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## Skilled migration: Bridging the conceptual gap between friendship, social capital, and employability

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# IUBH Discussion Papers

## HUMAN RESOURCES

### **Skilled Migration: Bridging the Conceptual Gap Between Friendship, Social Capital, and Employability**

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# **Skilled Migration: Bridging the Conceptual Gap Between Friendship, Social Capital, and Employability**

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## **Abstract:**

*Germany's population is currently undergoing a major shift as well as a general decline. These changes are expected to impact not only the workforce but also the social systems dependent on having a steady supply of individuals contributing to them. While no single solution alone is likely to be enough to resolve the upcoming challenges, the post-graduation employment of international students may help. However, even though there are jobs available, many international students in Germany struggle to find work after completing their studies. How, and with who, international students form their networks in the host country may play a crucial role in successful employment. While research has been conducted on international student friendship formation, social capital, and employability, little to no research has been conducted on how these elements interact when employment in the host country is the goal of an international student post-graduation. A better understanding of the role friendship plays in developing host country social capital could be key in guaranteeing international students to find employment in their host country post-graduation. Additionally, for Germany in particular, this will mean more filled positions and potentially reduced strain on workforce dependent social systems in the future.*

## **Keywords:**

International Students; Friendship Formation; Social Capital; Employability; Germany

**JEL classification:** M540

## Introduction

Germany, like many other developed countries, has seen a steady decline in the birthrate. With more women in the workforce focused on their careers, and the average age in which couples are starting families increasing, there are fewer children being born and the family unit has become smaller than before. Couple that with the increase in individual lifespan, it has presented a difficult problem: who is going to fill the empty jobs as the workforce ages and retires?

By 2060, experts estimate that Germany's population will decrease by upwards of 10 million people (Federal Statistics Office, 2015a). A little under halfway to 2060, by 2035, the baby boomer generation will be entirely retired from Germany's workforce creating a population of nearly 21 million people above the age of 67 (Heise, 2017). For a country, whose social systems are strongly tied to a healthy, stable workforce, the potential consequences of this demographic shift could be very troublesome. That being said, the German government is aware of the issues and has been taking steps to try and mitigate the future potential strain.

The first change addresses the fact that overall, humans are living longer healthier lives and thus can work longer. Germany regularly re-evaluates the retirement age and has in recent years increased it from age 65 to age 67. The second solution stems from the recruitment of an external workforce through several channels. One well known example is the country's acceptance of refugees and asylum seekers. In 2018, Germany approved 41,368 grants for refugee status (Informationsverbund Asyl und Migration, n.d.). While it takes time for this group to adjust and begin to impact the workforce, they are an essential piece of the equation. Additionally, the demographic shift is also leaving the country with a shortage of skilled workers and this can be somewhat placated by making it easier for non-EU individuals to seek employment in Germany. The most recently introduced change comes with the Skilled Workers Immigration Act. According to this new immigration law, employment visas become easier to obtain by not restricting visa seekers to only shortage occupations but instead allow an individual a six month job search visa so long as they can meet a shortened list of qualifications: speak German at the B2 level and prove enough funds to support themselves during their job search (Zech, 2020). These two solutions are still not enough though and there is a third group that could further help address the workforce-demographic shift conundrum: International Students.

## International Students

International students have long been seen as a valuable to Germany's workforce and economy. In the 1990s, Germany began to invest in attracting international students as part of a plan to strengthen the country's economic competitiveness (Competing for Global Talent, 2006). The focus was on internationalizing study programs by changing degree structures and offering more study courses in English. In due course, immigration regulations were adjusted to make attending university in Germany much easier and by 2012, regulations were further adjusted allowing for international graduates from German universities 18 months post-graduation to search for employment (Mayer et al., 2012).

The winter 2017-2018 semester saw 374,951 international students enrolled in higher education institutions which accounted for 13% of the total student population in Germany and an increase over the previous year (Germany International Student Statistics, 2020). Additionally, the majority of international students in at least one survey stated that they wished to remain in Germany post-graduation for job and career opportunities (Germany International Student Statistics, 2020). This makes international students' prime candidates to help abate the problems associated with Germany's shifting demographics and yet, there is evidence that international students are struggling to find work. According to Morris-Lange and Brands (2015): "... in Germany, 30 percent of former international students are still searching for a job more than one year after graduation" (pp. 4).

In the same study by Morris-Lange and Brands, the researchers acknowledge that international students generally face many challenges when seeking employment in their host country post-graduation. From insufficient language skills to a lack of personal and professional networks in the host country (Morris-Lange and Brands, 2015), international students while academically qualified and eager to stay, appear to be at a disadvantage. Given that Germany in particular is in need of skilled workers, it is worth investigating what sets apart the international

students who have success in their job hunt relatively quickly from those who continue to struggle and to better understand how Germany can better integrate international students into the German workforce. Therefore, research into the employability of international students in Germany is both relevant and necessary.

