AUSTRALIAN INTERNATIONAL GRADUATES AND THE TRANSITION TO EMPLOYMENT

FINAL REPORT

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Finally, our thanks go to the many international students who generously agreed to speak to us about their experiences of studying and working in Australia.
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EXECUTIVE SUMMARY

Today’s generation of international students face a myriad of options when selecting a study destination. Key host countries such as the USA, UK and Australia now compete with a growing number of exporting nations, as many traditional source countries now move to attract international students to their own shores. Importantly, domestic provision has improved dramatically in many emerging economies due to increased investment in higher education and the presence of transnational programs that enable students to study for an overseas qualification without leaving home. The arrival of MOOCs¹ and other forms of online education and credentialing are also leading to expanding choices for the growing number of higher education students globally.

While international students face greater choice, they must also contend with new challenges. The growth in knowledge economies has led to changing skill and knowledge requirements while the massification of higher education has resulted in an expanding supply of tertiary educated graduates entering the workplace. For employers, globalisation has resulted in greater international competition, off-shoring and less certainty regarding their future labour requirements (Brown, Lauder, & Ashton, 2010). For graduates, this translates into heightened competition for entry level positions, far less certainty surrounding post-study employment prospects and the growing need to ‘stand out’ in a crowded graduate labour market. Consequently, international students face tougher competition in the post-study labour market both in the host and home country.

The overall aim of this study was to investigate issues around the employment of international graduates from Australian universities into professions with skill shortages. A key challenge for the research team was negotiating a shifting policy landscape as Australia’s skilled migration program shifted from a supply side to a demand driven system. Changes to Australia’s skilled migration policy sought to remove any perceived link between education and migration. The focus shifted to attracting international students to Australia by offering a high quality higher education experience rather than future employment (Gribble & Blackmore, 2012). For many international graduates, the shift in policy meant finding alternate pathways to achieving long term residency in Australia. Despite the tightening of rules surrounding post-study migration, the study found that international students continue to place high value on remaining in Australia after graduation. For some, the goal is to remain permanently in Australia, while others hope to stay temporarily to gain work experience in their area of qualification.

Work experience is of paramount concern to Australian international graduates, regardless of their long term goal. In Australia, by mid 2014 the unemployment rate for 15–24 year olds had reached 14.1 per cent, the highest since 2001, while the employment rate for new graduates fell to its lowest level in more than 20 years (GCA, 2014; Jander, 2014). In a tight graduate labour market both domestic and international graduates recognise the importance of work experience as a way of differentiating themselves from the large pool of applicants. In addition, many international graduates believe the combination of an Australian qualification and relevant work experience will enhance their chance of success in the home country labour market. This concurs with other reports indicating that employers in key source countries, such as China, prefer graduates with exposure to the workplace (Lin, 2012).

The study also found that when looking for points of differentiation, Australian employers are emphasising discipline related work experience when hiring graduates. Moreover, Australia’s skilled migration program also rewards applicants with local work experience in their field. Therefore, international graduates are under pressure to gain work experience either while at university or immediately afterwards to boost their chances of employment success. It is clear that in a highly competitive global labour market, host country work experience is now considered a necessary part of the overseas study ‘package’, and while work experience does not guarantee future graduate employment, without it, international graduates are largely out of contention.

Gaining much sought after work experience is a fraught experience for many Australian international students. Work integrated learning (WIL) is widely considered an important way of enhancing employability while studying, however many international students struggle to participate in WIL programs (Gribble, 2014). Despite having an Australian qualification in an area of skill shortage, the study found there are multiple barriers to graduate labour market entry. Many international graduates are poorly prepared for the labour market and have unrealistic expectations of graduate employment. Both employers and university staff believe more is needed to enhance the employability of international graduates and their understanding of the Australian job application process. Overcoming barriers to international student engagement in work integrated learning is now high on the agenda of many Australian universities.

Employers nominate visa status, poor communication skills, inadequate soft skills, and lack of local work experience as some of the main barriers to employment for international graduates. Many employers have set the bar high, demanding ‘work ready’ graduates who will transition seamlessly into the workplace. However, of concern are suggestions that by lifting apparently objective bars, for example IELTS scores², and identifying subjective criteria such as ‘soft skills’, the recruitment practices of some organisations may be discriminatory.

For the Australian international education sector, the rapidly changing global higher education environment signifies heightened competition and an increasingly discerning international student population. The economic, social, cultural and diplomatic benefits associated with international education are well understood. However, the fast pace of change associated with globalisation has serious ramifications for Australia’s international education sector. Australia has long been a pioneer in international education, however, this leading position is far from guaranteed.

Opportunities to acquire experience in the host country labour market are now a key driver of student choice and understanding the issues surrounding international students and employment is closely linked to Australia’s continued success in the international education sector.

