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# MOVEMENT OF PEOPLE ACROSS BORDERS: EXPANDING OUR HORIZONS TOWARD PRACTICE-INFORMED TRANSDISCIPLINARY RESEARCH TO MEET THE CURRENT CHALLENGES IN MIGRATION, BUSINESS AND SOCIETY

### Aida Hajro\*

Professor of International Business
Director of the Centre for International Business at the University of Leeds
The University of Leeds
Email: a.hajro@leeds.ac.uk

## Milda Žilinskaitė\*

Senior Scientist

Manager of the Center for Sustainability Transformation and Responsibility Vienna University of Economics and Business

Email: milda.zilinskaite@wu.ac.at

### Cristina B. Gibson

Dean's Distinguished Professor of Management Pepperdine Graziadio School of Business Pepperdine University

Email: cristina.gibson@uwa.edu.au

#### Paul Baldassari

Executive Vice President of Operations Strategy at Flex Ltd.
Flex Headquarter
Email: paul.baldassari@flex.com

# **Kevin Franklin**

Chief Product Officer ELEVATE

Email: kfranklin@elevatelimited.com

#### Wolfgang Mayrhofer

Professor of Management and Organizational Behavior Vienna University of Economics and Business Email: wolfgang.mayrhofer@wu.ac.at

### **Chris Brewster**

Professor of International Human Resource Management University of Reading Email: c.j.brewster@henley.ac.uk

# Mary Yoko Brannen

Honorary Professor of International Business Copenhagen Business School Email: maryyoko@me.com

\*First and second authors contributed equally to this manuscript

## Abstract

As geopolitical crises unfold and the world turns its attention to the movement of people across borders, management scholars endeavoring to inform business and policy must open new lines of inquiry if they are to maximize impact. In this cross-roads, we argue for three important avenues that deserve special attention: transformation in directionality and geographic spread of global migration patterns; human rights among under-researched migrant populations; and working from anywhere, in automated workplaces and with artificial intelligence. These critical research pathways require engagement in conceptual cross-fertilization and inclusion of practitioner, policy and human rights experts in the process of knowledge generation.

The roots of modern migration research lie in the *Laws of Migration*—the first known work to map out internal and international movements of people (Ravenstein, 1885). Over a hundred years later, a multidisciplinary field emerged as a response to the ever more complex, dynamic and multi-layered migration patterns in the globalizing world (Gabacca, 2014). Today, these efforts cut across sociology, anthropology, economy, political science, law, population geography, and other fields. Migration does not occur in vacuum: movement of capital, goods, and ideas trigger the movement of people, and vice versa, resulting in an ever-growing complexity of labor markets. Businesses are beneficiaries of migrants' labor, consumerism, innovation, and ideas (de Haas, Castles, & Miller, 2020). Yet despite the visible nexus between migration and business, management scholars have only recently joined the multidisciplinary conversation around these topics.

As the field advances, so does the imperative to ensure that our contributions are meaningful, cautious of simplistic conceptualizations and of reinventing the wheel. Three important avenues that deserve special attention from business scholars include: transformation in directionality and geographic spread of global migration patterns; human rights concerns among migrant populations; and working from anywhere, in automated workplaces and with artificial intelligence. These critical research pathways require conceptual cross-fertilization and inclusion of practitioners, policy makers and human rights experts in the process of knowledge generation.

This guidepost is, in fact, a product of such transdisciplinary efforts. Initiated in January 2021, a group of seasoned business leaders, experts on migration from the World Bank and leading non-governmental think tanks, and senior scholars from a range of disciplines have exchanged insights on the relationships and co-dependencies between business and migration. Here we present what we learned from these conversations, in order to inspire phenomenon-driven research that allows business and management scholars to increase their societal impact.

### **Migration Pattern Transformation**

The number of migrants globally has reached an historic high, with over 280 million in mid-2021. This absolute number, however, if taken out of the context, can be misleading, inferring that we live in a time of unprecedented global mass migration. Considering that the overall world population has itself dramatically increased over the past 70 years, the relative number of international migrants has been remarkably constant, fluctuating between 2.7%-3.6% of the world's population (Czaika & de Haas, 2014; de Haas et al., 2019; IOM, 2021). What has undergone a significant shift are the directionality and geographic spread of global migration. Although often underestimated, these shifts have transformed the contemporary context in which companies operate (Hajro, Zilinskaite, & Baldassari, 2022). Due to decolonization, aging populations, and rapid economic growth, the percentage of Europeans among intercontinental migrants shrank from 76% in 1960 to 22% in 2017. Asians, Africans, and Latin Americans increasingly account for intercontinental migration, with Europe, the Gulf, and parts of East Asian emerging as their new most popular destinations (de Haas et al., 2019).