## **Employability**

International students, as a whole, have long been the focus of academic studies. However, there has been little to no research conducted into their employability with regards to their desire to remain in their host country post-graduation. It can be argued that the first step in finding a reasonable solution to the employability issue is an understanding of what actually makes any given individual employable. There is a substantial amount of literature on the topic that is well worth reviewing and applying as many of the theories are applicable to the circumstances faced by international students. Furthermore, given that a lack of personal and professional networks is a clear stumbling block for international students seeking employment in their host countries, it is evident that an investigation into the social networks and friendships of international students may dictate a successful or unsuccessful job hunt. Conveniently, as a starting ground, literature does exist on who international students make friends with as well as the purpose these different types of friendships appear to serve. Combining previous research on employability with previous research conducted on international students' friendships may be the key to understanding what it will take to eliminate at least one of the many stumbling blocks international students face when seeking employment post-graduation in Germany.

International experiences are more often than not, seen as valuable both in terms of personal growth and professional proficiency. Particularly as the world has become more connected and businesses are able to expand into markets around the globe, having the skills and knowledge to function in multi-cultural and international teams is beneficial. Thus, international students expand their horizons and, hypothetically, increase their employability when they make the decision to go abroad. Additionally, the acceptance of international students is also a means by which the host country economy can help slow brain drain and recruit qualified, highly skilled workers into the labor force (Dewey, 2019). The benefits of international exposure go both ways.

To define the international student, they are a group of individuals who intentionally choose to leave their home country in order to gain academic experience in a different one (Flair, 2019). Elsewhere in literature, the international student is seen as a sojourner, or a person (or group of people), who enter a different society for a set period of time and for a specific purpose (Berry et al., 2011). Researchers often view the international student experience as temporary. Yet, even if it is, the escapade abroad is not without the development of new friends and connections. Nor does it mean that the adventure ends for an international student once their education is completed: they are very likely to become expats and desire to remain in their host country post-graduation even if that was not their original intention. From the moment an individual makes the decision to become an international student, they require support systems that help them transition into their new life in their host country. This support does not stop once the education portion of their journey has been completed. It is necessary for the systems and connections the individual has made to be in place should employment in the host country be the end goal or become the end goal post-graduation.

While the universities provide international students an initial support system by assisting with needs surrounding physical resources such as housing, visa processes, and insight into career options through the career services office, international students also require emotional and psychological support. The university system may provide professional resources surrounding these needs but that is very different from the support provided by deep personal connections that can come from the fostering of friendship.

## **Friendship Formation**

Friendship is a form of interpersonal relationship that can be identified by the desire or tendency to want to be with other individuals of one's own kind (Weber & Schafer, 2019) and is generally thought to bring happiness, joy, longevity, and mental health stability (Mineo, 2017; Zarakin & Kunkel, 2019; Giles et al., 2014). The friendships international students once fostered in their home country may wear thin with distance and thus, it is essential that they begin to form new relationships in their host country. In fact, the types of friendships international

students form, and the benefits derived from them have been discussed by Bochner, McLeod, and Lin (1977) and Hendrickson, Rosen, and Aune (2010).

International students have been observed to form three types of friendships: co-national friendships, multi-national friendships, and host-national friendships (Bochner et al., 1977). The strongest friendships category is that of the co-national friendship in which the international student forms relationships with others from the same country of origin (Bochner et al., 1977; Furnham and Alibahni, 1985; Maudendi, 2001; Neri and Ville, 2008). The largest quantity of friendships that international students cultivate is that of the multi-national category (Hendrickson et al., 2010). These friendships develop between international students from a multitude of countries. Finally, the third category, which may actually be the most beneficial but occurs the least often, is that of host-national friendships. Here, international students initiate friendships with students from the host country.

While co-national friendships allow international students the opportunity to process their emotions and experiences through similar cultural lenses and work through some of the frustrations of transitioning into the host culture (Hendrickson et al., 2010; Woolf, 2007), multi-national friendships form based on the feelings of being “a stranger in a strange land” which supports the international student in overcoming culture shock by allowing them to not feel alone (Hendrickson et al., 2010). Host-national friendships on the other hand, have been thought to help facilitate adjustment to the host culture increasing the well-being and mental health of the international student (Reicher & Haslam, 2006). Additionally, Church (1982) reported that international students who had host-national friends felt less homesick, less lonely, and had higher levels of satisfaction with their study abroad experience.

It may be assumed that the more comfortable an international student is in the host country culture, the more employable they become in the host country job market. Thus, the development of host-national friends is undeniably a part of the equation when assessing the success or failure of an international student to find employment in their host country post-graduation. These friendships also provide an additional benefit that may not necessarily be realized through the other forms of friendship developed by international students: a deeper connection to the host country job market vis-à-vis strong and weak ties.

## **Social Capital**

Finding employment, regardless of where an individual is, is often a tedious, time consuming, and discouraging process. Given that the days of knocking on doors and handing out resumes in person are gone, having been replaced with online job portals and applicant tracking systems, finding ways to circumvent the system are the job-seekers dream. Generally, it has been recommended that the best way to avoid the job portal trap is to rely on one’s network and engage in an informal job search.

