Skilled migrants' career capital as a source of competitive advantage: implications for strategic HRM

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Skilled migrants’ career capital as a source of competitive advantage: implications for strategic HRM
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Skilled migrants (SMs) are an important source of labour force growth in today’s knowledge economy in many parts of the world. Yet, management scholars have paid only scarce attention to understanding the potential strategic value of SMs’ career capital and ways of attracting and integrating them into local organizations. This paper combines intelligent career theory and the resource-based view theory applied to diversity into a new and integrated framework defining ways that local employers may leverage on SM career capital. The framework addresses organizational competencies related to properly assessing organizational needs and readiness (organizational knowing-why) for SM workforce and then describing unique ways of properly attracting and integrating (knowing-how and knowing-whom related to SMs) this type of workforce into local organizations. Propositions for future research and, in particular, for further studying the role of HR in each of the three stages of the SM–employer relationship (i.e. understanding, attracting and integrating) are discussed. The paper also contributes to diversity literature by focusing on the less examined type of diversity, namely career capital diversity. Implications for future research and practice in this area are described.

Keywords: career capital; intelligent career theory; resource based view theory; skilled migrants

Introduction
Due to labour shortages in advanced as well as in developing economies and the forces of globalization, economists predict even more reliance on internationally mobile and experienced professionals (OECD, 2012; The Economist, 2011). Among this group, skilled migrants (SMs), i.e. migrants with at least a bachelor’s degree or equivalent from their home country, for the most part remain a ‘forgotten minority’ (Binggeli, Dietz, & Krings, 2013) in the management literature especially. Management scholars have only recently started to focus on this important group in today’s knowledge economy by looking at SMs’ career transitions and integration issues upon arrival to the host country (e.g. Al Ariss & Syed, 2011; Zikic, Bonache, & Cerdin, 2010). There is evidence to suggest that lack of proper integration of SMs into the local labour market leads to underemployment and ‘brain waste’, resulting in significant losses for local economies (Bauder, 2003; Evans, 2011; Reitz, 2007; Reitz, Curtis, & Elrick, 2014). In starting to understand these issues, this paper focuses on the critical yet unexplored role of strategic HRM, namely understanding people management systems and processes that today’s organizations may need to develop in order to better integrate and leverage on SM diversity (see Figure 1).

Defining skilled migrant population
SMs are a very diverse population as they may embody most of the six dimensions of diversity typically examined by diversity researchers (i.e. race, gender, age, disability,
sexual orientation and national origin; Shore et al., 2009). Yet, what distinguishes this group further and relates strongly to the strategic HRM issues is the diversity of their human, social and motivational capital. By SM human capital we refer to the skills and experience acquired, while SM social capital is captured by relationships and network of connections that individuals possess again usually based in their home country. Finally, motivational capital is captured by motivations for migration as well as integration into the host country. This much less examined type of diversity (i.e. diversity of career capital) plays an important role in SM integration into the local workplace (for exception, see Almeida, Fernando, & Sheridan, 2012).

It is also worth noting that SMs differ from some of the more commonly examined international workers such as expatriates or even self-initiated expatriates (SIEs) in that their transitions are independent of any organization, and their initial migrant status (unlike SIEs) upon arrival often implies variety of structural barriers (i.e. barriers to accessing local labour market) which often impedes their ability to act as independent career agents from the start (Zikic, Kent, & Richardson, 2014). However, due to the range of categories of globally mobile individuals, it is becoming increasingly more complicated to draw clear distinctions between some of these populations (Doherty, Richardson, & Thorn, 2013). If guided by the continuum presented recently by Doherty et al. (2013), migrants are at opposite end of this continuum and are clearly distinguished from all other mobile worker categories, including SIEs, by at least two variables: the intended duration of their stay, being permanent, and the focus of their move, namely migration. Thus, migration is a major transition characterized by unique combination of push factors for motivation, often based on family or other motives (e.g. both career and non-career related; Cerdin, Dine, & Brewster, 2014; Zikic et al., 2010). Given these unique characteristics of SMs and their diversity, this conceptual paper seeks to address the gap in understanding the role of local employers, and HRM in particular, in integrating and benefiting from SM workforce (see Figure 1).

Therefore, given the existing need to better understand the relationship between HRM and SMs, this paper uses two well-known theories as the foundation for providing a new and more integrated framework for considering SMs as an important and understudied source of competitive advantage in today’s labour market. Specifically by combining the intelligent career theory (Arthur, Claman, & DeFillippi, 1995; DeFillippi & Arthur, 1994) (i.e. knowing-why or motivational capital, knowing-how or human capital and knowing-whom or social capital) with the resource-based view (RBV) of the firm (i.e. role of internal firm resource and firm outcomes) (Barney, 1991) applied to diversity (i.e. focusing on diversity as a source of competitive advantage), this paper develops a new framework that links individual-level (i.e. SM career capital) and firm-level competencies. Based on

![Figure 1. Skilled migrants as source of competitive advantage.](image-url)
the integration of these two theories, new propositions are developed to guide future research, theory, as well as practical approaches for organizations seeking to leverage on the SM workforce and looking for ways to strategically manage their entry and tenure in organizations. These theories are chosen as a way of bridging the macro-organizational-level diversity-performance issues with the more micro-individual-level career specific competencies.

This paper contributes to existing strategic HRM literature by focusing on SMs as a unique, understudied group that merits special attention due to its potential to affect the organizational bottom line as well as societal outcomes (e.g. Reitz et al., 2014). Second, the paper contributes to the vast literature on diversity management and firm outcomes by offering a new framework (see Figure 3) specific to understanding HR’s role in managing unique type of diversity, namely SMs’ career capital and their entry and integration into local organizations. Thus, the framework goes beyond looking at race or gender diversity, to include SMs career capital as a source of diversity and its impact on firm performance. Finally, the paper also contributes to the careers literature, by using intelligent career theory as a foundation for studying careers of SMs, as a unique and understudied group of career actors in today knowledge economy. By using this theory, we provide a more encompassing way of describing SMs’ career capital, defined as a combination of motivation, human and social capital, a unique source of diversity and a strategic resource for today’s organizations. This presents a departure from previous research on SM’s capital which has mainly focused on studying one type of career capital in isolation of others (e.g. Turchick-Hakak, Holzinger, & Zikic, 2010). At the micro-level, the paper discusses intelligent career theory first and its application to SMs. Next, the more macro-level issues presented by the RBV and diversity are reviewed. Finally, by combining the two perspectives, a framework for managing SMs’ diversity is proposed by looking at different stages of the relationship between migrants and organizations and the role of HRM in strategic management of this process (see Figure 3). Several propositions are put forward that propose new avenues for studying the link between SM career capital and its potential strategic value for local organizations.

