Research Society's Code of Professional Behaviour, which is consistent with academic ethical research principles relating to participant consent, data collection and storage (Bell et al., 2019: 109–136). Participant organisations were sent a letter by the Department of Immigration and Citizenship informing them of the survey prior to receiving a phone call from the Social Research Council. Those contacted were free not to participate, to participate at another time of their convenience, to withdraw from the survey at any time and to refuse to answer any question asked. The interviewer read a statement to participants making it clear that any information provided would be confidential and that the names of individuals and organisations would not be disclosed. The individuals and organisations involved in the data collection process were bound by the provisions of the Commonwealth Privacy Act, and the data were recorded and transferred on a secure server and stored using high-level security (Arnott and Coulter, 2012).

Table 2. Survey respondents by sponsor industry.

Industry	Survey respondents, N (%)
<i>Accommodation & food services</i>	113 (7.1)
Administrative & support services	37 (2.3)
Agriculture, forestry & fishing	41 (2.6)
Arts & recreation services	43 (2.7)
<i>Construction</i>	150 (9.4)
<i>Education & training</i>	116 (7.2)
Electricity, gas, water & waste services	47 (2.9)
Financial & insurance services	36 (2.2)
<i>Health care & social assistance</i>	259 (16.2)
<i>Information media & telecommunications</i>	98 (6.1)
<i>Manufacturing</i>	147 (9.2)
<i>Mining</i>	44 (2.7)
<i>Other services</i>	22 (1.4)
<i>Professional, scientific & technical services</i>	244 (15.2)
Public administration & safety	21 (1.3)
Rental, hiring & real estate services	9 (0.6)
Retail trade	78 (4.9)
Transport, postal & warehousing	35 (2.2)
Wholesale trade	50 (3.1)
Not recorded/don't know/not applicable	12 (0.7)
Total	1602 (100.0)

Only industries noted in italics, which represent the industry sponsors accounting for 5% or more of total primary temporary sponsored skilled visa grants when the survey was conducted, are included in our analysis.

5. Results

5.1. Addressing human capital supply challenges

Survey responses were analysed in relation to each hypothesis. The vast majority (86%) of employer respondents sponsoring temporary skilled migrants claimed that hiring workers locally was something they found difficult. However, Table 3 indicates considerable cross-industry variation in the extent to which these difficulties relate to sourcing ‘hard skills’ or ‘soft skills’. When employers were asked to prioritise factors they saw as important when selecting skilled migrants for sponsorship, survey respondents were more likely to cite teamwork, people management skills, personality and values than ‘hard skills’ in the form of recognised qualifications and unique specialisations. While teamwork, people management skills, personality and values are associated by some studies with ‘soft skills’ (e.g. Moriarty et al., 2012), other studies have identified these attributes as proxies for employee compliance with managerial decisions, particularly in relation to temporary migrant workers who are dependent on employers to maintain their residency rights (Anderson, 2010; Ruhs and Anderson, 2010; Waldinger and Lichter, 2003). As such, we have used ‘interpersonal competencies’ rather than ‘soft skills’ in our analysis of these attributes. While they cannot accurately be characterised as ‘skills’, these interpersonal competencies remain relevant since they can be important for determining whether workers utilise their ‘hard skills’ productively (Green et al., 1998).

Figure 1 presents averages of the different variables relating to ‘hard skills’ and ‘interpersonal competencies’ presented in Table 3. Figure 1 indicates that employer respondents across all industries other than education & training were more likely to cite interpersonal competencies than hard skills when assessing skilled migrants for recruitment. Accommodation & food services, construction and manufacturing in particular were especially likely to cite interpersonal competencies.

Table 3. The importance placed by employer respondents on various skills and attributes when assessing potential skilled migrants.

	Hard skills (%)			Interpersonal competencies (%)	
	Recognised qualifications	Unique specialisation	Unique industry experience	Strong teamwork and people management skills	Personality and values
Accommodation & food services	74.8	63.6	74.3	89.3	91.6
Construction	84.2	61.6	78.6	91.2	89.1
Education & training	90.5	82.5	80.4	81.8	79.3
Health care & social assistance	93.1	64.2	80.0	85.5	89.2
Information media & telecommunications	74.1	84.9	87.5	82.4	93.3
Manufacturing	80.9	70.7	78.2	84.9	92.8
Mining	91.2	67.7	78.9	78.2	89.0
Other services	80.8	67.4	82.6	81.4	91.2
Professional, scientific & technical services	80.9	76.7	84.6	88.6	86.6
Total (all industries)	84.4	70.6	80.6	86.2	88.6

Respondents were asked the following question: ‘Which of the following factors are important when assessing potential skilled migrants?’ Multiple responses were allowed. Figures do not include responses that elicited lower response rates and those that could not easily be classified as hard skills or other competencies.