These shifts have affected both developed and emerging economies—with the latter now also facing shortages of lower-skilled labor. Today, 67% of international migrants reside in high-income countries, 29% in middle-income countries, and nearly 4% in low-income countries. However, from 2013 to 2019, high-income countries experienced a 7.3% drop in migrant workers, whereas middle-income countries experienced a 7.8% increase (IOM, 2021). As an illustration, labor shortages caused by internal EU migration (from the former Eastern Bloc countries to the West) after the last two waves of EU expansion now pose serious staffing challenges for corporations with factories in Poland, Hungary, and other Eastern European states (Hajro, Zilinskaite, & Baldassi, 2022). Similarly, multinational corporations (MNCs) with offshore factories in Malaysia rely extensively on migrant workers from Nepal, those in Pakistan rely on workers from Myanmar, and those in Mauritius rely on migrants from Bangladesh. In addition, during the second half of the twentieth century, the overall number of net in-migration countries declined from 102 to 78, while the number of net out-migration countries increased

from 124 to 148. This implies greater national and ethno-racial diversity in the composition of migrant populations in fewer core destination regions (de Haas et al., 2019).

These issues directly affect human resource management, and especially the roles of top management teams who guide strategic decisions. Most studies of global staffing have focused on expatriates who are assumed to be high-skilled parent country nationals or third-country nationals, temporarily assigned by their employers to a new country (Scullion & Collings, 2006). More recently, this research has begun to include studies on highly qualified self-initiated expatriates making their own way to another country (Suutari & Brewster, 2000), and short-term, commuter, and international business travel assignments (McNulty & Brewster, 2019).

Yet transformation in migration patterns from new directions and geographic regions suggests that management scholarship must now address much greater socio-legal differentiation and social stratification of migrant populations, conceptualized in migration studies as "superdiversity" (Vertovec, 2007). This unprecedented degree of heterogeneity has resulted in some MNCs reshaping HRM policies and practices, while others fail to socially integrate a nationally diverse workforce (Hajro, Gibson, & Pudelko, 2017). Although prior research has examined how a shared approach to gender and racial diversity emerges among organizational collectives and potentially shapes the behavior of their members (Ely & Thomas, 2001; Nishii, 2013), more research is needed on migrant populations. How does this changing pattern of migrant diversity impact intolerance and xenophobia? And how does the migrant makeup of an organization affect not only organizational functioning but also how members make sense of diversity issues in the broader society?

National and ethnic diversity is especially remarkable in "global cities" (Sassen, 2006), bringing both opportunities and challenges. Dubai's foreign-born population exceeds 80%, Toronto's is nearly 50%, while Sydney, London, and New York are all nearing 40% (Pariona, 2018). Demographers predict that the largest inflow of migration to cities around the world is yet to come. Recent decades have already witnessed dramatic increases in internal rural-urban

migration in countries such as China, India, and Indonesia. Climate-related migration is also likely to influence urbanization, and we already see indications that new climate policies are affecting certain sectors (IOM, 2021). For example, when heavy industries like mining close their production sites in regions such as rural South Africa, we will likely see large communities on the move, and the majority of them will flock to cities. Yet despite migration realities in cities, we lack theory and exploration of how such cities, and the industries within them operate. Research on corporate-community codevelopment (Gibson, forthcoming) offers a promising avenue for addressing these challenges, but has not yet examined migrant populations.

The documented opportunities of these movements are the exchange of capital, knowledge, and ideas in the metropolitan city hubs. But global cities also frequently suffer from pollution, congestion, and security, as well as difficulty integrating new arrivals into local communities, which could serve as a resource for firms in the surrounding areas (Gibson, Gibson, & Webster, 2021; Guillén, 2020). Other challenges less well understood by management scholars include the psychological impact on and resources salient to working parents who have to leave their children behind for a job in a faraway city, or even across country borders. In management scholarship, we have extensively theorized around expatriates' work and family role adjustment (see e.g., Lazarova, Westman, & Shaffer, 2010) but given little attention to migrant populations, and how their very different circumstances may spill over across work and family contexts. These various topics offer valuable directions for exploratory research.