Intelligent career theory

Intelligent career theory draws on a stream of work-related firm’s core competencies and the intelligent enterprise (Quinn, 1992). This competency-based view describes three main competencies of the firm. One is firms’ culture with its values and beliefs and its potential impact on employee well-being, identification and behaviour inside the organization. Second, competency is firm’s know-how which is based on pooled performance capabilities embodied in the skills and knowledge of employees. And the third area of competency is firms’ networks, described as interpersonal relationships through which firms acquire resources for value-creating activities (Arthur et al., 1995; DeFillippi & Arthur, 1994). This competency-based perspective is proposed to help firms deal with competition. Thus, according to Quinn’s (1992) paradigm of the ‘intelligent enterprise’, the focus is on deployment and development of intellectual resources inside the organization rather than simply management of physical assets. It is the talent of its people, collective intelligence of its employee base, namely their ‘intelligent careers’ that form the foundation for evolving firm’s competencies (Arthur et al., 1995). Thus, this foundation of the intelligent career theory is very much aligned with the view proposed by the RBV, namely the value inherent in the human capital of the organization as a source of competitive advantage.
Intelligent careers are also described by three major individual-level competencies, whereby each of the firm competencies mirrors a specific arena of personal competency or a different form of knowledge. This theory will be used to provide a unified view of SMs’ career capital. Unlike previous studies looking at one aspect of SM’s career capital only (e.g. Turchick-Hakak et al., 2010), intelligent career theory will provide a more encompassing way of tying together three key types of SM’s career capital. First type of capital is reflected in the individual knowing-why (i.e. motivations and identification with the work they do), second is the knowing-how, or the accumulated knowledge and experience (used interchangeably here with SMs’ human capital) and the third competency is captured by the knowing-whom, namely networks of relationships (used interchangeably here with SMs’ social capital). Thus, accumulation of career competencies is not dependent on any one single firm, but rather as DeFillippi and Arthur (1994) have argued, competency accumulation at the level of the person is better served by the boundaryless career principles. These are described broadly as the opposite of the organizational career, whereby employees do not perceive their careers as necessarily linked to the hierarchical progression within one organization; their motivations may also be shaped by non-career-related issues; they may also draw validation from outside of the present employer and be sustained by external networks or information (Arthur & Rousseau, 1996; DeFillippi & Arthur, 1994). In this context, SMs bring accumulated career capital from employers outside of the local labour market and are in fact forced to develop their careers in a more boundaryless fashion (Zikic et al., 2010).

Having described this conceptual foundation related to the more micro-aspect of our framework, we next apply the intelligent career theory to understand the SM specific forms of career capital and the associated challenges in entering and using their capital inside local organizations.

**SMs’ career capital**

**SMs’ knowing-why**

SMs’ knowing-why, or their motivations and sense of purpose, has to be examined in the context of their migration experience. Namely, their motivations for migration and leaving their home country may impact how they manage their careers in the host country. One way to understand SMs’ knowing-why capital is by economic ‘push-pull’ theory of migration (King, 2012) which is based on the idea of utility maximization. That is to say, an underlying assumption for SMs to seek out employment in another country will be based on perceived ‘push’ factors in their home country, such as lack of employment opportunities, societal and/or civil unrest as well as ‘pull’ factors in the prospective host country, such as increased employment opportunities, financial reward and/or better overall living standards. Similar findings were reported by Al Ariss (2010) and Carr, Inkson, and Thorn (2005), whereby motivations for migration ranged from career, cultural to economic reasons. Traditionally, migrants are also said to be motivated by long-term prospects of living and working in the new country and often but not always they are driven by necessity rather than choice (Al Ariss, 2010).

Cerdin et al. (2014) have recently build on these ideas and found that even migrant’s integration efforts are related to their initial perceptions of migration in terms of expected gains versus losses. Specifically, Cerdin et al. (2014) emphasize the importance of motivation to integrate as a function of how migrants frame their experience in terms of gains and losses prior to migrating. Immigrants who arrive with a fear of losing a lot by coming to the host country will have lowest motivation to integrate, while those with
highest motivation to integrate were the ones who believed that they had a lot to gain by migrating to the host country. Finally, SMs’ initial framing and expectations may even determine the effectiveness of organizational integration policies (Cerdin et al., 2014).

Another source of evidence regarding SMs’ knowing-why is also found in the cross-cultural psychology literature. Frieze, Hansen, and Boneva (2006), for example, report that immigrants may have higher motivation to adjust, perform well and even retain employment, as they may experience heightened need to support their families especially during settlement and adaptation times in the host country (de Castro, Gee, & Takeuchi, 2008). New immigrants especially are said to have ideas, aspirations and willingness to work extra hard (Ravitch, 2002). These researchers have also gone as far as to suggest that there may exist a migrant personality type; these would be individuals more likely to leave their home country in search of better opportunities, and they have higher achievement and power motivation (Boneva & Frieze, 2001; Frieze et al., 2006). Similar findings were reported by Zikic et al. (2010) who studied SMs in three different national contexts. Zikic et al. (2010) concluded that some migrants do in fact exhibit very strong motivation to adapt. This group was said to have an ‘embracing’ career orientation in the host country, to be driven by the force of their subjective career and to even be challenged by the objective career barriers they were experiencing. Majority of SMs however were described as ‘adaptive’ in their new career orientation (Zikic et al., 2010), that is being proactive in their adaptation efforts, while still cognizant of the barriers along the way. A small group of SMs in this study however was defined as ‘resisting’ and these individuals could not mobilize sufficient career motivation and psychological mobility to deal with objective barriers in the labour market. Thus, based on Zikic et al. (2010), while majority of SMs fall into the embracing and adaptive category and this motivation may be an asset to organizations, the resisting group is a much smaller group and due to this orientation will be less likely to engage with the job market at all, thus unlikely to come in contact with the employers. Together, the findings reviewed in this section lend support towards varying types and degrees of career motivation (SMs’ knowing-why) in the host country and how this type of career capital may relate to SMs’ later integration efforts and career success in the host country.