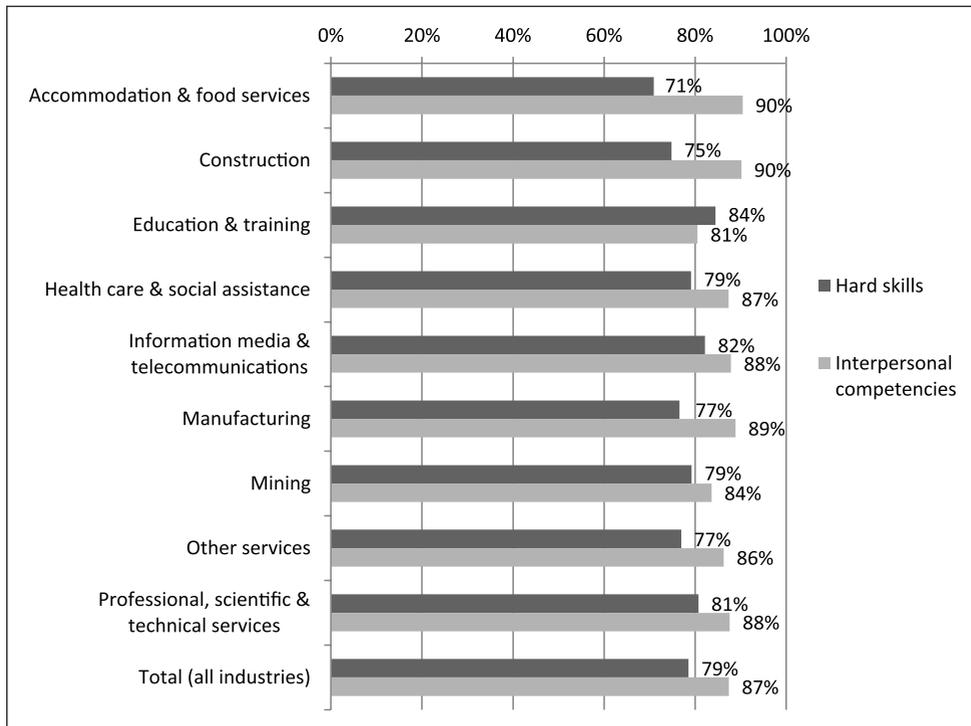


Figure 1. The importance placed by employer respondents on hard skills compared with other attributes when assessing potential skilled migrants.

The figures for 'hard skills' and 'interpersonal competencies' are averages of the individual variables for the categories presented in Table 3.

These findings indicate strong support for both Hypotheses 1a and 1b: addressing a shortfall of workers with requisite 'hard skills' and interpersonal competencies were both important factors motivating employer recruitment of temporary sponsored skilled migrants. The findings regarding the importance of interpersonal competencies to employer motivations is illuminating given that addressing shortages of hard skills is the main policy objective of the temporary sponsored skilled visa scheme. While this finding may indicate that traditional understandings of skills shortages are too narrow for capturing the interpersonal competencies or 'soft skills' that employers demand, it may also indicate a desire by some employers to use temporary sponsored skilled visa to recruit for a more compliant workforce.

The factors contributing to employer difficulties in sourcing their required skills are presented in Table 4. The two main factors cited by employers across all industries was not enough workers with the right skills (65%) and a lack of workers with the right skills in Australia (41%). While the location of businesses in remote localities was cited by a relatively small number of employers across all industries as contributing to recruitment problems (12%), it scored higher among health care & social assistance employers (28%). This finding provides relatively weak support overall for Hypothesis 1c, but moderate support in relation to the health care & social assistance industry, where employers in remote locations recruit temporary sponsored skilled migrants to address localised shortfalls of skilled workers. This lends support to the findings of previous studies indicating the importance of immigration in addressing workforce distribution challenges for under-supplied locations in the medical fields, particularly for providing a supply of skilled workers to rural and regional communities (Hawthorne, 2012; Hawthorne and Hamilton, 2010).

Table 4. Main reasons cited by employer respondents for why they find it difficult to find employees in the local labour market.

	Not enough local workers with the right skills (%)	Not enough workers with the right skills in Australia (%)	Better paid jobs in other industries (%)	The business is in a remote location (%)	Australian workers don't like doing this job (%)	Other employers in my industry offer better paid jobs (%)	Australian workers have a poor attitude (%)
Accommodation & food services	49.1	30.2	18.9	14.4	29.2	5.7	6.8
Construction	56.3	33.4	19.2	3.5	12.9	4.6	13.6
Education & training	67.8	43.9	12.8	10.9	1.6	6.4	0.0
Health care & social assistance	59.5	36.8	6.3	28.1	10.8	8.4	3.1
Information media & telecommunications	78.0	39.2	8.2	1.6	1.4	1.6	2.6
Manufacturing	68.1	42.3	22.6	11.0	12.8	4.9	10.1
Mining	70.6	42.3	20.0	6.2	3.1	14.9	6.4
Other services	55.7	48.5	10.0	0.0	22.7	0.0	8.4
Professional, scientific & technical services	76.2	55.0	11.5	4.1	5.0	6.2	5.4
Total (all industries)	64.7	41.1	13.3	12.1	10.4	6.3	5.9

Respondents were asked the following question: 'Why do you find it difficult to find employees in the local labour market?' Multiple responses were allowed.

5.2. *Fostering innovation*

Table 5 presents the main benefits that employers cited for recruiting temporary sponsored skilled migrants. Across all industries, filling skilled vacancies (52%) and recruiting highly skilled workers (33%) were the two most important perceived benefits of the scheme. This was particularly the case among health care & social assistance, mining and information media & telecommunications employers. By contrast, employers in accommodation & food services, manufacturing and construction were much less likely to cite the benefits of temporary sponsored visas for filling skilled job vacancies. A smaller proportion of employers (15%) saw facilitating knowledge transfer from temporary sponsored skilled migrants to other workers as an advantage of the scheme. Employers in other services, professional, scientific & technical services, and education & training were more likely than those in other industries to cite this factor, but it was perceived as relatively much less important among employers in construction and health care & social assistance. Only a small proportion of employers across all industries saw cultural diversity/multiculturalism (5%) as a benefit of sponsoring temporary skilled migrants, but this was seen as relatively more important among employers in certain industries, such as education & training and health care & social assistance, perhaps in order to reflect the diversity of service users and customers (Zikic, 2015). Similarly, only 4% of respondents cited bringing workers from international offices as a benefit, but the responses were higher among employers in the information media & telecommunications industry where there is a preponderance of multinational businesses (Birrell et al., 2016).