## Migrant Workers' Human Rights

An important arena in which it is critical to understand human rights is forced migration. According to the UN Refugee Agency (UNHCR) database, in the beginning of 2022, more than 84 million people worldwide were forcibly displaced. Over half of this number refers to internally displaced persons, the remainder encompassing asylum seekers, refugees, and others displaced abroad. The estimated number of refugees specifically is 26.6 million. Over 80% of

them are hosted in neighboring, often middle- and low-income countries, which also seems to be the case with a rapidly evolving humanitarian crisis in Ukraine, whose consequences at the time of writing are yet to be known (UNHCR, 2022). We are encouraged by the burgeoning management stream of research on integrating refugees into the labor market alongside local populations (Szkudlarek, Nardon, Osland, Adler, & Lee, 2021). However, this research is in its infancy, with the dynamics of how migrant and local populations co-existing still largely unknown. There are also implicit theories in the social milieu working against refugees, despite the great majority of them being, against all odds, resilient, innovative, able, and very much willing to work (Betts, 2021). We encourage phenomenon driven empirical research documenting, for example, the instances of successful refugee integration, such as at Chobani Yogurt (Szkudlarek et al., 2021), as well as investigating other cases of refugees overcome obstacles in novel, unexpected, and life-altering ways.

Even if not subjected to forced migration, lower-skill and low-status migrant workers in global value chains (GVCs) across the world face disturbingly common patterns of recruitment abuse, workplace discrimination, and retaliation for asserting their legal rights. In most migrant-receiving countries, visa programs require companies to hire workers while they are still in their places of origin. For high-skilled migrants, this is an administrative burden, but for lower-skilled migrant workers, the recruitment processes and employment abroad can easily devolve into a human rights issue. Because few companies have the skillset or experience to dispatch recruiters directly to migrants' countries of origin, employers rely on recruitment intermediaries. These agencies are infamous for unethical business practices, corrupt ties to local governments, for making false promises to potential migrants and for charging migrant workers excessively high and opaque fees, leading to instances of forced labor (Gordon, 2017).

This is an issue in many countries. For example, in an attempt to sustain the position of microchip manufacturing powerhouse, Taiwan has been entangled in controversies involving migrant labor and human rights' violations. The monthly minimum wage in Taiwan is more than

twice the average of that in many other countries in the Asia-Pacific region, so the country attracts many migrant workers. However, the average debt of migrant factory workers for their recruitment fees amounts to a full year of their income, and the competition for visas continues to drive their recruitment costs even higher (ICCR, 2017). We call for research examining conflicting human rights standards across different locations and unethical recruitment and employment. Attention should be paid not only to Western but also to emerging-market MNCs, which have a potential to shape global migration management in profound ways. Exploratory research on modern slavery, which has recently gained some traction in management and international business fields, must also continue (Cuarana, Crane, Gold, & LeBaron, 2021).

A related issue pertains to migrant remittances – the money that migrants send back home to support families (Ratha, 2021). According to the World Bank, in 2019 remittance to low- and middle-income countries were the largest single source of direct money inflow, amounting to USD548bn. But an urgent issue is the high transaction costs of sending remittances through official channels. These costs vary from around 6% to 20%, though the target set by the UN Agenda 2030 (SDG10) is 3%. Given that many migrants are low-wage workers, the high costs of remittance transfers penalizes these individuals with significant portions of their earnings, having serious implications for their ability to serve as agents of development. An additional problem is that this forces migrants to turn to unofficial, informal money transfer channels in which they can end up being betrayed and deprived of their earnings. Management scholars are well-positioned to address questions such as: What are the bottlenecks within multinationals like Western Union and MoneyGram that continue to keep remittance costs at twice the SDG10 target level? What type of competition are new players like fintech firms (i.e., businesses that use technology to enhance or automate financial services) able to offer in this industry? Prior theorizing behind the concept of political corporate social responsibility (Scherer & Palazzo, 2011), may provide good starting points for further discussion.

Also promising is that recruitment is being addressed through industry alliances varying in scope and size (Hajro et al., 2022). One such example is the World Employment Confederation (WEC), which represents the recruitment industry at the global level. WEC includes national associations from 49 countries and global board members from the leading recruitment companies like ManpowerGroup, the Adecco Group, Kelly Services, and Randstad. This collaboration has the potential to influence recruitment practices through more efficient information exchanges, standard quality control measures, and joining forces against corruption in national employment agencies. Such efforts are an example of incorporating non-profit actors into our conceptualizations of institutional field and firm-government bargaining models (Teegen, Doh, & Vachani, 2004), but yet are not well understood. Likewise, important findings could emerge from exploratory research into how industry alliances' (e.g., The Responsible Business Alliance or The Consumer Goods Forum) efforts unfold, and on their potential role in shaping institutional landscapes at the international level; this research would benefit greatly from collaboration across disciplines and between researchers, practitioners, and policymakers.