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¹ A massive open online course (MOOC) is an online course aimed at unlimited participation and open access via the internet.
² IELTS refers to the International English Language Testing System. At the time of writing, some employers required applicants to achieve certain scores on the IELTS examination. Migration points were also awarded for certain standards met on the IELTS examination (see www.immi.gov.au for further details).
International graduates place great importance on gaining relevant local work experience. International students place high value on gaining host country work experience to both improve their chances of obtaining permanent residency or to enhance their employment prospects in their home country. Acquiring relevant work experience while at university is considered imperative. While a clinical placement is a compulsory component of any nursing qualification, there is growing demand for some form of work placement in accounting and engineering. The growing demand for work experience is evidenced in the expansion of programs such as the Professional Year and the recent decision by the Victorian government to invest in an internship program for international students (see Murray, Gribble, Blackmore & Hall’s IEAA Report: ‘Internships and work placement opportunities for international students in Victoria’ PDF). Despite the significant demand for work experience, international students are largely frustrated by the lack of opportunities to gain discipline-related work experience.

International graduates have high expectations of post-study employment

Interviews with international accounting students reveal that many embark on their studies in Australia with very high expectations of post-study employment. For example, many of the international accounting students we interviewed had set their sights on a graduate position in large multinational firms, while most nursing students were aiming to work in the major metropolitan hospitals. Our research suggests that the expectations of international students need to be carefully managed and the benefits associated with gaining work outside the ‘Big Four’ or in regional centres need to be emphasised.

As with every early career, there are multiple pathways and working for a smaller firm or a regional hospital may lead to other opportunities.

Differentiated labour markets exist in each field of work

Our research confirms that within the specific fields of accounting, nursing and engineering the labour markets are highly differentiated. For example, while graduate engineers may experience difficulty entering the labour market, there are indications of shortages of mid-level engineers with 5–10 years’ experience. In nursing, there are signs of an oversupply of graduates but demand for experienced nurses with specialised skills, particularly outside of the metropolitan centres. There are also suggestions that smaller firms may find it harder to fill labour shortages than larger, more prestigious corporations. Importantly, there is not a perceived shortage of new graduates in the three fields under investigation and graduates in nursing, accounting and engineering are competing in a globally and locally oversupplied market.

Employers are demanding ‘work ready’ graduates who will transition seamlessly into their organisation

Employers have high expectations when recruiting graduates in all three disciplines. They are seeking graduates with excellent communication skills, well developed ‘soft skills’ and discipline related work experience. Importantly, nearly all of the employers interviewed for this study would only consider hiring a graduate who had permanent residency visa status. While some employers did sponsor employees, this was only for experienced candidates, usually with specialist skills. Some employers recognized the benefits associated with diversity in the workplace. However, many employers exhibited a preference to hire domestic graduates who would integrate easily into the workplace. Some academics, industry bodies and representatives from government are concerned that the emphasis placed on ‘best fit’ could be a proxy for racism in the Australian labour market.

There is much scope to improve the employability of international graduates

Finally, our study reveals that with the growing importance being placed on work experience, English language and extracurricular activities, international graduates require further opportunities to develop capacity in these areas and establish local networks in order to improve their chances of success in the labour market. This finding has implications for the Australian university sector which can play a key role in enhancing international graduates’ employability. English language proficiency is central to labour market success in both home and host countries and this study confirms that many international students require additional support to further develop their English language skills. Importantly, providing international students with exposure to the Australian workplace via internships and other work integrated learning programs will not only improve the employability of graduates but is likely to enhance the value of an Australian degree.

3 Professional Year is a government sanctioned post-study program for international graduates in the accounting, computer science and engineering disciplines. It attracts five points in the General Skilled Migration Points Test.
This report is the result of a partnership between Deakin University and University of Technology Sydney (UTS) researchers and was funded by IDP Education Pty Ltd and the Australian Research Council (linkage grant LP0990875). The initial research project sought to consider why Australian international graduates were not being recruited by Australian employers in skill shortage areas of accounting, nursing and engineering. The policy context changed significantly just prior to commencing the project, which required a reconceptualisation of the focus to one which investigated stakeholder (universities, students, industry groups, employers) responses to fundamental policy shifts in migration.
BACKGROUND AND CONTEXT

A turbulent period in the history of international education in Australia forms the backdrop to this study of international graduates and the transition to employment.

In 1999 the Australian government decided to liberalise the study-migration pathway with the aim of growing the international education sector and addressing skill shortages in key areas. Australia’s economy was strong, largely due to a mining boom, and there were concerns that skill shortages would prevent the nation taking full advantage of this period of economic growth and prosperity (Gribble & Blackmore, 2012). International graduates with Australian qualifications, exposure to local culture and conditions and at prime working age were considered ideal candidates. It was expected that the policy would be a win-win for the Australian government by encouraging continued growth in the lucrative international education sector and providing the nation with its future skill needs. This was also a period in which recurrent federal government funding for universities was incrementally shrinking each year. Within a year of the 1999 policy change, 50 per cent of skilled migration applicants held Australian qualifications (Hawthorne, 2010).

