

Welcome to the ninth issue in our series, *Compliance Check 2020*, a monthly publication that will help you perform a self-assessment of your company's compliance with federal, state and local employment laws and regulations.

In this edition we examine the benefits and risks of sourcing international talent through internships and what your company should know about pursuing these relationships.

Employers continuously express frustration over a lack of available talent, particularly in STEM roles. Looking for international talent at U.S. universities is one strategy for finding qualified candidates, and recruiting international students for internships can be a good way to hire talent for hard-to-fill positions.

Studies have shown that companies face challenges in matching job requirements with the skills and degrees possessed by available U.S. workers. A May 2018 report that examined how STEM job opportunities in Northeast Ohio aligned with workers' educational qualifications revealed that only 2.6% of all bachelor's and master's degrees awarded by Northeast Ohio regional schools in 2015 were in computer and information sciences. An article detailing the report noted that *international students* pursued computer science and other in-demand degrees more often.

This creates an opportunity for employers to consider sponsoring international students for work visas to meet their talent needs. Offering internships to international students can be an effective strategy for building a pipeline of in-demand talent, but it is not without risk.

Here are some questions to help you evaluate whether seeking international students for internships might be a good solution for your company's employment needs:

☑ **What are the benefits of hiring international students as interns?**

Administrative ease. In most cases, the current immigration system allows an international student visa holder to work part-time *while pursuing a degree* without company sponsorship or USCIS approval; the school can approve. However, there are limitations: the work must be integral to the student's major and must be part of a program of study (i.e., credit is granted for the work), and a student can hold a job only after completing the first year of school at the undergraduate level, but can work immediately upon beginning graduate studies if the academic program requires it.

Pathway to post-graduate work that does not require sponsorship. An international student visa holder is eligible for work authorization following graduation from a U.S. university. The authorization generally is valid for 12 months, but a STEM degree holder working for an E-Verify participating company is eligible for a 36-month authorization. This provides the opportunity for an intern to transition to regular full-time, post-graduate employment before the company must choose work visa sponsorship.

Opportunity to review performance before offering sponsorship. The pathway from internship to regular full-time employment allows the company to review the

international worker's performance before having to commit to sponsorship.

Recruiting advantages. An internship can help cement a relationship between the international student and the company before the student earns a degree and becomes highly sought after. When this is coupled with the offer of a long-term work visa sponsorship, the company may gain a recruiting advantage over other companies, even those that might offer higher pay. In addition, this strategy may allow a company to source talent without incurring headhunter fees, which often exceed sponsorship fees.

☑ **What challenges might we face in hiring international student interns?**

Compliance. A company hiring a foreign national student as an intern needs to comply with the FLSA requirements concerning pay and with immigration guidelines regarding documentation required to show work authorization. The employer doesn't need to sponsor the intern for the work authorization, but it does need to ensure that the intern provides the right documentation from the school to demonstrate work authorization. Additionally, the employer needs to be careful with any sponsorship agreement tying the foreign national intern to the company because most sponsorship costs cannot be recouped if the intern leaves "early."

Challenges to ultimately securing a work visa to authorize full-time employment. An employer seeking to convert an international student intern to a full-time, long-term employee will most likely pursue an H-1B work visa, which is subject to a lottery. This challenge can be mitigated for STEM degree students who get three years of work authorization before they need to convert to H-1B status. Additionally, students with master's degrees are more likely to be selected in the lottery. If employers prioritize hiring foreign national students who earn master's degrees and STEM degrees for internships, they increase the likelihood of securing the long-term visa that will support continued full-time employment.

FOR MORE INFORMATION

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