# Working From Anywhere, In Automated Workplaces or With Artificial Intelligence

The migrant workforce is not immune to the ongoing technological revolution known as Industry 4.0, referring to digitalization, the increasing adoption of automation and robotics, and Artificial Intelligence (AI)-enhanced systems in manufacturing and distribution. For many companies, the Covid-19 pandemic has catalyzed investments in digital technologies. Scholars have observed the dark side of this, namely, widening inequalities because of disparities in digitalization speed and volume in high- versus low-income countries (Srinivasan & Eden, 2021). However, other aspects of Industry 4.0 have not caught management scholars' attention yet. Moving toward Industry 4.0 inevitably demands higher-skilled labor on the factory floor. In 'smart factories,' human operators have to work alongside 'cobots' (collaborative robots), which are complex and expensive. Consequently, even new hires must learn complex operational systems to avoid safety and quality problems or equipment damage. To address this, we

encourage exploratory research on how training for such jobs happens amongst migrants both before and after they commit to employment abroad.

From a broader perspective, this is likely to affect labor migration policies in migrantreceiving countries because companies will seek to retain the upskilled migrant workers on
extended work permits or multi-entry visas. For example, most migrant workers from
Bangladesh employed at the factories of multinational garment companies in Mauritius have a
four-year visa that can only be renewed once for up to eight years. If the employing companies
invest in developing and providing training for the Bangladeshi workers to operate more
complex machinery—which may take up to several years per person—they will want these
workers to stay in Mauritius for 10 years and longer. This implies new staffing challenges that
until recently were studied only in the context of highly qualified talent, but now exist among
the lower-skilled migrant workforce. Interests of MNCs and nation states may contradict each
other: Whereas the former are likely to demand extended work permits for migrant workers, the
latter may focus on ensuring employment for their citizens. So what are the realms of sensitive
immigration reforms in the Industry 4.0 context, and their implications for cross-border
activities of firms? Such exploratory questions deserve immediate attention given the likelihood
of impact on managers, top management teams, and policy makers.

Pertinent to the high-skilled migrant workforce (e.g., knowledge workers), digitalization raises different questions. As more companies adopt work-from-anywhere practices and more employees benefit from geographic flexibility, what opportunities and challenges are involved? Some scholars have suggested that work-from-anywhere may reverse the "brain drain" in lower income countries (Choudhury, 2020), but we do not yet know the implications of these new trends for high-income economies. Will we see a decrease in high-skilled migration (which until now has been rapidly increasing) and an uptake of 'global domestics,' defined as employees who remain in their home country while using technology to perform their job responsibilities in other countries (Schaffer, Kraimer, Chen, & Bolino, 2012)? Taking Europe as example, before

the Covid-19 lockdowns, the demand for skilled labor was increasing by an average of 1% annually, whereas skilled labor supply was increasingly only by 0.3% (Frelak, Chirita, & Mananashvili, 2020). To achieve the Industry 4.0 transformation, the EU will need to draw on international talent to remain globally competitive. Does this mean that European companies will be pressured to increase their reliance on global domestics, or will they continue bringing in highly skilled talent? How can that either align or misalign with what policy makers intend when they set up various policy structures? These open questions have to be theorized within the rapidly changing context.

# **Concluding Thoughts**

Although the topic of migration is no longer terra incognita in management scholarship, the links between the patterns and types of migration, and the activities of firms are only weakly theorized. Further, the interplay of behaviors between the migrants, organizations, and governments in this changing world suggest a ripe environment to explore phenomena that have been ignored or poorly understood. In this guidepost, we have sought to convey that migration is too multifaceted to be explained by a single theory, or even a single discipline. Furthermore, leading contemporary migration scholars in other disciplines, such as Stephen Castles, Alejandro Portes, and Russel King, have repeatedly argued for: "a middle path between the general theories which make too many assumptions and have tenuous links to the messiness of reality, and the myriad case studies which claim to have general relevance but often achieve this only in a narrow empiricist sense" (King, 2012, p. 31). We add that it will also be vital to involve stakeholders from outside of academia, including business practitioners, NGO leaders, and policy experts on the ground. This aligns well with the mission of journals such as the Academy of Management Discoveries, which encourages blending phenomena-driven research with exploratory, abductive reasoning. Such an approach has a potential to generate a variety of new theoretical paths, which would resonate more closely with the realities of migration, business and society today.

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