However, concerns soon surfaced surrounding the labour market outcomes of international graduates. There were suggestions that despite their local qualifications, exposure to the host country society, culture and language, international graduates were struggling to find employment in their field of qualification (Birrell, Healy, & Kinnaird, 2007). Reports emerged of a visa racket operating in the vocational training system where international student enrolments in trade courses such as hairdressing and cookery were surging, predominantly those offered by private registered training organisations. There were concerns that a loophole in the skilled migration program was turning some overseas students into visa factories (Jensen, & Blackmore, 2012). International students graduating in areas listed as skilled migration program places. According to DIAC, the changes will contribute to the selection of the best and brightest migrants as well as streamlined processing times (DIAC, 2011a).
Universities and colleges became increasingly alarmed at the collapsing number of applications from foreign students, resulting not only from this policy shift but also bad press internationally over instances of violence towards Indian students (Das & Collins, 2010; Maslen, 2011). In response, the Australian Government appointed in 2011 the Hon Michael Knight AO to conduct a strategic review of the student visa program with the aim of enhancing the quality, integrity and competitiveness of the student visa program (Collins, 2010). Following on from consultation, the Strategic Review of the Student Visa Program 2011 was released in September 2011. It made 41 recommendations which were adopted in full by the Federal Government (Knight, 2011). The student visa process was to be streamlined, making visas for university study cheaper, easier and faster to obtain. International students were to be provided with the opportunity to obtain valuable work experience via a post degree work visa: a two-year work visa for an undergraduate degree, a three-year work visa for a master’s degree and a four-year work visa for a PhD. Universities Australia, representing all 39 universities, welcomed the Government’s response, stating that they would ‘help to maintain an internationally competitive international education sector that confirms Australia as an attractive higher education destination over the long term’ (Universities Australia, 2011). From 2013, international students can test the labour market and acquire work experience, but without a direct route to permanent residency (Gribble & Blackmore, 2012).

### International comparisons

Australia, as a world leader with one of the highest proportions of international students, provides a case study for other countries escalating their activities in international education. International students comprise over one-fifth of higher education enrolments and originate from more than 190 countries, creating an industry worth $18 billion annually (COAG, 2010). Australia’s skilled migration policy is carefully observed by key competitor nations. For example, in 2004 the UK modified its migration policy in order to respond to the skill needs of the UK labour market, adopting a points based policy modelled on the Australian approach. Canada has also moved to a two-step immigration policy that recruits talent by targeting international students. In 2010, Australia’s decision to decouple education and migration was closely followed in 2011 by the UK government’s tightening of post-study work opportunities for international graduates (Gribble & Blackmore, 2012).

Competition for both international students and high skilled migrants among industrialised nations remains fierce. While countries such as the USA, UK, Australia, Canada continue to attract the lion’s share of international students, a growing number of countries who were once predominately exporting nations are emerging as key players in the international education market. Countries such as China, Singapore and Malaysia have invested significantly in their domestic higher education sectors as a way of limiting the outflow of domestic students and encouraging an inflow of international students. While many of the growing numbers of foreign students in Singapore accept attractive employment opportunities post graduation (Ziguras & Gribble, 2014). China and Malaysia are less concerned with recruiting foreign graduates into the labour market. In contrast, many of the traditional host nations are interested in encouraging international students in key skill areas to migrate as way of offsetting labour market shortages resulting from demographic shifts or declining interest in STEM fields among local students. This would also provide additional income to universities to make up for declining public funds. The following section examines the policy approach to international education and post-study migration in other major host nations.

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4 STEM is an acronym referring to the academic disciplines of science, technology, engineering, and mathematics.
UK
In the UK, economic upheaval has led to tremendous uncertainty in the UK higher education sector since 2009. Changes to the visa system coupled with the economic downturn have had a negative impact on the UK international education sector. The two-year post-study work visa, which previously allowed international students from outside of the European Union (EU) to seek employment in the UK after graduating, was discontinued in April 2012. Those international students wishing to find work in the UK after graduation now need to find employment sponsorship, and employers must register overseas workers and certify that no suitable candidate can be found within the EU. The position must match the graduate’s skill level with a minimum salary of £20 000 a year. No more than 1500 such visas are to be released each month (Workpermit, 2014).

A study produced for the UK government revealed that reforms to international student visas, coupled with the decision to raise tuition fees, could cost the UK economy around £8 billion in lost export revenue by 2025 (Baker, 2011). Those international graduates intent on finding employment after graduation are likely to find the UK employment market highly competitive with graduate unemployment at its highest level since 1995 (BBC News, 2011). More recently, the Lords Committee urged the UK Government to rethink immigration policy on international STEM students. According to the report, complicated rules, a constantly shifting immigration policy, expensive visas and insufficient time to seek work after study all contribute to making the UK appear unwelcoming (Science and Technology Select Committee, 2014).

USA
In the USA, the Optional Practical Training (OPT) program assists graduates to move into work. International students may apply for the 12 months of OPT as well as a 17-month extension for those students studying in the studying in STEM fields. International graduates undertaking OPT may look for a potential employer to sponsor an H-1B visa. The H-1B visa, which allows US employers to temporarily employ foreign workers in specialty occupations, often leads to permanent residence. In 2000 H-1B visa conditions were relaxed, permitting H-1B workers who had applied for permanent residency to stay indefinitely until their immigration application was processed. International graduates can also qualify for Lawful Permanent Residency through the employment based Green Card program (Chertoff, 2008).