These findings indicate weak-to-moderate support for Hypothesis 2a relating to the role of knowledge transfer in motivating the recruitment of temporary sponsored skilled migrants. Despite the growing reliance of organisations on international knowledge transfer, recruiting talent from international offices was seen as an advantage of temporary sponsored skilled migration by a relatively small proportion of employers overall. There is weak support for Hypothesis 2b: recruiting skilled temporary sponsored migrants to improve the cultural diversity of their workforce was not a strong motivating factor.

5.3. *Improving cost-effectiveness*

Table 5 also presents employer motivations for recruiting temporary sponsored skilled migrants relating to cost-effectiveness factors. Perceptions that visa holders have a better attitude and are hard working, and exhibit greater loyalty than other workers, were both factors cited by 19% of employers across all industries. The extent to which these 'behavioural traits' were perceived as benefits of the scheme varied considerably between industries. Accommodation & food services, construction and manufacturing were most likely to cite these attributes as benefits of the temporary sponsored skilled work visa. These industries were also those least likely to cite addressing skilled job vacancies and allowing the recruitment of highly skilled workers as benefits of the scheme. Turning attention back to Table 3, we can see that accommodation & food services, construction and manufacturing employers cited relatively low pay compared to other industries as a factor inhibiting their efforts to recruit employees in the local labour market. These industries were also more likely than other industries to attribute their recruitment difficulties to perceptions that local workers have poor attitudes or do not like working in their industries. The relatively low pay and poor job quality of these industries likely contribute to these local recruitment challenges (see McGrath-Champ et al., 2011; Wright et al., 2019), thus making temporary sponsored skilled migrants a more attractive solution for employers in these industries to address their skills needs.

These findings indicate employers in the industries most likely to use the temporary sponsored skilled visa scheme to recruit workers perceived as hard working, more loyal and having

Table 5. Main benefits cited by employer respondents of sponsoring temporary skilled visa workers (multiple responses allowed).

	They have filled skilled job vacancies (%)	They are highly skilled workers (%)	Increased loyalty from 457 workers (%)	They are hard working / have a better attitude (%)	They have hard skills / experience onto other workers (%)	They have passed relevant work experience (%)	They bring cultural diversity / multiculturalism to the workplace (%)	Can bring workers from international offices (%)	457 Visa conditions provide a higher level of control (%)
Accommodation & food services	42.2	27.7	40.6	34.6	12.1	10.4	2.1	1.5	5.6
Construction	41.5	26.0	22.9	26.0	8.7	9.0	3.1	2.0	4.3
Education & training	53.7	33.6	7.8	9.8	21.7	9.5	8.5	5.2	0.6
Health care & social assistance	62.6	31.3	17.7	15.8	10.5	6.5	7.0	2.6	2.2
Information media & telecommunications	62.1	34.0	13.4	12.4	18.7	17.5	0.6	7.8	2.9
Manufacturing	44.8	32.8	25.4	24.0	14.4	13.6	4.1	3.5	2.6
Mining	62.0	27.8	14.9	18.0	10.8	11.5	5.5	0.0	0.0
Other services	54.1	47.2	14.0	14.0	29.5	26.7	0.0	6.4	7.5
Professional, scientific & technical services	49.1	40.4	14.2	14.0	21.2	8.7	6.0	4.2	0.5
Total (all industries)	52.2	32.8	19.2	18.6	15.1	10.1	4.5	4.2	2.5

Respondents were asked the following question: 'In your experience, what do you think are the benefits, if any, of sponsoring 457 workers?' Multiple responses were allowed.

better attitudes were more likely to perceive local workers as having poor attitudes and being disinclined to work in these industries. Figure 2 reflects these findings. When survey respondents were asked their level of satisfaction with workers on temporary sponsored skilled visas compared to ‘similar Australian workers’, two-thirds of employers claimed to be equally satisfied with workers in both categories. However, survey respondents were more than three times more likely to claim they were more satisfied with workers on temporary sponsored skilled visas (25%) compared to ‘similar Australian workers’ (7%). This gap was most pronounced among accommodation & food services employers, who were 13 times most likely to be satisfied with temporary sponsored skilled migrants, and ‘other services’ employers, who were eight times more likely to voice greater satisfaction with this particular group than Australian workers. However, these preferences were not necessarily due to the greater control that visa sponsorship rules provide over temporary skilled migrants compared to local workers: the higher level of control that sponsorship visa regulations enabled was cited by only 2.5% of all employers as a benefit of the scheme (see Table 5).

Overall, these findings indicate moderate-to-strong support for Hypothesis 3a: some employers recruit temporary sponsored skilled migrants because these workers were perceived as hard working. However, there is little to no support for Hypothesis 3b: a perception that temporary sponsored skilled migrants are easier to control compared to other groups of workers was not a major factor expressed by employers as motivating their recruitment practices, although it was cited by a relatively higher proportion of employers in some industries, notably accommodation & food services and other services.