**Proposition 1**: The higher the level of SMs’ knowing-why motivations, the more likely they will adapt and integrate into new labour market, thus being more employment ready and available as a potential source of competitive advantage for local employers.

SMs’ knowing-why motivations do not exist in isolation of their knowledge and experience (i.e. knowing-how). Thus, motivations to adapt and integrate as well as expectations of the local labour market may also drive their knowing-how motivations (see Figure 2). Based on the model by Inkson and Arthur (2001) and as described in Figure 2, the more motivation to adapt and integrate one has, the more likely he or she is to invest time and energy to learn about the local business culture and the more motivation to search for ways to translate/adapt their foreign human capital to the local labour market requirements. SMs’ knowing-how will be described in detail next.

**SMs’ knowing-how**

SMs’ knowing-how is revealed in the wealth of unique knowledge and experience that they bring from their home countries in the hope of finding a suitable job in the host country. However, foreign ‘knowing-how’ does not always have the same meaning nor
does it always get recognized by local organizations. For instance, studies show that in the Canadian labour market, for example, human capital acquired abroad is oftentimes discounted or at least accorded less value than it might have been in their home country (Boyd & Thomas, 2001; Kustec, Thompson, & Xue, 2007; Reitz, 2005, 2007). Namely, instead of seeing their foreign education and experience as a potential source of value and uniqueness, many organizations see it as a liability (Greve, Salaff, & Chan, 2008), lacking legitimacy in the local labour market (e.g. Fang, Samnani, Novicevic, & Bing, 2013). Empirical research further suggests that foreign credentials, experience and other cues (e.g. behaviours, accents) may serve as ‘signals’ to local institutional gatekeepers that make immigrants less likely to be employed than their local counterparts (Greve et al., 2008; Hersch, 2008; Oreopoulos, 2009). These major structural and professional barriers related to using their foreign ‘knowing-how’ locally limit their ability to find work in their respective occupation (e.g. Chiswick & Miller, 2009b), force SMs to take survival jobs and may eventually lead to a downward career spiral (Weiner, 2008).

Yet, another source of SMs’ knowing-how and associated challenges is the knowledge of the local language and understanding of local communication and interpersonal skills, particularly those specific to the workplace (e.g. occupational jargon and business etiquette; Chiswick & Miller, 2009b; Cohen-Goldner & Eckstein, 2008; Zikic et al., 2014). Increased competency in English is reported to lead to increased job ‘matching’, understood as closer matching between the immigrants’ professional qualifications and experience and their employment in the host country (Chiswick & Miller, 2009a). On the other hand, employers cited lack of this type of knowing-how (i.e. poor language skills) as the number one barrier for hiring SMs (Weiner, 2008).

Finally, in the context of SMs’ situation in the host country, knowledge of socially valued norms, beliefs and behaviours (Bourdieu, 1986; Garnett, Guppy, & Veenstra, 2008) is another type of capital needed for successful integration into the local labour market and

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**Figure 2. Individual level: SMs’ career capital.**

![Diagram of Individual level: SMs’ career capital]

- **Knowing-Why**
  - Motivation for migration
  - Motivation to integrate
  - Expectations of the local labour market
  - Migrants’ ability to adapt

- **Knowing-Whom**
  - Developing work and non-work related local social capital
  - Challenged to find higher status local connections
  - Accumulation of local human capital will allow more access to local social capital

- **Knowing-How**
  - Human capital translated/adapted to local market; driven by knowing-why
  - Foreign credentials/experience assessed
  - Local language proficiency required
  - Learning about local business culture
society in general (Turchick-Hakak & Al Ariss, 2013). Thus, as SMs adjust to the new culture, and settle in the new society, they acquire this cultural knowing-how (Taras, Rowney, & Steel, 2013). Successful acculturation may lead to building rapport with locals, and generating perceptions of social similarities and trustworthiness (Garnett et al., 2008; Tzeng, 2010). Finally, it is worth noting that immigrants adaptation and learning local knowing-how is also influenced by the stressors purely related to their immigrant status (e.g. adjustment in the host country, assimilation into different systems of the host country such as financial, medical and educational systems; Raghuram, Luksyte, Avery, & Macoukji, 2012), as well as acceptance by host nationals into mainstream society and work-related groups (Kennedy & McDonald, 2006; Raghuram et al., 2012). Therefore, in understanding SMs’ knowing-how, there seem to be several related barriers before or at the very entry of SMs into local organizations. In the context of HR and strategic management of SM diversity, part of the focus must be first of all on understanding the SM context as they enter the local labour market; second, and this will be reviewed below in more detail, HR must create ways to allow more efficient entry of SMs so that their knowing-how can become a strategic resource to local organizations.

**Proposition 2**: The more SMs ‘translate’ and adapt their knowing-how to the local business context and satisfy local requirements/norms (i.e. foreign credentials and experience properly evaluated, desired level of local language proficiency obtained and adaptation to local business practices, socially valued norms and behaviours), the more likely they will enter local organizations, and their knowing-how will become available for employers as a potential source of competitive advantage.

As the three forms of career capital exist in relation to one another (see Figure 2), in the process of SMs’ accumulation of local knowing-how and adaptation to the local business norms, they will likely make new contacts, meet local professionals, therefore increasing their local knowing-whom. This third type of career capital, SMs’ knowing-whom, is described next.