While the number of foreign students choosing to study in the US grew in 2009–10 by three per cent (largely driven by a 30 per cent growth in Chinese students), poor economic conditions have made it harder for students to find employment after graduating (Grasgreen, 2010). The ‘Employ American Workers Act’ attached to the fiscal stimulus bill, puts stricter conditions than before on any company that receives government bail-out money and wants to hire skilled foreigners under the country’s H-1B visa program. In addition, H-1B Visas for highly skill immigrant were also reduced (Economist, 2009). Recognising the detrimental impact on international education, the US Government allowed for more foreign students studying to stay and get practical training in their career fields and expanded the list of STEM degrees allowing such foreign graduates to stay for up to 17 months after graduating (Chronicle of Higher Education, 2011). Thus, the state of the national economy has a significant influence on international students’ opportunities for gaining residency in the US.

New Zealand
In 2005 the New Zealand Government introduced a number of policies designed to strengthen the link between international education and employment. The focus of the policy was on attracting and developing international students with the skills and talent needed by the nation. These changes included creating more opportunities for students to work while studying, allowing greater access to work permits post-study and expanding the category of students eligible for a two-year post-study work permit to obtain practical work experience relevant to their qualification. By easing the work restrictions for students and their partners, the New Zealand Government hoped to promote the country as an international education destination (Merwood, 2007). International graduates from an eligible New Zealand institution who wish to remain in New Zealand to look for work may apply for a 12-month Graduate Job Search Work Permit under the Study to Work policy. Under the Post-Study Practical Experience policy, they may also apply for a two or three year work permit if they obtain an offer of employment that is relevant to their qualification while on a Graduate Job Search Work Permit. After working for 2 years, international graduates can apply for permanent residency under the Work to Residence policy (Immigration New Zealand, 2011).

After the deaths of 60 international students in the 2011 earthquake in Christchurch, a new organisation is now tasked with promoting New Zealand as a study destination to retain its market share (Binning, 2011). A review seeks to increase the employability of international students who are seeking to transition to work and residence, ensuring New Zealand employers have better access to the skills they need to innovate and grow. Around 31 per cent of fee paying international students find work after their studies, and one-fifth gain permanent residence. New Zealand, perhaps more than any other developed economy, faces a significant brain drain with a drift of local skilled workers to other countries (Coleman, 2010).
BACKGROUND AND CONTEXT

Canada

Recent changes to Canada’s immigration law aim to attract more international students to Canada and to retain graduates with sought after skills, local qualifications and experience in the domestic labour market. After completing their study programs, international graduates may elect to remain in Canada by applying to immigrate under the Canadian Experience Class. The Post-Graduation Work Permit Program provides students who have graduated from an approved Canadian post-secondary institution with the opportunity to gain Canadian work experience for up to three years with any Canadian employer in any industry (Citizen & Immigration, 2014).

International graduates can also apply to the Provincial Nomination Program for permanent residence in Canada, during their masters or doctoral program or upon completion of their degree. Certain Canadian provinces have also made it easier for highly trained international students to migrate. In Ontario, for example, highly skilled Ontario-trained international PhD graduates can be fast-tracked for permanent residence. British Columbia has announced similar changes to its Provincial Nominee Program for international graduate students (Chakma, 2010). The decentralised governance structure of the Canadian federation simultaneously facilitates both the capacity for individual provinces to respond to regional labour market demands and also protects universities from national policy funding policies that can readily alter the sector nationally. This structure reduces the necessity for some provinces to rely heavily on international students. Organisation for Economic Cooperation and Development (OECD) data indicates that Canada has the highest rate among host nations of students transitioning to residence status averaging 33 per cent compared to the average of 17 per cent elsewhere. This suggests policies designed to promote the transition of international graduates into the Canadian workforce are achieving the desired outcomes (Clark, 2011).

Current labour market trends in three disciplines

Engineering, accounting and nursing were selected for investigation in this study because they were professions that had been identified as experiencing skills shortages and were listed on the government skills occupation list. All three professions have been included on the various versions of Australian government skills shortages lists for over a decade and remain on the current Skilled Occupations List (DIBP, 2014). The findings of this study suggest that the graduate labour market in Australia in the three disciplines of nursing, engineering and accounting is very competitive. According to Graduate Careers Australia the proportion of bachelor degree graduates employed within four months of completing their courses has fallen to 71.3 per cent compared to 76 percent in 2012. This is the lowest figure since 1993, when just 71.2 per cent were in full-time work and the market was recovering from the 1990s recession. Of most concern is the trend for graduate job prospects to continue to deteriorate following the global financial crisis in 2008 (GCA, 2014; Palmer, 2014).

Our research suggests that while the graduate labour market is tight, there are indications of labour market shortages in the three discipline areas under investigation for experienced candidates with specialised skills or for those prepared to work outside of major cities or in certain sectors (eg aged care). The following section summarises the graduate labour market in the three professions under investigation.