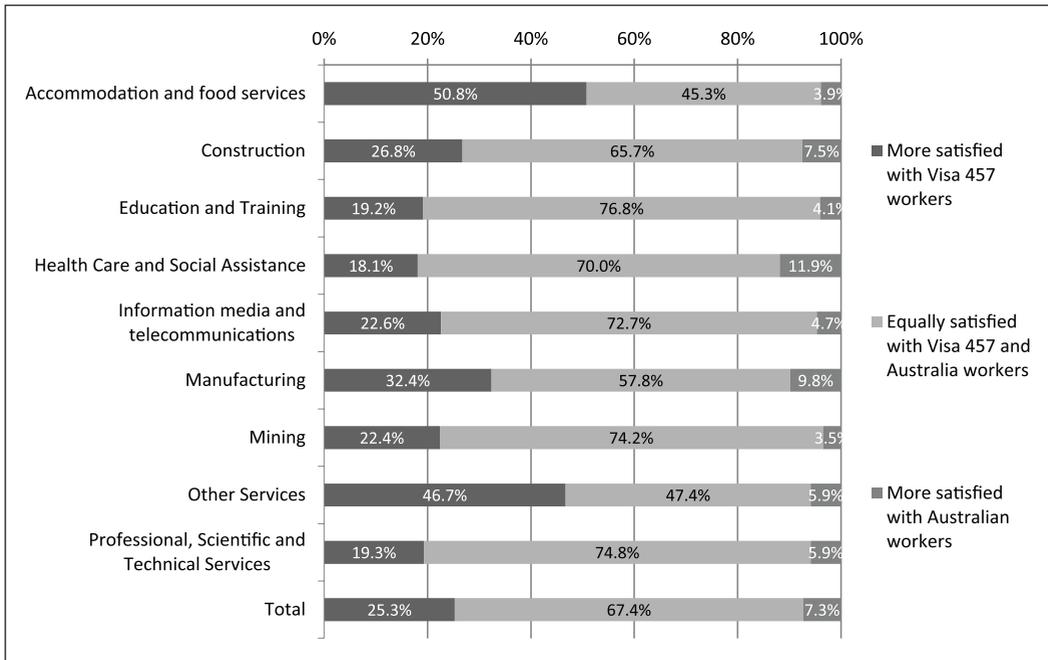


Figure 2. Employer respondents’ satisfaction with temporary skilled sponsored migrant workers compared to ‘similar Australian workers’.

Respondents were asked the following question: ‘When comparing your Visa 457 workers to similar Australian workers, are you generally much more satisfied with Visa 457 workers, slightly more satisfied with Visa 457 workers, equally satisfied with Visa 457 and Australian workers, slightly more satisfied with Australia workers, or much more satisfied with Australian workers?’.

6. Discussion

6.1. Implications for scholarship

Returning to the research question, we identified three themes from human capital scholarship in the HRM field that can potentially explain employers' motivations for recruiting higher skilled temporary sponsored migrants: addressing human capital supply challenges, enabling innovation and improving cost-effectiveness (Coff and Kryscynski, 2011; Delery and Roumpi, 2017; Ployhart, 2006).

The first theme, addressing *human capital supply challenges*, was identified in the survey results as an important motivation for why employers recruit temporary sponsored skilled migrants. This is consistent with human capital theoretical perspectives (Coff and Kryscynski, 2011; Delery and Roumpi, 2017) and supports the findings of previous studies within the HRM literature that employers recruit higher skilled immigrants to address skilled vacancies (Bahn and Cameron, 2013; Collings et al., 2009). Recruiting temporary sponsored skilled migrants is also important for addressing localised human capital supply challenges for health care & social assistance employers based in remote locations, most likely to offset the impact of medical workforce maldistribution (Hawthorne, 2012; Hawthorne and Hamilton, 2010). This finding indicates the importance for human capital theoretical perspectives to be attentive to the pronounced supply challenges that employers in regional and remote locations face, which may make them more reliant on skilled visa pathways to recruit required talent. Our findings support previous HRM studies highlighting the value for employers of immigrants' 'hard skills', namely their qualifications, specialisations and experience (Cameron and Harrison, 2013; Khoo et al., 2007). Moreover, our findings draw attention to the importance of 'soft skills', or more accurately behavioural traits and interpersonal competencies, as a factor motivating employer recruitment of temporary sponsored skilled migrants. This finding is discussed further below.

The second theme within the human capital literature indicates that sourcing exceptional talent, or a more culturally diverse workforce (D'Netto et al., 2014; Zikic, 2015), can facilitate organisational learning and thereby spur *innovation* (Collings et al., 2009; Wright et al., 2001). These themes do not emerge strongly from our findings. Innovation-oriented factors such as facilitating knowledge transfer and strengthening cultural diversity provided relatively weak motivations for employers recruiting temporary sponsored skilled migrants. The exceptions to this can be found in other services, professional, scientific & technical services, and education & training, where employers perceived temporary sponsored skilled migrants as moderately important for knowledge transfer. This indicates that outside of select industries, recruiting exceptional talent to enable innovation is less important for employers than human capital theory assumes, at least in relation to the recruitment of temporary sponsored skilled migrants.

Sourcing *cost-effective* talent is the third theme among human capital theories of employer recruitment motivations (Coff and Kryscynski, 2011). While this is generally framed in terms of using HRM strategies to maximise labour productivity (Delery and Roumpi, 2017; Nyberg and Wright, 2015), we have built upon these insights to analyse the impact of visa regulations limiting the mobility of temporary sponsored skilled migrants, which may help sponsoring employers to achieve greater 'cost-effectiveness'.