The idea of relying on one’s network which is generally made up of friends, family, business associates, and various other acquaintances harkens to research conducted in the realms of network theory (from a sociological perspective) and employability. One of the most widely referenced papers on network theory is Granovetter’s 1973 paper *The Strength of Weak Ties*. In his paper Granovetter asserts that information and opportunities flow differently to an individual depending on the type of relationship they have with the information provider. For example, the more recurrent interactions are between two individuals, the stronger the tie is between thus demonstrating a “strong” tie. “Weak” ties on the other hand, are less likely to be involved with one another (Granovetter, 1983). Depending on how an individual structures their personal network determines differences in how, when, and what information they receive or have access too.

## **Bridging the Conceptual Gap**

The friendships an international student fosters are more likely to be considered strong ties. However, these friendships then connect the international student to a much larger network of potential information and opportunities by proxy. For the international student who wishes to be employed in their host country post-graduation it then stands to reason that the type of friends they make, as outlined earlier, lends to type of information they are able to access in their personal network. In effect, the more host national friends an

international student has, the more weak ties to the host country, and potentially its job market, are available to them.

This is all supported further in employability research which often relies heavily on social capital theory. What makes an individual employable is still up for debate and there is no singularly agreed upon definition of employability. Finn (2000) asserts that employability is an individual's ability to gain and maintain employment both in and across organizations and a research brief out of the United Kingdom from the Department for Education and Employment (1998) states employability is an individual's ability "to move self-sufficiently within the labor market to realize potential through sustainable employment" (pp. 2). If anything is made clear by these definitions it is that successful employment is the responsibility of the individual which means it is up to them to actively engage in activities that make them employable, including fostering genuine and beneficial relationships.

In one model of employability created by Fugate, Kinicki, and Ashforth (2004), social capital is considered essential in increasing one's overall employability. The Heuristic Model of Employability assumes that individuals engage in work specific active adaptability which then enables them to identify and realize opportunities (Fugate et al., 2004). Ashforth and Taylor (1990) break active adaptability down into three conditions:

- employees must obtain information about their environment and get feedback about their status in the environment;
- employees must possess internal (personal) conditions for adaptability; and
- employees must be flexible with a willingness and the ability to change behaviors, cognitions, and affect.

Point one, in the context of international students seeking employment in their host country, ties well into the value of developing a network within the host country in order to potentially increase employability. International students may be more dependent on social capital than their host country counterparts.

While Fugate et al. (2004) outline three areas they deem essential to being "employable", their portion on social capital lends itself well to the discussion on international student host country employability. They define it as the goodwill inherent in one's social network (Fugate et al., 2004). In other words, it is the ability to reach out to different people in one's personal or professional life and ask for, as well as receive, information. This makes sense when social capital is viewed from an economic perspective. Capital, economically speaking, is the surplus value which represents investments, that have expected returns (Lin, 1999b). International students who actively invest in developing host country friends, may be more likely to be able to reap the rewards of those investments through connections to opportunities that may not be as easily accessible, if they were accessible at all, without them.

In addition to providing access to information, social capital has also been suspected of providing other benefits that would be useful to a job-seeking international student as well. Social capital may provide leverage through the ability to influence the agents within a social system (Lin, 1999). International students who recognize this aspect are in a better position to leverage friendships they make with host nationals in order to access resources that help them achieve their goal of employment. In addition to access to information and resources, international students who focus on friendships with host nationals may also be able to reap the benefits of what Lin (1999) calls social credentials and reinforcement. Social credentials are apparent when employers make hiring decisions when they choose to onboard an individual who has been recommended to them for a position by a current or former employee of the company. This is due to the assumption by the employer that there is less risk as the individual has already been "vetted" (Lin, 1999). Reinforcement plays off social credentials in that social relations reinforce an individual's identity (Lin, 1999). The reason these two benefits of social capital may be especially important to international students is that they could hypothetically help to minimize future employer hesitation as host country individuals would be essentially vetting the international student's compatibility with not only the working environment but also cultural fit and assimilation into the host country culture.



## **Closing Thoughts**

While some of the biggest stumbling blocks for international students seeking employment in Germany are easily identifiable, like host country language skills, others, like how international students form host country networks, should be more closely studied. Friendships in particular are an excellent starting point as previous research exists on the topic and can provide a strong foundation in terms of the impact and benefit they may potentially provide in relation to international student job market success.

By no means are international students the end solution to the demographic issues faced by Germany. It will take a continuous mix of different policies and processes, constantly adjusted over time, in order to mitigate the potential workforce related strain. However, given that many international students want to remain in Germany post-graduation, it is worth it to continue to evaluate when, how, and why, some students are apparently successful in their job hunt and others are not in order to create solutions that maximize the integration of these willing individuals into the workforce.

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