Engineering

According to labour market research conducted by the Australian federal government, shortages for engineers eased significantly in 2012–13 and are now limited to mining and petroleum engineers (DEEWR, 2013). While there were some differences in the recruitment experiences of employers across the states and territories, all states experienced relatively strong competition for positions and multiple suitable applicants per vacancy. A slowdown in the mining industry as well as manufacturing and subdued activity in construction are contributing to a weak labour market. Insufficient experience, poor communication skills, lack of specialised skills and inadequate project management skills were the reasons given for applicants being unsuitable for vacancies. The report concluded that employment outcomes for graduate engineers have weakened in recent years with softer market conditions resulting in graduates competing for work with experienced engineers. The report also noted that companies such as BHP Billiton, Rio Tinto and AECOM have cut their graduate intakes (DEEWR, 2013b).

These findings match with those of one of the major engineering peak bodies. In 2013 Consult Australia, a peak body representing consulting firms operating in the built and natural environment, surveyed its members and found that no firm had experienced difficulties in recruiting graduates or junior staff. In contrast, 50 per cent of firms had experienced difficulties recruiting mid-level staff. (See Figure 2).

Figure 2: Level which consulting firms operating in the built and natural environment are experiencing staffing difficulties (Consult Australia, 2013).

<table>
<thead>
<tr>
<th>Level at which difficulties experienced</th>
<th>% respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate</td>
<td>0%</td>
</tr>
<tr>
<td>Junior</td>
<td>0%</td>
</tr>
<tr>
<td>Mid-level</td>
<td>50%</td>
</tr>
<tr>
<td>Senior/principal</td>
<td>44.4%</td>
</tr>
<tr>
<td>None</td>
<td>27.8%</td>
</tr>
</tbody>
</table>

(Consult Australia)
Accounting

In 2012–13 the federal government conducted a review of labour market demand in the field of accounting and concluded that there were no shortages of graduate accountants and that graduate employment outcomes for accountant bachelor degree graduates have fallen over the past five years. Overall employment of accountants increased by just 1.3 per cent over the five years to May 2014 which was well below the ‘all occupations’ average of 7.4 per cent. Advertised vacancies for accountancy positions have also fallen since 2008.

The number of domestic student completions in bachelor degrees in accounting is low compared to international student completions which has increased by 69 percent between 2006–2011. This suggests that many of the graduate accountants entering the labour market are former international students. In the report, employers commented on the large fields of unsuitable applicants, with the majority lacking specific experience or skills. In addition, large numbers of applicants failed to address selection criteria or did not provide required documentation (DEEWR, 2013a).

These findings are supported by reports in the media indicating an oversupply of accounting graduates (Hawthorne & To, 2014; Tadros & King, 2014b). In contrast, CPA Australia and the Institute of Chartered Accountants have stated that demand for accountants remains high and will increase as economic conditions and business confidence improves. CPA Australia has projected increased demand for accountants, particularly in specialist areas. CPA Australia predicts there will not be enough locally trained accountants to meet labour market needs in the future (Tadros & King, 2014a).

Nursing

Historically, nursing shortages have been cyclic. In Australia shortages have eased in recent years. However, there is emerging evidence of a differentiated labour market within the health sector with surpluses of new graduates coexisting with locational shortages for experienced nurses. Employers reported few problems filling graduate and junior positions but difficulties hiring experienced nurses, particularly in certain specialisations such as mental health. Evidence suggests that the labour market for graduates is crowded in metropolitan areas with graduates vying for sought after positions in large metropolitan hospitals. While some regional and remote locations find it much more difficult to fill vacancies, the requirements can differ from large metropolitan hospitals. For example, nurses working in regional and remote locations must be able to work independently and across more than one specialist area which suggests that new graduates may be considered unsuitable for such positions (DEEWR, 2013c).

In the long term, demand for nurses is expected to grow due to population growth, an ageing population and better access to services. However, in the short to mid term competition for graduate positions is unlikely to abate due to the strong rise in commencements in bachelor degree courses in nursing. Commencements have increased by 34 per cent over the five years to 2011. Many in the nursing profession have expressed concern over the number of nursing graduates unable to find employment with one nursing union claiming that the profession is strapped in “a never-ending cycle of either shortages or oversupply of nurses”. There are concerns that if nursing graduates are unable to find employment, they will leave the profession, resulting in future shortages (ANMF, 2013).
METHODOLOGY

The study adopted a qualitative method incorporating policy analysis and case study. The initial phase of the project entailed drawing on documents produced by key stakeholders surrounding the transition of international graduates into the Australian labour market. Stakeholders included industry bodies, relevant government departments, commentaries on the debate appearing in newspapers and other published academic research. This phase was critical as it required the research team to track changes in what was a rapidly shifting policy environment as Australia moved from a supply side to a demand driven skilled migration program. Comparisons with other key host countries (UK, Canada, USA, New Zealand) were also made in order to understand how other nations were responding to issues around international students. Consequently, it was decided that an interview-based approach would best provide insights into the experiences and perceptions of employers and students as they managed a rapidly changing policy and economic environment.