While there was little support for the hypothesis that employers recruit temporary sponsored skilled migrants because these workers are perceived as being easier to control, there was moderate-to-strong support for the hypothesis that employer recruitment practices are motivated by a perception of these workers as hard working. The human capital literature indicates that a worker's skills, experience and other human capital attributes and how these are managed will likely impact

their productivity (Wright et al., 2001). The ‘two-step’ feature of Australian immigration policy, which permits holders of other temporary visas to apply for a temporary sponsored skilled visa ‘onshore’ (Gregory, 2014; Hawthorne, 2010), can potentially allow employers to assess workers’ human capital attributes more easily, in the form of hard skills and interpersonal competencies and behavioural traits. It may be that temporary skilled migrants also sought to use employer sponsorship as an ‘escalator’ to permanent residence (Scott, 2013; Thompson et al., 2013), thereby motivating them to work hard during their period of sponsorship in order to meet permanent residency prerequisites.

Perceptions that sponsored migrants were hard working were also likely enhanced by policy arrangements that constrain temporary skilled migrants’ mobility within the host-country labour market (Sumption, 2019; Zou, 2015). While interpersonal competencies and behavioural traits have been equated with soft skills (e.g. Moriarty et al., 2012), as discussed above, employers could seek out these attributes to recruit workers perceived as more loyal, having better attitudes and having a stronger work ethic. This is reflected in the findings presented regarding employers’ perceived benefits of the temporary sponsored skilled visa scheme. It is also evident in the importance that employer respondents placed not only on the ‘hard skills’ that the scheme is designed to address, namely shortages of workers with requisite qualifications, specialisation and experience, but also on people management skills, teamwork, personality and values. The implications of these findings for human capital theory are further explored in the conclusion.

6.2. Implications for policy and practice

Immigration sponsorship arrangements offer considerable advantages for employers and governments seeking to source human capital efficiently (Sumption, 2019). However, the findings point to the importance of independent verification of skills shortages before an occupation is eligible for sponsorship (Howe, 2013; Oliver and Wright, 2016), which is not currently a feature of the temporary skilled visa system in Australia. While the vast majority of employers surveyed who engage temporary sponsored skilled immigrants claimed to experience problems recruiting workers locally, skills shortages are distinct from skilled job vacancies and recruitment difficulties. Skills shortages are generally considered to be systemic shortfalls of available workers at the ‘market’ or prevailing wage rates offered within an industry. By contrast, recruitment difficulties are shortages of workers caused by factors within an individual employer’s control, such as offering wages and conditions that are below market rates which fail to attract a sufficient number of potential candidates (Healy et al., 2015; Junankar, 2009; Richardson, 2009). Less than 1% of employers surveyed claimed they would increase wages or provide other incentives to potential candidates as a means of addressing their recruitment challenges. This suggests that even if employers recruited temporary sponsored skilled migrants because of skills shortages that meet the generally accepted technical definition, the skills shortages that existed were not acute. However, as suggested above, there may be exceptions to this, particularly among employers in regional and remote locations where geographical factors can inhibit efforts to attract and retain skilled workers regardless of the wages and conditions offered.

Our findings also indicate that policymakers should consider loosening regulations that constrain the mobility of temporary sponsored skilled migrants, which is a feature of temporary skilled immigration in Australia and typical among sponsored visa schemes internationally (Sumption, 2019; Wright et al., 2017). These constraints influence the nature of employer demand for temporary sponsored skilled migrants, in that limited mobility appears to influence employer perceptions of temporary sponsored skilled migrants as more loyal.

In terms of implications for organisational practice, our findings indicate that the recruitment challenges facing the employers of temporary sponsored skilled migrants could be addressed more

comprehensively through alternative long-term strategies, including higher pay, improving job quality, investing more in training, providing career development opportunities and other steps likely to produce greater commitment and retention among existing and prospective employees (Backes-Gellner and Tuor, 2010). The employers that were most likely to cite the importance of interpersonal competencies were also more likely to cite behavioural traits as a benefit of using the temporary sponsored skilled visa scheme and to voice greater satisfaction with sponsored migrants over 'similar Australian workers'. Accommodation & food services, construction and manufacturing employers were much more likely than employers in other industries to see temporary sponsored skilled migrants as being harder working or more loyal. While substantial minorities of employers in these industries attributed recruitment challenges to poor attitudes and low desire to work in their industries among local workers, these local recruitment difficulties are likely to reflect job quality deficiencies that HRM strategies aimed at improving attraction and retention could help to address (Knox et al., 2015).

7. Conclusion

In using human capital theory to analyse employer motivations for recruiting skilled migrants on temporary sponsored visas, this article has made four contributions to HRM scholarship. First, it has shown how regulations limiting the mobility of skilled migrants on temporary sponsored visas can make it easier for employers to utilise these workers' human capital to achieve 'cost-effectiveness', which human capital perspectives indicate is a strategic goal of recruitment. Second, it has demonstrated the importance of temporary sponsored skilled migrants' behavioural traits and interpersonal competencies, as well as their 'hard skills', in employers' recruitment strategies to address human capital supply challenges. Third, it has drawn attention to the pronounced challenges for employers in regional and remote areas in sourcing human capital to address these supply challenges, which the sponsorship design of temporary skilled visas can help address. Fourth, it has found that fostering innovation is a less important strategic goal of employer recruitment than human capital theories of HRM claim when it comes to temporary sponsored skilled migrants.