**SMs’ knowing-whom**

Typically, SMs’ relationships and networks reside in their home countries. While these foreign contacts and networks may be of some assistance, especially if they are entrepreneurial or serve as links to other contacts in the local labour market, SMs are mostly in need of local networks (Bogan & Darity, 2008). Thus, in the host country, they face the challenge of having to obtain new local contacts. SMs typically gravitate to build their knowing-whom in the host country with similar others, most often individuals from the same country or region of origin (Turchick-Hakak et al., 2010). These relationships may prove helpful in settlement and adjustment stage; however, lack of local social ties is found to negatively affect SMs’ success in the local labour market (Turchick-Hakak & Al Ariss, 2013). It is especially true in terms of building relationships with high-status local contacts (Turchick-Hakak et al., 2010), due to minorities typically having lower-status and less useful networks in the local business culture (Friedman & Krackhardt, 1997; Ibarra, 1993).

In the host country, SMs also face heightened family and career demands and responsibilities during their transition (Richardson, 2009; Suto, 2008). Lack of social support in the new country also significantly affects SMs’ ability to adapt, and may lead to lower work adjustment and downward career mobility (Peltokorpi & Froese, 2009; Suto, 2008; Wang & Sangalang, 2005). Thus, both work- and not-work-related ties are
necessary for SMs’ successful adaptation and integration into the job market (Al Ariss & Syed, 2011). Yet, SMs’ foreign network of contacts, thus their foreign ‘knowing-whom’, may also benefit them, especially if they are looking to work for local employers with a global focus. In this case, SMs’ foreign network of contacts may serve to connect host country employers to new and existing customer markets abroad.

Proposition 3a: The more contacts SMs acquire locally, both work and non-work related, thus the more they increase their local ‘knowing-whom’, the more likely SMs will be to enter local organizations and become a potential source of unique competitive advantage for local employers.

Proposition 3b: SM’s foreign ‘knowing-whom’ may also increase their chances of entering local organizations, especially those functioning within global markets.

Finally, as described in Figure 2, the three forms of career capital do not exist in isolation of the other. This was also illustrated in a study by Al Ariss and Syed (2011) whereby drawing on Bourdieu’s (1988) theory of capital they found that Lebanese immigrants in France deployed different forms of capital together to overcome barriers to their international mobility. For example, social capital (e.g. family, friendship and professional relationships) was used in combination with human capital (i.e. knowing-how) to increase power and status of individuals in the local society (Al Ariss & Syed, 2011). The same study also finds accumulation of local social capital to be challenging, while deployment of social capital was influenced by factors such as gender and ethnicity (Al Ariss & Syed, 2011). While SMs arrive to the host country with accumulated foreign career capital, they are eager to accrue locally valued knowledge and contacts.

Thus, SMs’ adaptation to the local labour market includes both accumulation as well as deployment of various forms of capital. In the process of local career capital accumulation, they may also be served by and deploy both their foreign and newly accumulated human and social capital (e.g. newly acquired local contacts and learning from the local labour market–local knowing-how; see Figure 2). Newly acquired ‘knowing-who’ may further propel and inspire SMs’ motivation to learn and grow in the local labour market, thus the cyclical nature of the model (see Figure, 2). Yet, their motivation to adapt and integrate (i.e. SMs’ knowing-why) is a guiding force in their attempts to both translate their foreign knowing-how and accumulate new knowing-whom (Zikic et al., 2010). Taken together, it is apparent that knowing-why, how and whom function in synchrony (Inkson & Arthur, 2001) and it is useful to consider them as a bundle of resources when considering their strategic value for organizations (see Figure 2).

Based on the above description of SMs’ career capital, it became clear that when SMs attempt to deploy their career capital in the local labour market, they experience certain challenges associated with their adjustment and acceptance by the local market and institutional landscape. Thus, the third goal of this paper is to draw on the two theoretical approaches described above, and the existing knowledge and propositions on SMs, to further extend this knowledge and develop new HR relevant propositions related to more effective strategic management of SMs in local organizations. Next, the more macro-perspective is described using the RBV theory, followed by findings related to RBV and diversity.

Resource-based view and skilled migrants

RBV theory of the firm has roots in the organizational strategy literature (Hoskisson, Hitt, Wan, & Yiu, 1999) and its application to HRM signifies a move from focusing mainly on
external resources towards including and understanding internal firm resources as potential source of competitive advantage critical for firm’s success (Wright, Dunford, & Snell, 2001). Firms choose and implement strategies based on the tangible and intangible (e.g. management’s skills and experience) resources and capabilities (Barney, Ketchen, & Wright, 2011). Human capital is only one class of organizational resources that can be a significant driver of performance, together with other types of resources such as physical capital, financial capital and corporate capital resources (Barney & Clark, 2007). Resources can either enhance or undermine firm’s ability to implement a specific strategy and impact firm’s effectiveness. Thus, from the HRM perspective, the focus is on the importance of human capital as a resource that can aid in successful strategy implementation and contribute to improving firm’s effectiveness. According to RBV, if these resources are seen as valuable and rare (i.e. possessed by only a small number of other firms), they are said to be the source of competitive advantage (Barney, 1991). Specifically, human capital resources may support firm’s strategy and impact both proximal (e.g. employee skills and motivation) and more distal outcomes, e.g. financial outcomes (e.g. Chan, Shaffer, & Snape, 2004; Jiang, Lepak, Hu, & Baer, 2012; Lengnick-Hall, Lengnick-Hall, Andrade, & Drake, 2009; Lepak & Snell, 2002).

RBV theory further specifies that firms with superior human capital are better positioned to create resources and capabilities characterized by asset specificity (i.e. how specific are skills/human assets to current firm than to rivals), social complexity (i.e. how embedded are individual assets in complex social systems of the given firm) and causal ambiguity (i.e. how hard is to identify who has the knowledge (tacit knowledge) and/or which knowledge is critical for firm performance), making them very difficult to imitate (Barney, 1991; Hall, 1993; Reed & DeFillippi, 1990). Moreover, in order for sustainable competitive advantage to be achieved, firm’s resources must be valuable, in the sense that they are able to tackle opportunities and offset threats, to be rare, but also inimitable, that is not have equivalent substitutes. The above mentioned traits make the replication of such resources costly and unattainable (Barney, 1991).