After ethics approval was obtained at both Deakin University and the University of Technology Sydney, empirical research commenced. Between 2011 and 2013, over 270 in depth qualitative interviews were conducted with a range of stakeholders including international students, university staff, employers, industry groups and key government departments.

Research questions

1. How do the changing skilled migration policies frame the education–employment nexus for international graduates?
2. To what extent do universities produce graduates with the workplace attributes required in global and Australian workplaces, and, in particular, appropriate English usage and intercultural and communication capabilities as well as specialist skills necessary in their professional fields in Australia? If necessary, how can this be improved? In turn, what strategies, knowledge and networks do international students and graduates employ to negotiate institutional practices of universities and workplaces to enhance their employability?
3. How do employers in their recruitment practices perceive, judge and select desirable employees with particular regard to generic workplace attributes, including, but not only, English usage and intercultural competencies? Are these recruitment practices serving them well? If not, how could they be improved? In turn, how do international graduates experience and negotiate diversity in the workplace?
4. How do professional and industry organisations respond to these changing conditions?

Case study universities

Central to the study were the three universities who provided access to both academics, staff in careers and international student support and international students. The aim was to include a diverse selection of universities (regional, Group of Eight, Australian Technology Network). University A is a member of the Australian Technology Network and located in an Australian capital city. University B has campuses situated in a major metropolitan city as well as in two regional locations. University C is a member of the ‘Group of Eight’ and located on the east coast of Australia. Each Vice Chancellor provided permission for the universities to participate in the study. While the three disciplines of accounting, engineering and nursing in both University A and B agreed to participate, the engineering discipline at University C declined.

International students

In order to recruit international students for the study, the research team contacted key academic staff in each discipline area and requested permission to attend lectures where international students in their final year of study would be present. The research team presented students with details of the project and international students were invited to provide contact details if they were interested in participating in an interview. Participation was both voluntary and strictly confidential. University A engaged their student services team to send an email inviting all international students in the three discipline areas to participate in the study.

A total of 107 international students participated in the first round of interviews. Semi-structured interviews were conducted either in person or over the phone and lasted between 40–60 minutes. Interviews were recorded, transcribed and stored according to Deakin and UTS ethics requirements. A questionnaire including thirty questions was used for collecting data from international students at this stage. Data obtained provided demographic information as well as participating students’ views and narratives on study, work and life in Australia. Participants were asked about their experiences of studying and living both in their home country and in Australia and their experience of socio-cultural adaptation in Australia. They were also asked about previous and current work experience and their English language competency. Finally, participants were asked about their short and long term professional goals and about their views on Australian migration policies. In the first interview, participants were asked whether they would agree to participate in a second interview within 12 months. Those who were willing to participate in a second interview were asked to provide contact details.

Follow up interviews with international graduates were conducted 6–12 months later. When scheduling the second series of interviews, a gap was calculated in order to provide the graduates who sought to stay in Australia with sufficient time to both obtain professional registration (if required) and begin job seeking. A final interview was carried out with international graduates between 12 and 18 months after they had completed their programs in 2013. The purpose of these interviews was to collect updates on any changes that may have happened since their second interview in 2012 and whether they had made any changes in their short term and long term professional plans. In some cases, a further follow-up email or phone call was carried out, after the third interview but within the 12–18 months after graduation. The purpose of these interviews was to further clarify the employment status or residential status of those participants who were in the process of applying for a visa or job at an earlier stage.
Table 1: Total interviews with international students

<table>
<thead>
<tr>
<th></th>
<th>Accounting</th>
<th>Nursing</th>
<th>Engineering</th>
<th>Total at each stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>First interviews</td>
<td>56</td>
<td>33</td>
<td>18</td>
<td>107</td>
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<tr>
<td>(final semester in 2011)</td>
<td></td>
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<tr>
<td>Second interviews</td>
<td>19</td>
<td>14</td>
<td>8</td>
<td>41</td>
</tr>
<tr>
<td>(Within 6 months after graduation in 2012)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Third interviews</td>
<td>13</td>
<td>11</td>
<td>6</td>
<td>29</td>
</tr>
<tr>
<td>(12–18 months after graduation in 2013)</td>
<td></td>
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<td></td>
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<tr>
<td><strong>Total number of interviews</strong></td>
<td><strong>88</strong></td>
<td><strong>58</strong></td>
<td><strong>31</strong></td>
<td><strong>177</strong></td>
</tr>
</tbody>
</table>

Figure 3: International students cohort separated by discipline and interview stage

Education level

Participants’ level of education varied across the three disciplines. While the proportion of international students at master level in both engineering and nursing was lower than one quarter, in accounting international students studying at bachelor and master levels were distributed almost equally across the main sample.
The three participating universities had different levels of participation in the project. In all three participating universities, permission was granted to collect data from university staff and international students in the schools of accounting and nursing. However, approval for data collection from engineering staff and international students was only granted by two universities. The Faculty of Engineering in one university declined to participate in this study despite frequent requests, and partially explains the lower number of engineering participants.