These findings have important implications for human capital theories of employer recruitment. They highlight that cost-effectiveness as a motivator for recruitment decisions can be achieved not only through HRM strategies to maximise worker productivity (Delery and Roumpi, 2017) but also by identifying groups of workers who are perceived as more loyal and harder working than other groups. The findings also draw attention to the role of government policy in this identification process, specifically the role of visa regulations constraining the mobility of temporary sponsored migrants in ways that likely enhances their attractiveness to employers.

A limitation of this study is that it has focused primarily on the role of visa regulations in a single country; there is an opportunity for future research to examine how immigration policies and labour market policies more generally in other countries influence employer strategies for addressing human capital needs. Another limitation is the absence of questions from the survey relating to employer recruitment of skilled migrants from particular source countries or via onshore versus offshore channels. It is important for future studies to examine these issues given they are likely to provide further insights into employer motivations for engaging workers on temporary sponsored skilled visas particularly in terms of the skills and capabilities that employers recruit for (Birrell et al., 2016; Hawthorne, 2015). A further limitation is that this article has relied upon on employer perspectives of the migrant worker recruitment process. This has enabled us to scrutinise the assumptions of human capital theories of employer recruitment decisions and to examine whether the design of visa regulations to address shortages of hard skills matches employer motivations for using these schemes. However, future research could also examine the perspectives of temporary

sponsored skilled migrants regarding their motivations and experiences of sponsorship arrangements, of which there has been limited research.

Acknowledgements

The authors are grateful to the reviewers for their helpful comments, to the Associate Editor Peter Jordan for his guidance, to Iain Campbell, Stephen Clibborn, Joshua Healy and David Peetz for valuable feedback on an earlier version, and to the Australian Government's Department of Home Affairs for making the survey data available for this research.

Funding

The authors are grateful for financial support made available by the University of Sydney and the Australian Research Council (DE170101060) for the research underpinning this article.

ORCID iD

Chris F Wright  <https://orcid.org/0000-0003-0984-6208>

References

- Almeida S and Fernando M (2017) Making the cut: Occupation-specific factors influencing employers in their recruitment and selection of immigrant professionals in the information technology and accounting occupations in regional Australia. *The International Journal of Human Resource Management* 28: 880–912.
- Anderson B (2010) Migration, immigration controls and the fashioning of precarious workers. *Work, Employment and Society* 24: 300–317.
- Andresen M, Bergdolt F, Margenfeld J, et al. (2014) Addressing international mobility confusion—developing definitions and differentiations for self-initiated and assigned expatriates as well as migrants. *The International Journal of Human Resource Management* 25: 2295–2318.
- Arnott C and Coulter D (2012) Survey of 457 visa program employers and employees. Technical report prepared for the Department of Immigration and Citizenship, Social Research Centre, Melbourne, VIC, Australia.
- Azarias J, Lambert J, McDonald P, et al. (2014) *Robust New Foundations: An Independent Review into Integrity in the Subclass 457 Programme*. Canberra, ACT, Australia: Department of Immigration and Border Protection.
- Backes-Gellner U and Tuor SN (2010) Avoiding labor shortages by employer signaling: On the importance of good work climate and labor relations. *Industrial and Labor Relations Review* 63: 271–286.
- Bahn S (2015) Managing the well-being of temporary skilled migrants. *The International Journal of Human Resource Management* 26: 2102–2120.
- Bahn S and Cameron R (2013) Sourcing specialised skilled labour in the global arena: A change in the way we view work in Australia? *Australian Bulletin of Labour* 39: 19–41.
- Bauder H (2006) *Labor Movement: How Migration Regulates Labor Markets*. New York: Oxford University Press.
- Baxter-Reid H (2016) Buying into the 'good worker' rhetoric or being as good as they need to be? The effort bargaining process of new migrant workers. *Human Resource Management Journal* 26: 337–350.
- Bell E, Bryman A and Harley B (2019) *Business Research Methods*. 5th ed. Oxford: Oxford University Press.
- Birrell B (2017) *The Coalition's 457 Visa Reset: Tougher Than You Think*. Melbourne, VIC, Australia: Australian Population Research Institute.
- Birrell B, Healy E and Kinnaird B (2016) *Immigration Overflow: Why It Matters*. Melbourne, VIC, Australia: Australian Population Research Institute.
- Boswell C (2008) The political functions of expert knowledge: Knowledge and legitimation in European Union immigration policy. *Journal of European Public Policy* 15: 471–488.