**RBV and diversity**

In considering the implications of RBV in the context of the diverse workforce, one would argue that diverse workforce brings diverse knowledge and experience to organizations, and this way organizations benefit from new ways of thinking about problems, finding new and unique solutions and in general having more innovative ideas for superior products and services, for example (e.g. Richard, Kirby, & Chadwick, 2013). However, much of the existing research has focused exclusively on either gender or race diversity as a source of valuable, rare and inimitable characteristics that impacts firm’s performance (Richard, 2000; Richard, McMillan, Chadwick, & Dwyer, 2003; Richard et al., 2013). For example, they find that racial diversity can be a mechanism to generate inimitable knowledge, under specific conditions, such as in service industries and resource munificent environments (Richard, Murthi, & Ismail, 2007); racial diversity was also positively associated with financial performance when growth or innovation strategy is pursued (Richard, 2000). Most recently, Richard et al. (2013) have found that participative management style may also unleash diversity advantage, specifically that gender and racial diversity in management effects on firm performance are leveraged by inclusiveness and participation in decision-making. Heterogeneous workforce in general that mirrors the community and the type of qualified workforce available is also found to impact the client and customer base served by the organization (Avery, McKay, & Wilson, 2008). Others have
highlighted the importance of understanding the link between corporate strategy and diversity practices (Yang & Konrad, 2011) as well as the importance of top management support for diversity (Thomas, 2004). Another stream of literature examines cultural diversity and potential benefits to team processes, for example (e.g. Stahl, Maznevski, Voigt, & Jansen, 2010). Yet, findings in this domain are also mixed, sometimes describing positive outcomes related to the presence of multiculturals (Fitzsimmons, Miska, & Stahl, 2011), while at other times clearly suggesting process losses, task conflict as well as decreased social integration (Stahl et al., 2010).

In conclusion, so far the complex relationship between diversity and firm performance as conceptualized by RBV was found to depend on many contingencies and was examined mainly in the context of racial or gender diversity (e.g. Richard et al., 2003; Richard et al., 2007). However, in this paper, we broaden the focus of RBV and diversity to include SMs’ career capital as a source of diversity. This is an important distinction, as SMs may be diverse in other ways too, but their uniqueness comes from the diversity of their career capital (i.e. motivation for migration, human and social capital). Moreover, it is critical to focus on the role of SMs in our market economy as an important source of today’s labour force diversity in many societies (Binggeli et al., 2013) and having an important impact on local economies as well (Reitz et al., 2014). Based on the micro- and macro-theoretical frameworks discussed so far, firm’s motivations to employ SMs will be addressed next; then ways to attract and manage SM entry in particular and finally issues related to SM integration and diversity management inside organizations.

From attracting to integrating SMs into local organizations

Motivations for SM diversity

While firm’s motivation or organizational ‘knowing-why’ for having SM diversity as part of their strategic direction may be seen as critical for one firm’s functioning, others may first need to assess their needs and readiness. As a result, it is important to understand the specific conditions or contingencies, related to the context and cultural values of a particular organization in order to judge its readiness and need to invest in creating SM diversity (Almeida et al., 2012). Thus, each employer must clearly understand its strategic direction and desired type of capital uniqueness that may lead to competitive advantage in a particular industry and under specific economic environment, for example (Barney, 1991). A successful implementation of SM diversity practices, as any other type of diversity climate (McKay et al., 2007), may depend also on the support and strong cultural values for this type of diversity (e.g. Guillaume, Dawson, Woods, Sacramento, & West, 2013). Implementing SM diversity as strategy takes time and requires underlying managerial support and commitment; therefore, also making it difficult for competitors to imitate one’s successful diversity strategy without these underlying factors (Chatman, Polzer, Barsade, & Neale, 1998; Thomas, 2004; Yang & Konrad, 2011). In particular, one specific type of support is said to be diversity champions, that is individuals who play a key role in promoting and attracting diversity policies as well as creating a culture that leverages on diversity (Thomas, 2004), e.g. modelling positive diversity values, at the top management team level (Guillaume et al., 2013).

In addition to understanding organizational culture and internal support, one must also consider diversity of the community, its customers, as well as already existing organizational diversity as important ‘knowing-why’ competencies that may influence firm’s orientation towards SM diversity. Some studies find that matching organizational demographic group proportions to be representative of the community where it is located.
is one way to positively influence organizational performance (e.g. King et al., 2011). Thus, it is important to understand the characteristics of the geographic region where the organization is located. For example, in countries with high influx of SMs such as Canada and Australia for example, labour pool is highly diverse and SMs are a major source of that diversity (Hawthorne, 2008). Thus, local organizations draw from the labour pool that they also seek to serve. Hiring SMs and creating diversity climates that are receptive and made up of SMs will increase employees’ customer literacy, that is understanding customer needs and preferences and being able to better serve and understand other SM customers in the community (Gonzalez, 2013; Leonard, Levine, & Joshi, 2004; Sacco & Schmitt, 2005).

However, researchers also warn that while strict matching of organizational diversity to community diversity may be beneficial in some cases, the relationship between diversity and the context effects is more complex and can also lead to conflict, communication challenges and eventually turnover (e.g. Brief et al., 2005). It is thus suggested to examine diversity fit beyond strict demographic matching effects expected to lead to increased interpersonal attractiveness but rather in the context of employees’ relationships with different groups in the community leading to mutual learning and relevant knowledge exchange (Gonzalez, 2013). This perspective relies more on the information/decision-making perspective that suggests diversity to be a valuable knowledge resource leading to a range of ideas that may enhance creativity and innovation (Gonzalez, 2013). This kind of perspective on motivation for diversity fits with the SM context as well. Namely, SMs are usually a diverse group and the specific composition of migrants will vary by country as well as time (Dietz, 2010). Therefore, from the strategic HR perspective, it may be more beneficial to view SM diversity more broadly not only in relation to strict matching to customer base, or in regard to specific proportions, but also as a complex resource available to fit a diverse environment. Thus, this presents a broader view of diversity, beyond a business case for diversity scenario (Cox & Blake, 1991) and more encompassing of several motivations or knowing-why to engage in building SM diversity both as a strategy and as a set of cultural and local community values (see Figure 3).

**Proposition 4:** Local employers will create diversity based on SMs’ career capital as a potential source of competitive advantage, if they have motivations (employer knowing-why) for hiring SM workforce and it is seen in organization’s strategy, cultural values, presence of diversity champions, existing organizational diversity, as well as diversity of the local labour market and the community.

