

The Labor Market Pathways and Employment Outcomes of Information Technology
Workers with H-1B Visas

-Robin Savinar

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Comments:

In this promising paper, Savinar looks at a comparison between H-1B workers' experiences at consulting firms or direct hire firms. Savinar asks: how the quality of consulting jobs compares to direct hire positions and if being hired by a consulting firm has a long-term impact on these workers' career trajectory. To answer these questions, Savinar uses a newly constructed data set – from a survey they constructed and administered. Savinar compares consultant and direct hire firms across 3 dimensions: log wage, precarious work index, and the “stickiness” of staffing positions.

The paper is framed by the larger literature on precarious work and new work arrangements in the U.S., which is a burgeoning area in the work literature. These macro and micro transformations in the organization of work – which allowed many firms to shift the risk of employment from employer to employee – coincided with the creation of new programs to manage inflows of migration. The H-1B program was developed to recruit migrants into the domestic labor market to alleviate shortages in the domestic labor supply of skilled workers (there is much scholarly as well as political debate over this). This paper operates at the intersection of these literatures trying to understand the pathways of high skilled migrants who enter into consultant or direct hire employment.

Savinar finds that being currently employed by a consulting firm has a negative impact on wages. However, the findings show that being initially employed by a consulting firm does not have a lasting impact on one's wages – the wage penalty disappears overtime. Additionally, Savinar finds that working at a consulting firm means working in a less secure job, this confirms the general literature which shows that contract work is often contingent and less secure. Counter to this finding, the data show that this initial experience does not block workers from accessing more direct hire and thus more secure jobs later in their career trajectory. Overall, the data suggest that initial consulting firm work has a penalty – lower likelihood of securing legal status, lower income, and degraded employment (as compared to direct hire firms).

Interestingly, the data show that Indians, while working at higher rates than other migrants in consulting firms, are also more likely to move out of these positions. That is, they have more mobility out of these initial consulting jobs than other migrants. However, the analysis illustrates that while Indians are able to move out of these jobs relatively quickly for those that do not, they experience a “stickiness” to these jobs.

Questions/comments moving forward:

1.) In the discussion section Savinar teases out some of the findings to explain some of the observed trends. Savinar notes that, “However, unlike the general population, the uncertainty experienced by temporary migrants in consulting jobs is exacerbated because the precarious nature of employment can mean more than just not knowing when one’s current project will end, or when their next one will begin. It can mean the end of one’s legal basis for residency, if the individual is separated from the firm during extended ‘downtime,’ or for any other reason.” This is key for framing the paper in the larger literature on precarity. Precariousness is not just about the conditions of one’s current employment but is shaped by the state, the economy, and workplace politics. Which is to say that it is not just about the objective measure of precariousness associated with the job. I would ask Savinar to rethink the measure of precarity – really I think it’s more measure of non-standard work. This non-standard employment relationship becomes precarious because of the H-1B status of these workers and employers’ control over their career pathways and lives. This needs to be highlighted in the paper. It should be upfront in the framing to better illustrate why these workers are precarious.

2.) This also highlights Savinar’s second point in the discussion section: Why wouldn’t consultant firms sponsor their workers for permanent residence? The answer is of course that they don’t benefit from that. How might this relate to the way in which these workers quickly try to transition out of these jobs? Or the “stickiness effect?”

3.) Savinar, could also think more about why these workers end up in consultant positions – more so than other migrants in the sample and more than native workers. What process or processes are funneling these workers into these positions? Is it culture – as in normative patterns of behavior? Do workers think they are more likely to get a visa? Are these firms doing more recruitment because it is profitable? What mechanism is driving this?

4.) Along with this: what is the mechanism that keeps some people in these positions? Savinar suggests wealth, networks, and skills might play a role but I think there could be more to this story? What role might employers play? Do they see these workers as consultants and not direct hires after a certain point? Also, what’s happening with other migrants, who can’t move at first but then do? It seems that there are a number of mechanism at work here but can you get at them? What can the data tell you or not tell you?