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H-1B visa: American Silicon Valley veteran employs foreign workers in Canada for U.S. firms

Ethan Baron

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When a client of Marc Pavlopoulos' tech-recruiting company asked for help placing an engineer outside the U.S. four years ago, Pavlopoulos thought of a possible solution: Canada. It might be a long shot since he knew from his time getting an MBA and working there that immigration officials were wary of foreign citizens taking jobs from Canadians. It turned out things had changed up north.

Eager to build up its technology industry, Canada had just launched a pilot project to provide Canadian companies with fast, reliable access to skilled foreign workers by making visas quick and easy to obtain. "Sure enough, we got the person in," recalled Pavlopoulos, who spent years in Silicon Valley watching companies and foreign workers struggle with U.S. immigration and work permit systems.

But it wasn't until he responded to another request for help from a frustrated Bay Area startup founder, and ended up talking to a Canadian immigration officer who encouraged him to use the new "Global Talent Stream" program to bring in "a bigger volume" of tech workers, that Pavlopoulos realized he might be onto a budding new business: employing tech workers for U.S. companies in Canada.

His outsourcing startup, Syndesus, makes an end-run around a big problem plaguing U.S. businesses seeking top tech talent. Foreign workers are often out of reach because the H-1B visa, allocated by lottery and intended for jobs requiring specialized skills, is hard to get and the path to a green card and citizenship is long and uncertain. Syndesus, a small but growing part of Pavlopoulos' tech-talent business, helps American companies obtain workers who can't get a visa in the U.S.

"Same laptop, same job, but they're sitting in Vancouver," he said.

Pavlopoulos has found opportunity amid a confluence of thorny issues in a global tech market: competition for skilled workers, a shortage of American workers with specialized skills, high labor costs in Silicon Valley and other U.S. hubs, and underlying it all, dramatic differences

between the American and Canadian processes for bringing in foreign workers. In Canada, permanent residency — the equivalent of a green card — usually comes after a year or two, and citizenship typically follows in three to four-and-a-half years, Pavlopoulos said. In the U.S., the average wait for a green card is nearly six years, according to a [Cato Institute report](#), with another five years before citizenship is possible. Many foreign workers wait much longer.

At the root of the problem for U.S. employers is that their demand outstrips the supply of new H-1B visas allocated each year. Around 200,000 applications from employers typically pour in each year for 85,000 visas. When an employer's candidate — or a worker already employed on an expiring student visa — has not won the H-1B lottery, firms like Pavlopoulos' step in. They remotely employ the workers, pay them and provide benefits and legal compliance, while billing the U.S. company for their costs and services.

America's furor over immigration has swept up the H-1B, which helps firms secure foreign workers but whose critics say is used to acquire cheaper labor. Uncertainty about lingering effects from a crackdown on the H-1B program by the administration of former President Donald Trump, combined with relatively onerous immigration and work permit processes and a pandemic-induced shift to remote work, have made the demand for Syndesus' services stronger.

"Every day now, I'm on a call with someone whose H-1B didn't get picked in the lottery," Pavlopoulos said.

Pavlopoulos, who worked in the Bay Area in software sales before launching a recruiting firm, is now based in New York, employing a handful of skilled workers in Canada on behalf of U.S. companies through an outsourcing model known as a "professional employer organization." Typically, PEOs provide a worker with the benefits of direct employment in a structure that resembles contract work.

Canada's Consul General in San Francisco said the PEO industry is expanding rapidly, to his country's benefit. "We're in a global talent race right now," Rana Sarkar said.

Canada, after relying for decades on logging, mining, hydroelectric power, and oil and gas to power its economy, has diversified rapidly and successfully into tech, leveraging a group of high-caliber universities and world-leading research centers. The country for nearly a decade has been smoothing the way for foreign workers to feed its boom, even [buying billboard ads in Silicon Valley to woo workers](#) at one point.

Pavlopoulos also believes the PEO industry is ripe to expand, in part because "most Silicon Valley tech companies do not know that this option exists." In the first two years of his new business, Syndesus helped three tech workers who couldn't stay in the U.S. get Canadian work visas. Pavlopoulos is applying for work permits for another six tech workers on expiring student visas and expects they'll be living and working in Canada in four to eight weeks.

Companies whose work is done in Canada via a PEO also get the advantage of lower health insurance costs, and usually, lower salaries, Pavlopoulos said. But what many employers say they want most is good people, and quickly, he said.

Daniel Mandelbaum, a Toronto immigration lawyer who works with Pavlopoulos, added that Syndesus provides certainty for U.S. companies and employees. "The worker doesn't have to be looking over their shoulder on temporary residence status," he said.

Given Canada's drive to bring in 1.2 million immigrants this year and the next two, and U.S. demand for skilled workers continuing to outstrip available visas, Mandelbaum expects he'll continue to "feed this hungry beast south of the border" with tech workers located in Canada.

"This is the start of it," Mandelbaum said. "We're ramping up."