- Boucher A (2016) *Gender, Migration and the Global Race for Talent*. Manchester: Manchester University Press.
- Boucher A (2019) How 'skill' definition affects the diversity of skilled immigration policies. *Journal of Ethnic and Migration Studies*. Epub ahead of print 12 February. DOI: 10.1080/1369183X.2018.1561063.
- Boxall P (1996) The strategic HRM debate and the resource-based view of the firm. *Human Resource Management Journal* 6: 59–75.
- Boxall P (2011) Human capital, HR strategy, and organizational effectiveness. In: Burton-Jones A and Spender J-C (eds) *The Oxford Handbook of Human Capital*. Oxford: Oxford University Press, pp. 289–308.
- Cameron R and Harrison JL (2013) The use of temporary skilled migration in Australian organisations. *International Journal of Organizational Analysis* 21: 104–123.
- Cangiano A and Walsh K (2014) Recruitment processes and immigration regulations: The disjointed pathways to employing migrant carers in ageing societies. *Work, Employment and Society* 28: 372–389.
- Chen E and Ward R (2013) *Employers' Role and Influence in Migration: A Literature Review*. Wellington: Ministry of Business, Innovation and Employment.
- Clibborn S and Wright CF (2018) Employer theft of temporary migrant workers' wages in Australia: Why has the state failed to act? *Economic and Labour Relations Review* 29: 207–227.
- Coff R and Kryscynski D (2011) Drilling for micro-foundations of human capital-based competitive advantages. *Journal of Management* 37: 1429–1443.
- Collings DG, Scullion H and Dowling PJ (2009) Global staffing: A review and thematic research agenda. *The International Journal of Human Resource Management* 20: 1253–1272.
- Delery JE and Roumpi D (2017) Strategic human resource management, human capital and competitive advantage: Is the field going in circles? *Human Resource Management Journal* 27: 1–21.
- Department of Home Affairs (2018) *Temporary Resident (Skilled) Report: At 30 June 2018*. Canberra, ACT, Australia: Australian Government.
- Department of Immigration and Border Protection (2014) *Booklet 9 – Temporary Work (Skilled) (Subclass 457) Visa*. Canberra, ACT, Australia: Australian Government.
- Department of Immigration and Border Protection (2017) Abolition and replacement of the 457 visa – Government reforms to employer sponsored skilled migration visas. *Media Release*, 18 April. Available at: <http://au2.mofcom.gov.cn/article/chinanews/201704/20170402560872.shtml>
- Department of Immigration and Citizenship (2012) *Subclass 457 State/territory Summary Report: 2011–12 To 30 June 2012*. Canberra, ACT, Australia: Australian Government.
- D'Netto B, Shen J, Chelliah J, et al. (2014) Human resource diversity management practices in the Australian manufacturing sector. *The International Journal of Human Resource Management* 25: 1243–1266.
- Fang T, Zikic J and Novicevic MM (2009) Career success of immigrant professionals: Stock and flow of their career capital. *International Journal of Manpower* 30: 472–488.
- Green F, Machin S and Wilkinson D (1998) The meaning and determinants of skills shortages. *Oxford Bulletin of Economics and Statistics* 60: 165–187.
- Gregory R (2014) *The two-step Australian immigration policy and its impact on immigrant employment outcomes*. IZA discussion paper 8061. Bonn: Institute for the Study of Labor.
- Grillitsch M and Tavassoli S (2018) Cultural diversity and employment growth: Moderating effect of the recent global financial crisis. *Australian Journal of Management* 43: 632–652.
- Guo C and Al Ariss A (2015) Human resource management of international migrants: Current theories and future research. *The International Journal of Human Resource Management* 26: 1287–1297.
- Hamori M, Bonet R and Cappelli P (2011) How organizations obtain the human capital they need. In: Burton-Jones A and Spender J-C (eds) *The Oxford Handbook of Human Capital*. Oxford: Oxford University Press, pp. 309–332.
- Härtel CE (2004) Towards a multicultural world: Identifying work systems, practices and employee attitudes that embrace diversity. *Australian Journal of Management* 29: 189–200.
- Hawthorne L (2010) How valuable is 'two-step migration'? Labor market outcomes for international student migrants to Australia. *Asia and Pacific Migration Journal* 9: 5–36.
- Hawthorne L (2012) International medical migration: What is the future for Australia? *Medical Journal of Australia* 199: 18–21.