**Attracting and managing SM entry**

Once the organization has the understanding and ‘knowing-why’ for targeting the SM workforce, the next challenge is attracting this population and facilitating their entry into organizations (see Figure 3, stage 2). Related to firm competency perspective described above, organizations may need to learn the new ‘know-how’ in order to understand and create specific processes for attracting and incorporating this type of workforce. It is only once that SMs are allowed entry into local organizations, that their unique knowledge and experience (i.e. SMs’ knowing-how) can be converted into collective organizational knowing-how (DeFillippi & Arthur, 1994) and become part of firm’s competitive advantage.
Organization’s role in attracting and facilitating entry of SMs must be viewed in the context of specific challenges that SMs and employers may face in this process. While much of the focus of contemporary migration policies has been on addressing the labour force shortages (Almeida et al., 2012), once in the host country, SMs often experience difficulties in getting their foreign credentials and overseas-based work experience recognized by local professional associations as well as by employers (Albert, Takouda, Robichaud, & Haq, 2013). Failing to recognize and utilize SMs’ skills is especially relevant at the point of organizational entry, often described as ‘brain waste’, and most importantly leading to significant productivity losses both for the organizations and for the economy in general (Almeida et al., 2012; Evans, 2011; Reitz, 2007). Yet, for SMs, these hurdles in their job search and career transition in the host country can lead to negative career outcomes and underemployment (Zikic et al., 2010). While credential recognition is often discussed as a policy relevant issue (e.g. Reitz, 2007), little empirical attention has been paid to the role of employers in the actual screening and recruitment of SMs (see for exception Almeida et al., 2012). Thus, it is imperative for employers to engage with this problem directly and by finding more efficient and discrimination-free ways to properly assess SMs’ foreign career capital. These challenges and efforts, both discussed below, will allow for easier entry of SMs into the local organizations and eventually integrating and making their career capital part of unique organizational knowing-how.

Contrary to simply relying on the value and human capital perspective, HR professionals and recruiters are often influenced by specific organization-based factors (e.g. type of business, client ethnicity, management style) which can in turn influence their level of tolerance and stereotypes in selection of candidates (Almeida et al., 2012). For example, Almeida et al. (2012) found out that instead of considering wider pool of candidates including SM applicants, employers often rely on well-known networks and sources that will lead to hiring from a narrow source of candidates with qualifications, work experiences and attributes similar to already existing employee base. Similarly, there is also evidence that foreign sounding names and even physical characteristics of migrants in the USA, for example, negatively impacted their wages (Hersch, 2008; Oreopoulos, 2009). These employer-related findings provide evidence that SMs may also face specific forms of discrimination (e.g. devaluation of their foreign human capital) in the local labour market as they attempt to enter local organizations and compete with local professionals (e.g. Binggeli et al., 2013; Dietz, 2010).
Another barrier to SM entry into local organizations is simply employer’s lack of education and knowledge (lack of knowing-how) related to comparative value of foreign educational achievements and international experience (Albert et al., 2013). In addition to education and past work experience, local employers also need to understand the language competency and non-technical or soft skills of their SM candidates. In addressing some of these issues, local governments with significant influx of immigrants, such as Canada for example, have started to establish various partnerships between local employers, policymakers, immigrant community agencies and professional associations (Habib, 2011). These initiatives are precisely geared towards educating local employers about the value of SM capital, and designing specific procedures and more efficient ways of assessing their foreign human capital. These partnerships focus on examining every aspect of the recruitment process and if needed even providing local employers with tools for creating barrier-free job ads, ensuring job descriptions do not exclude any qualified candidates, as well as helping them to establish networks with the SM talent pool (Singh, 2012). For example, some organizations have even resorted to ‘hiring with a foreign credential process guide’ (Mourtada, 2010), as a way of avoiding usual barriers and stereotypes related to assessing foreign credentials. Organizations are also encouraged to liaise with local immigrant community agencies and professional associations for sourcing best qualified candidates. These partnerships may also lead to creating of internships and other ways of connecting local employers to the SM workforce. For example, local agencies are often able to recommend job ready candidates from the unique SM pool that many employers would never be able to reach through their usual channels (e.g. outsourcing, in-house recruitment or via trusted recruitment agencies; Almeida et al., 2012). Thus, building networks and relationships with local agencies, a special type of ‘knowing-whom’ and enhancing organizational ‘knowing-how’ related to SM workforce, will help in attracting and allowing more efficient SM entry for local employers. These initiatives are quite unique and may become best practices in terms of educating employers on ways to understand what SMs may bring to the local workplace and how to recognize and attract this unique group of candidates (Mah, 2013). Organizations are advised to create an ‘inclusive recruitment strategy, a recruitment philosophy that focuses on skills, as opposed to country of origin, or other candidate characteristics’ (Mah, 2013; Mourtada, 2010). Taken together, there is evidence for challenges in terms of allowing entry for SM workforce, resulting from both lack of HR know-how (i.e. procedures specifically dealing with SM diversity), as well as due to inefficient existing systems and faulty screening procedures (see Figure 3).

Proposition 5: Local employer’s collective knowing-how will increase by obtaining skilled migrants’ career capital, as a potential source of competitive advantage: if there is willingness to learn new ‘HR know-how’ related to bias free screening and hiring (e.g. recognizing foreign education and experience) and all-inclusive recruitment strategy as well as emphasis on collaboration with local community partners (e.g., agencies, policymakers and professional associations) towards learning about and sourcing of SM candidates.

