

ADVERTISEMENT

BUSINESS

H-1B visa policies favor large companies, study says



The San Diego Union-Tribune

Log In



TRIAL OFFER | 4 weeks for 99¢



H1-B visas are less used by startups because larger, established companies have an advantage in dealing with the time and cost of getting them. (Bilal Aliyar / TNS)

U.S. visa policies make it harder for startups to hire foreign tech workers, according to a study by Cornell University and UC San Diego researchers

By BRADLEY J. FIKES, BRITTANY MEILING

AUG. 5, 2019
2:58 PM



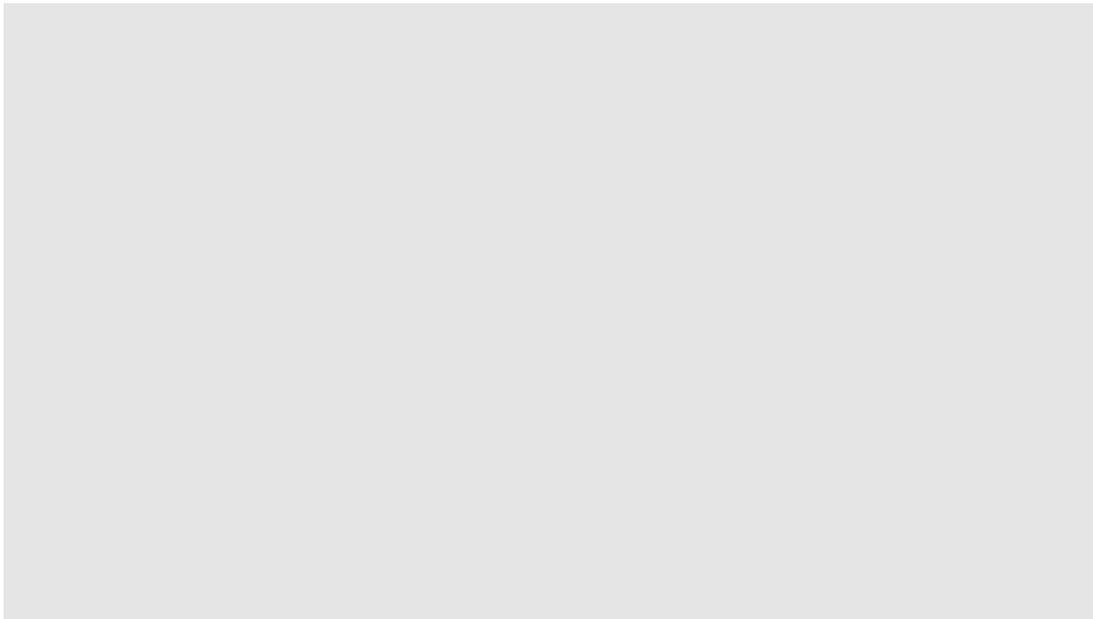
American visa policies are discouraging foreign tech workers from working in startups, [according to a study from Cornell University and UC San Diego researchers](#).

The study examined hiring of foreign workers educated in science and engineering at American universities. These workers apply to and get offers from startups at the same rate as U.S. citizens. But they are only half as likely to be hired.

The disparity is important because access to foreign talent gives companies a competitive edge that startups are missing out on, the study said.

“We often see great innovations coming from Google and Apple, but a lot of their innovation is actually from buying startups,” John Skrentny, one of the study’s authors, said in a statement. “These startups have trouble accessing the foreign talent our best universities are graduating.”

ADVERTISING



inRead invented by Teads

The report was published Monday in the Proceedings of the National Academy of Sciences. Its authors are Michael Roach of Cornell and Skrentny, director of UCSD’s Yankelovich Center for Social Science Research

The employment discrepancy is not explained by foreign workers' preferences for secure jobs or higher pay, the study said. Rather, larger, more established companies have an advantage over startups in sponsoring foreign employees for H-1B or permanent residency visas.

“Startups typically have limited resources and managerial attention, and recruiting talented workers is a major activity for founders,” the study said. “This may be particularly challenging for technology startups seeking to hire highly specialized Ph.D.s, as the number of potential employees with the necessary expertise may be small and difficult to find.”

Moreover, sponsoring a visa can cost from \$5,000 to \$10,000 and take several months, a challenge for small startups. But larger companies such as Google and Qualcomm can leverage their existing human resources department expertise — they don't have to start from scratch.

Karine Wenger, an immigration attorney who works with both startups and Fortune 500 corporations, said fledgling companies often find the whole process daunting.

“Startups may not even have an HR program, let alone a robust in-house immigration program,” said Wenger, who works in the San Diego office of immigration law firm Fragomen.

In recent years, H-1Bs are under “increased scrutiny” under the Trump administration, Wenger said. The federal government is requiring companies to supply more information — and do more paperwork — than in the past.

The new study is based on a nine-year survey of 2,324 Ph.D.s in STEM (science, technology, engineering and math) fields, beginning in graduate school. They studied at 39 top American research universities.

Many of the H-1B visas go to IT (information technology) businesses, said Kevin Carroll, executive director of Tech San Diego, a local technology trade group. Large companies such as India's Tata Consultancy Services scoop up the visas for their projects.

“But there has been a movement in the past couple of years to make sure that smaller and midsize companies are also having access to these H-1B visas,” Carroll said.

Even if access is expanded, Carroll said these visas will remain out of reach for many startups because of the time and expense of getting them.

Carroll said startups can find workarounds, such as getting summer interns from UCSD or similar universities with large numbers of foreign tech students. At UCSD, the Rady School of Management provides a point of contact, he said.

The study can be found at: <http://bit.ly/h1bvisa01>. It was funded by the National Science Foundation, the Ewing Marion Kauffman Foundation Junior Faculty Fellowship and the Alfred P. Sloan Foundation.

[BUSINESS](#)[LATEST](#)[TECHNOLOGY](#)[TOP STORIES](#)

NEWSLETTERS

Get U-T Business in your inbox on Mondays

Please enter your email address



Bradley J. Fikes



Twitter



Email



Facebook



Brittany Meiling



Twitter



Email

MORE FROM THIS AUTHOR