Figure 5: Distribution of participating international students over university, discipline and level of education

![Bar chart showing distribution of participating international students by university, discipline, and level of education.]

Nationality

As shown in Figure 6, the sample population comprised international students from 24 nationalities, with Chinese students making up the largest group. International students from China had the highest proportion in each of the three disciplinary cohorts. However, in the accounting cohort, 73 percent of the international students interviewed were from China making it the highest proportion. The diversity of nationalities varied over discipline. The 33 international nursing students comprised 13 different backgrounds, while the 56 accounting students came from 10 different nationalities and the 18 engineering students represented 7 different nationalities. The nursing cohort with five international students from the UK, USA, Canada and South Africa contained the highest proportion of Anglophone international students (15%).

Figure 6: Diversity of participants' nationalities in the main sample population

![Bar chart showing diversity of participants' nationalities in the main sample population.]

Total = 107
University staff
A total of 34 academics (including 28 lecturers and 6 senior academics) and 13 staff working in international student support and careers and employment were interviewed for the study. Heads of School were contacted and invited to participate in the study. An interview with each of Head of School was carried out and they were asked to nominate key staff. A snowball approach to recruitment was adopted with academics frequently referring colleagues who had experience in teaching international students.

Employers
A total of 34 employers were interviewed for the study. The aim was to include a mix of small, medium and large size firms in order to gain an understanding of the breadth and depth of issues facing employers of different sizes in different distinct fields. Regional employers in two locations were also interviewed in order to better understand how labour market requirements may differ outside of major capital cities.

Industry groups and government departments
A total of 5 interviews with key industry groups were carried out, as well as 4 interviews with key staff in the DEEWR and DIAC.

Data analysis
All interviews were audio recorded and outsourced for transcription. The transcripts were imported into Nvivo software and coded using a number of key themes to ease the identification and selection of relevant information. Two methods of data coding were employed. Data collected from international students during structured initial interviews was autocoded. In this method of data coding, interview questions provide the main themes for coding. This method is suitable when data is collected from a large number of participants and interviews are conducted in a structured format. Manual coding as a standard method of coding data in Nvivo was used to code the data provided via semi-structured and open interviews with international graduates at their second interview, employers, academics, professional bodies and government departments.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>University lecturers</td>
<td>28</td>
</tr>
<tr>
<td>Senior academics</td>
<td>6</td>
</tr>
<tr>
<td>University administration staff</td>
<td>13</td>
</tr>
<tr>
<td>Student and graduate association</td>
<td>2</td>
</tr>
<tr>
<td>Employers</td>
<td>34</td>
</tr>
<tr>
<td>Professional body members</td>
<td>5</td>
</tr>
<tr>
<td>Senior staff in 2 government departments</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
</tr>
</tbody>
</table>
The project was carried out during a time of great upheaval for universities involved in international education. During the initial selection process, one university decided the subject was too sensitive and declined the invitation to participate. In University C, the Dean of Engineering declined the invitation to participate. As a result of this limitation, the empirical data on engineering is limited to two universities and comprises a relatively small proportion of the overall collected data. Common difficulties associated with performing a longitudinal study were experienced in this research. These included issues related to retention of participants. For example, participants could change their contact details without notice, move countries or decide they no longer wish to continue their involvement in the study. As a result, the number of participants dropped at the second and final phases of data collection.
POST-STUDY GOALS OF INTERNATIONAL STUDENTS

‘I want to get PR (Permanent Residency) here, that’s what I want, because I want to change my life.’ Chinese nursing student.

For many international students, studying abroad is considered a pathway to permanent residency in a country offering a higher standard of living, a trend that has been encouraged by host countries seeking to fill labour market shortages and manage changing demographic patterns. The percentage of international students who stay after graduation in the country of study is on average 25% for OECD countries (OECD, 2013). For those international graduates planning to return home, foreign work experience is now considered critical as the devaluation of credentials undermines the value of foreign degrees. The rapid growth in international education, particularly in major source countries such as China, has led to a proliferation of returning foreign graduates crowding the graduate labour market (Li & Yang, 2013; Xiang & Shen, 2009). For international graduates seeking to differentiate themselves in a highly competitive labour market, foreign work experience is now seen as a necessary part of the overseas study ‘package’.

Permanent residency still a key driver of choice of study destination

Interviews with international graduates concur with other research that indicates post-study migration opportunities are a major factor behind choice of study destination (Gribble, 2008; Gribble & Blackmore, 2012; Robertson, 2013; Tremblay, 2005). Employment opportunities and the desire to gain international work experience are the main reasons participants in this study cited for remaining in Australia after graduating, supporting the idea that professional experience is increasingly regarded by students as a key aspect of the ‘study abroad package’.