Skilled migrant integration

Once SMs enter local organizations, their adjustment and firm’s ability to fully leverage on their unique (knowing-how) or their foreign skills and expertise as well as their
relationships (knowing-whom) will at least initially depend on their successful socialization, that is gaining awareness and learning the pattern of behaviours expected by other members of the organization and, consequently, adjusting to the new workplace (Jokisaari & Nurmi, 2009). Successful socialization and adaptation will depend on a variety of factors, but one issue is noted as particularly relevant in the context of SMs, namely ability to exercise cultural intelligence (CQ), or ‘the capability to effectively adapt to new cultural contexts’ (Chen, Lin, & Sawangpattanakul, 2011, p. 246). It is critical to understand both SMs’ initial CQ and CQ of the existing workforce. Providing additional CQ training when needed may assist in terms of SM role performance, overall adjustment to new workplace norms and values, and even increased social acceptance (Bauer, Bodner, Erdogan, Truxillo, & Tucker, 2007; Malik, Cooper-Thomas, & Zikic, 2014). In the context of specific training efforts, Fang, Zikic and Novicevic (2009) also point to the value of supportive HR policies that govern training, development, teamwork and job rotation, in particular recognizing ways that employers may influence the transition of SMs into the labour market of their new country of residence. Specifically, Fang et al. (2009) propose that training and development practices be accompanied by additional cross-cultural training for the SMs in order to provide sensitivity with regard to culture-specific training and development methods and communication (Novicevic, Buckley, Harvey, Halbesleben, & Des Rosiers, 2003). Thus, CQ training, as one type of cultural training, may also potentially enhance the value of any other training and development efforts.

Finally, greater cultural understanding and integration of SM newcomers may also help in creating improved team collaborations leading to creative solutions (Janssens & Brett, 2006). Irrespective of whether the insiders are also diverse or not, it is beneficial to offer diversity training to both insiders and newcomers (Bezrukova, Thatcher, Jehn, & Spell, 2012), especially as it is a strong predictor of performance assisting everyone working in a diverse workforce (Chen et al., 2011).

In further considering the role of HR in SM integration into local organizations, it is important to highlight that typically SMs experience lower career success in the host country often due to underemployment (i.e. working at jobs below their skill levels, and earning wages that are lower than those of the native-born workers; Fang & Heywood, 2006). HRM architecture framework (Lepak & Snell, 2002), stemming from the RBV theory, may provide an avenue for understanding and potentially finding solutions to these challenges. Specifically, the status of SMs and their successful integration in the local organization may vary depending on whether they were hired as part of organization’s most valued group, namely their core knowledge workers or Quadrant 1 human capital as described by Lepak and Snell’s (2002) framework. In that case, SMs’ career capital would be considered both highly unique and valuable and based on this, they would be offered extensive training and development, especially in terms of firm specific knowledge. However, if SMs are hired or connect to the organization in any other way (e.g. job-based employment, or even contractual work), the organization may view their capital as valuable but not as necessarily unique, resulting in fewer opportunities for integration, training and development. Thus, in considering SMs’ integration and career progression in local organizations, it is important to understand the initial relationship that SMs have with the local organization, in the context of HRM architecture, as this may determine the investments and opportunities for SM career capital.

In addition to firm’s knowing-how in regard to SM training and development, one of the specific challenges faced by SMs in the new workplace is lack of local knowing-whom,
that is lack of connections to local social capital and networks in the new organization (Turchick-Hakak et al., 2010). At the same time, while SMs’ may lack local contacts, they may however have accumulated valuable social networks abroad in their home countries (Turchick-Hakak & Al Ariss, 2013). SMs’ foreign connections may provide a specific competitive advantage especially to firms seeking to do business abroad or those looking to strengthen existing relationships in foreign markets (West & Bogumil, 2000). One of the ways that local HR may leverage on SMs’ foreign capital and at the same time assist their SM newcomers in building local social capital is by providing a variety of networking and mentoring opportunities in the local workplace (Blackwell, 2013). Mentoring relationships between locals and SMs are meant to benefit both parties. Local professionals will learn from SMs’ foreign experience, while SMs can benefit by gaining new local connections. These practical efforts may also enhance SMs’ soft skills and their overall awareness of local business culture, also described as one of the key challenges in hiring SMs in general (Friesen, 2011). Finally, while these exchange relationships between SMs and local employees may focus on local workplace communication, they may simultaneously enhance coaching skills and immigrant-related knowledge of local professionals (Kossek, Lobel, & Brown, 2006).

Relatedly, a recent study found that through work relationships focused on building SMs’ knowing-whom, local employers may also influence immigrants overall adjustment to the local host culture, in addition to orienting them to the local workplace (Jian, 2012). Importantly, this study found that higher level of adjustment to the host culture was associated with higher task relationship quality with co-workers and better mentoring relationships. Finally, Jian (2012) also notes the value of taking an integrationist approach to developing SMs, which entails on the one hand assisting immigrant employees in adjusting to and becoming part of the host culture, and on the other making efforts to develop environment that tolerates the maintenance of an identity from their original culture as well (315). This dual cultural awareness may be an additional resource that assists migrants in accomplishing work tasks successfully (Jian, 2012). Yet, Friesen (2011) also notes that some employers felt SMs should be more responsible for their own workplace integration, which may indicate the need for increasing collective awareness of the potential role that employers and organizations can play in either enabling or hindering SMs’ professional integration. Thus, both employers and SMs have a role to play in allowing for successful adaptation both in terms of organizational and national host culture (Friesen, 2011; see Figure 3).

**Proposition 6a:** Local employers will be able to leverage on SMs’ career capital with proper integration into the local workplace that is based on the following: understanding the needs and unique characteristics of SMs and allowing for mutual exchange and learning between local employees and newcomer SMs (i.e. creating opportunities to learn from each other’s knowing-how and whom through initiatives such as general cultural training, CQ training, workplace communication and mentoring opportunities).

**Proposition 6b:** Organizational efforts towards successful attraction, entry and SM integration into the local organization (as described above) will enable SMs to apply and use their career capital to its full potential and at the same time allow local employers opportunities to leverage on their uniqueness as another possible source contributing to the overall competitive advantage.
Conclusions and implications for future research

By examining SMs’ career capital from a strategic HRM lens, this paper extends our previous knowledge through a new and integrated framework (see Figure 3) focusing on how by properly understanding, attracting and integrating SMs into local workplace, they can become one possible source of competitive advantage for local organizations. This conceptual framework goes beyond simply acknowledging the importance of SM workforce, to address the ‘how’, or what it takes to attract, integrate and leverage on SMs locally. Specifically, the goal was to provide a more encompassing understanding of various forms of SMs’ career capital and combine this micro-perspective with a macro-RBV theory focusing on the value of diversity as a source of competitive advantage.