- Hawthorne L (2015) The impact of skilled migration on foreign qualification recognition reform in Australia. *Canadian Public Policy* 41: S173–S187.
- Hawthorne L and Hamilton J (2010) International medical students and migration: The missing dimension in Australian workforce planning? *Medical Journal of Australia* 193: 262–265.
- Healy J, Mavromaras K and Sloane PJ (2015) Adjusting to skill shortages in Australian SMEs. *Applied Economics* 47: 2470–2487.
- Howe J (2013) Is the net cast too wide? An assessment of whether the regulatory design of the 457 visa meets Australia's skill needs. *Federal Law Review* 41: 443–470.
- Hurrell S and Scholarios D (2013) Recruitment. In: Wilkinson A and Redman T (eds) *Contemporary Human Resource Management*. 4th ed. Harlow: Pearson, pp. 117–150.
- Junankar PN (2009) *Was there a skills shortage in Australia?* IZA discussion paper 4651. Bonn: Institute for the Study of Labor.
- Khoo SE, McDonald P, Voigt-Graf C, et al. (2007) A global labor market: Factors motivating the sponsorship and temporary migration of skilled workers to Australia. *International Migration Review* 41: 480–510.
- Knox A, Warhurst C, Nickson D, et al. (2015) More than a feeling: Using hotel room attendants to improve understanding of job quality. *The International Journal of Human Resource Management* 26: 1547–1567.
- Lin C-P and Tsai K-P (2019) Strengthening long-term job performance: The moderating roles of sense of responsibility and leader's support. *Australian Journal of Management*. Epub ahead of print 10 May. DOI: 10.1177/0312896219842629.
- McGrath-Champ S, Rosewarne S and Rittau Y (2011) From one skill shortage to the next: The Australian construction industry and geographies of a global labour market. *Journal of Industrial Relations* 53: 467–485.
- MacKenzie R and Forde C (2009) The rhetoric of the 'good worker' versus the realities of employers' use and the experiences of migrant workers. *Work, Employment and Society* 23: 142–159.
- Ministers for the Department of Industry, Innovation and Science (2018) New visa pilot to attract the best of global talent to Australia. *Media Release*, 29 June. Available at: <https://www.minister.industry.gov.au/ministers/cash/media-releases/new-visa-pilot-attract-best-global-talent-australia>
- Moriarty E, Wickham J, Krings T, et al. (2012) 'Taking on almost everyone?' Migrant and employer recruitment strategies. *The International Journal of Human Resource Management* 23: 1871–1887.
- Nyberg AJ and Wright PM (2015) 50 years of human capital research: Assessing what we know, exploring where we go. *Academy of Management Perspectives* 29: 287–295.
- Oliver D and Wright CF (2016) Australia's shifting skills ecosystem: Contemporary challenges in education, training and immigration. In: Hancock K and Lansbury RD (eds) *Industrial Relations Reform: Looking to the Future*. Sydney: Federation Press, pp. 163–186.
- Organisation for Economic Cooperation and Development (OECD) (2008) *The Global Competition for Talent: Mobility of the Highly Skilled*. Paris: OECD.
- Organisation for Economic Cooperation and Development (OECD) (2018) *Recruiting Immigrant Workers: Australia*. Paris: OECD Publishing.
- Orlitzky M (2007) Recruitment strategy. In: Boxall P, Purcell J and Wright P (eds) *The Oxford Handbook of Human Resource Management*. Oxford: Oxford University Press, pp. 273–299.
- Ployhart RE (2006) Staffing in the 21st century: New challenges and strategic opportunities. *Journal of Management* 32: 868–897.
- Richardson S (2009) What is a skill shortage? *Australian Bulletin of Labour* 35: 326–354.
- Ruhs M and Anderson B (2010) *Who Needs Migrant Workers? Labour Shortages, Immigration, and Public Policy*. Oxford: Oxford University Press.
- Scott S (2013) Migration and the employer perspective: Pitfalls and potentials for a future research agenda. *Population, Space and Place* 19: 703–713.
- Shirmohammadi M, Beigi M and Stewart J (2019) Understanding skilled migrants' employment in the host country: A multidisciplinary review and a conceptual model. *The International Journal of Human Resource Management* 30: 96–121.
- Strober MH (1990) Human capital theory: Implications for HR managers. *Industrial Relations* 29: 214–239.

- Sumption M (2019) Is employer sponsorship a good way to manage labour migration? Implications for post-Brexit migration policies. *National Institute Economic Review* 248: R28–R39.
- Thompson P, Newsome K and Commander J (2013) ‘Good when they want to be’: Migrant workers in the supermarket supply chain. *Human Resource Management Journal* 23: 129–143.
- Turchick Hakak L and Al Ariss A (2013) Vulnerable work and international migrants: A relational human resource management perspective. *The International Journal of Human Resource Management* 24: 4116–4131.
- Waldinger R and Lichter MI (2003) *How the Other Half Works: Immigration and the Social Organization of Labor*. Berkeley, CA: University of California Press.
- Walsh J (2014) From nations of immigrants to states of transience: Temporary migration in Canada and Australia. *International Sociology* 29: 584–606.
- Wright CF (2017) Employer organizations and labour immigration policy in Australia and the United Kingdom: The power of political salience and social institutional legacies. *British Journal of Industrial Relations* 55: 347–371.
- Wright CF and Clibborn S (2017) Back door, side door, or front door: An emerging de-factor low-skilled immigration policy in Australia. *Comparative Labor Law and Policy Journal* 39: 165–188.
- Wright CF and Clibborn S (2020) A guest-worker state? The declining power and agency of migrant labour in Australia. *Economic and Labour Relations Review*. Epub ahead of print. DOI: 10.1177/0123456789123456
- Wright CF and Constantin A (2015) *An Analysis of Employers’ Use of Temporary Skilled Visas in Australia* (Submission to the Senate Education and Employment References Committee). Canberra, ACT, Australia: Commonwealth of Australia.
- Wright CF, Clibborn S, Piper N, et al. (2016) *Economic Migration and Australia in the 21st Century*. Sydney, NSW, Australia: Lowy Institute for International Policy.
- Wright CF, Groutsis D and van den Broek D (2017) Employer-sponsored temporary labour migration schemes in Australia, Canada and Sweden: Enhancing efficiency, compromising fairness? *Journal of Ethnic and Migration Studies* 43: 1854–1872.
- Wright CF, Knox A and Constantin A (2019) Using or abusing? Scrutinising employer demand for temporary sponsored skilled migrants in the Australian hospitality industry. *Economic and Industrial Democracy*. Epub ahead of print 11 June. DOI: 10.1177/0143831X18823693.
- Wright PM, Dunford BB and Snell SA (2001) Human resources and the resource based view of the firm. *Journal of Management* 27: 701–721.
- Zikic J (2015) Skilled migrants’ career capital as a source of competitive advantage: Implications for strategic HRM. *The International Journal of Human Resource Management* 26: 1360–1381.
- Zikic J, Bonache J and Cerdin JL (2010) Crossing national boundaries: A typology of qualified immigrants’ career orientations. *Journal of Organizational Behavior* 31: 667–686.
- Zou M (2015) The legal construction of hyper-dependence and hyper-precarity in migrant work relations. *International Journal of Comparative Labour Law and Industrial Relations* 31: 141–162.