This conceptual piece is meant to trigger further empirical work on how exactly employers can become the key moderating factor (see Figure 1) in allowing SM workforce to become the source of the competitive advantage. Thus, Figure 1 is meant to highlight employers’ role as a key step in the process potentially leading to competitive advantage. As all research in the domain of SHRM, the implementation stage and the mediating and/or moderating aspect of the HR processes is a critical step in allowing the type of resources to be converted into measurable source of competitive advantage (e.g. Jiang et al., 2012).

The first three propositions developed examine the three types of SMs’ career capital and the potential strategic value that each of these types of capital can have for the employing organizations (see Figure 2). Next, the integrated model (Figure 3) defines three key stages in the SM–employer relationship, and specifying HR strategies needed for understanding, attracting and integrating the SM workforce. This model integrates knowledge of individual-level competencies as described by the intelligent career theory with firm-level HR strategies as captured by RBV. In particular, it is proposed that organization first of all must understand their knowing-why or motivation for considering the SM workforce (stage 1); we propose that both internal organizational factors (e.g. strategy, support for diversity) and external factors (e.g. diversity context/community) must be considered. Thus, viewing SM diversity and its potential impact on organizational performance in all of its complexity is called for. It is suggested to focus on the specific contextual issues and going beyond a classic business-case scenario or strict employee–customer proportion matching (e.g. Joshi & Roh, 2009; Kochan et al., 2003).

Next, the focus was on the pre-entry (stage 2) as especially critical as well as challenging point in the relationship between SMs and local employers, and often benefiting from the support and involvement of more than just an employing organization, but also policy-makers and local immigrant agencies among others. It was proposed that local organizations focus on this more orchestrated approach including employers and as well as community and professional agencies working together to create a more inclusive recruitment strategy and enhancing firms’ knowing-how in regard to attracting, sourcing and hiring SMs. This approach may prove beneficial in obtaining competitive advantage by incorporating SM diversity into firm’s existing knowing-how.

Finally, the third stage in the process describes integration and management of SMs once in the local organization. The emphasis here is on the ‘knowing-how’ of the specific type of cultural training and development with ample mentoring and social networking opportunities (knowing-whom) to allow for exchange of local and foreign knowing-how and whom. The strategic benefits are most likely to materialize when both local and SM workforce are able to allow for inclusive working culture (Richard et al., 2013). In particular, based on the stages and the framework proposed here, future research may continue to study SM diversity from the ‘value-in-diversity’ perspective (Ely & Thomas,
as well as by incorporating new frameworks for studying diversity such as inclusion perspective by simultaneously considering SMs’ needs for belongingness and uniqueness (Shore et al., 2011). Thus, by using a combination of individual as well as firm-level competencies (Al Ariss, Cascio, & Paauwe, 2014), our integrated model presents an extension of existing diversity research by focusing on unique type of diversity (i.e. SMs’ career capital) as well as SM-focused practices and policies that employers may follow to leverage on what SMs may bring to the business.

This stage model as presented in Figure 3 is meant to illustrate the complexity of the process involved by breaking it down into relevant SM–employer stages. This will allow employers to focus their efforts accordingly and strategically, from one stage to the next. Second, the stage model also extends previous findings in the area (e.g. Almeida et al., 2012) but going beyond one particular stage in the employee–employer relationship (i.e. recruitment only) to provide a more integrated perspective focusing on various stages and opportunities involved in the SM–employer relationship from motivations to integration strategies. In the process, the model also spells out how to leverage on SMs’ career capital at each stage of the journey. Lastly, the stage model also presents how the SM–employer relationship may progress from knowing-why, or motivational stage to integration of both knowing-how and knowing-whom and finally leading to final outcomes, or creation of competitive advantage.

By providing a broad enough framework that touches upon three critical stages in the SM–employer relationship, this paper is meant to serve as a guide for future theoretical and empirical developments as well as to provide practical advice on this topic. It was not meant to provide an exhaustive list of SM-related polices or practices, but rather as a guide for what may need to be considered at each stage of the SM–employer relationship. Future studies on strategic value of SMs’ career capital however would benefit from studying implementation of specific HRM policies or initiatives and their links to firm outcomes. For example, research is needed to further understand the relationship between diversity management practices as a possible moderator between diversity of human capital and performance outcomes, but also taking into account variety of contingencies in the organizational context (e.g. Richard et al., 2013).

While the focus here was on the employer and the HR perspective, SM workforce should also be examined in the context of other macro-factors, such as sociopolitical, legal framework, history and other society specific characteristics that may lead to the creation of particular social identities and shape the type of diversity being created (Konrad, Prasad, & Pringle, 2006; Syed & Ozbilgin, 2009). Furthermore, successful diversity management is not just the job of the employing organizations but it is also related to multi-level structural and institutional support for the inclusion (Syed & Ozbilgin, 2009). Future research may also focus on various contingencies that may be critical in further study of the topic, such as the employer size (e.g. small to medium enterprise), the type of industry (growth mode vs. stagnation), as well as specific characteristics of the SM population. Equally important in future work on this topic may be to understand how local organizations may further build and enhance SMs’ career capital during their tenure with local employers (Dickmann & Harris, 2005).

While one must acknowledge the diversity of national and organizational needs and contexts, it was chosen to base this framework in broad terms, and without specific reference to any particular economy/geographic region, or a particular type of employer. Being the area in need of more research from management scholars (Binggeli et al., 2013), the goal was to provide a broad enough framework that could be used in a variety of contexts and adapted to the specific employer and SM needs. While it is also important to
recognize the diversity of migrants, in terms of their countries of origin, socio-economic and educational backgrounds (Dietz, 2010), the focus here was on SMs broadly as a group of special relevance for today’s employers in the knowledge economy.

In conclusion, in this paper, the focus was on career capital diversity that SM population may bring to local organizations and how this may lead to strategic benefits. The aim was to move away from the more common discussions on race and gender and to consider instead the type of capital as a source of competitive advantage. The goal was to obtain a broader understanding of diversity, beyond the business case scenario, or even more limiting compliance or legal requirement fulfillment (Shen, Chanda, D’Netto, & Monga, 2009), but also to appreciate SM diversity in all of its complexity as a source of unique capital that our contemporary societies offer.

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