However, while the majority of participants indicated that they intended to remain in Australia after graduating, many saw this as a temporary move rather than permanent. In the first interviews, conducted 6–12 months prior to graduating nearly all participants said that they intended to remain in Australia, at least temporarily. While some participants hoped to stay for a year or two and gain some work experience before returning home, others intended to migrate permanently to Australia. Often the decision to study in Australia was part of a broader plan to migrate to a country offering a higher standard of living and better career prospects. Many of the students interviewed intended to remain permanently in Australia after graduating.

While many students intended to remain in Australia permanently, others saw themselves staying temporarily in order to acquire valuable Australian work experience that would enhance their career prospects and open up opportunities for them in both Australia and their home country. Some international graduates hoped that an Australian qualification would open up their opportunities globally, providing a passport to work in a third country. This was particularly the case in nursing. For example, some nursing graduates were keen to get Australian registration which would provide them with a highly mobile qualification and expand their global career opportunities. Others simply wanted to gain some work experience that would enhance their employability. They were eager to use their newly acquired skills and knowledge.

When discussing their future plans, many international graduates were uncertain where they would end up living and working. The average age of international graduates interviewed for this study was 25.5 years. Many did not have definite plans, preferring to keep their options open. For Chinese students, family responsibilities weighed heavily. A number of Chinese nursing students had left children and partners in China in order to study in Australia. Their future remained unclear as they were unsure whether they would be eligible to bring their family to Australia. For Chinese international students the implications of being an only child were also a key consideration when contemplating their long term future. Chinese students often referred to their parents when discussing their long term plans and many knew that they would eventually return home to China to meet their family responsibilities.

Employers are reluctant to sponsor international graduates

In response to the repositioning of Australia’s skilled migration policy, the advice of the Department of Immigration and Citizenship to international graduates was that employer sponsorship was the best option for those intending to remain in Australia after graduating (interview with DIAC, 2012). However, our study revealed that employers were unlikely to sponsor an international graduate. International graduates believe their best hope of gaining work experience in Australia is to secure permanent residency via the independent skilled migration stream. This may require them returning home and then applying for skilled migration.

7 Now the Department of Immigration and Border Protection.
POST-STUDY GOALS OF INTERNATIONAL STUDENTS

Our study of 107 international graduates and 34 employers reveals that very few considered employer sponsorship a viable route to remaining in Australia long term. In fact, none of the international graduates who were tracked over a two year period for this study were sponsored by an employer. According to international graduates in this study, without permanent residency status is very difficult to secure employment. This view is consistent with interviews with Australian employers in the fields of accounting, engineering and nursing. Unless facing an urgent skill shortage, employers would prefer to hire a local graduate rather than go through what many described as the lengthy, costly and often frustrating sponsorship process. Importantly, many employers have a blanket rule that precludes international graduates from applying unless they have permanent residency status.

A number of employers in this study believed that an international graduate represented a greater risk of flight than a local graduate. As a result employers may be reluctant to invest in the sponsorship process for fear that the applicant may return to their home country. This finding concurs with research carried out by the Department of Immigration indicating that employers are looking for applicants with experience and “settled family circumstances” and “all of those distractions gone” (interview with DIAC, 2012). A senior bureaucrat at DIAC explained that employers wanted “some certainty, someone who had a commitment to (their) occupation” if they were going to go through the trouble and the expense associated with sponsorship (interview with DIAC, 2012). Typically, employers are looking to recruit graduates who are likely to remain with the employer for a number of years, therefore justifying the investment associated with recruitment and training. Interviews with employers reveal many are reluctant to invest in the recruitment and training of a young international graduate who still maintains strong links with the home country.

Senior human resource managers at two of Australia’s largest engineering firms confirmed that they will only consider international graduates who either have a visa or are in the process of applying for a visa. While the companies will sponsor employees on 457 visas, only experienced applicants with at least 5 years work experience in areas of critical skill are considered. Hospitals and other health care providers also sponsor experienced staff, particularly those with specialist skills, but often have a policy of not sponsoring international graduates.

Permanent residency – the only option

According to our interviews with employers, academics, peak bodies and international graduates, without permanent residency (PR), international graduates are unlikely to secure employment in their field in Australia. International graduates interviewed for this study considered their visa status to be the major stumbling block in their search for employment. Many abandoned their search for employment after a few months, realising that without a PR visa, securing employment in their field would be extremely difficult. Their focus shifted from job seeking to preparing their PR visa application, which they believed would significantly boost their job prospects.

At the time of writing, Australia’s points based skilled migration policy requires applicants for a PR visa to meet a 65 point requirement (DIAC, 2012). Those graduates who were successful in obtaining a PR visa effectively navigated the system in order to accumulate sufficient points with many international students going to great lengths to achieve this goal. For example, some students sit the NAATI8 exam to become an accredited interpreter in a credentialed community language costing an estimated $1100 to accrue five points, or invest over $12 000 in a Professional Year program also attracting five points.

Others invest considerable time and money in an attempting to achieve an IELTS score that will provide extra points. An IELTS score of eight (out of a possible nine) across the four bands of reading, writing, listening, and speaking provides an extra 20 points. However, this requires native-speaker fluency and is extremely difficult to attain. Our interviews revealed that many students become fixated with preparing for and sitting the IELTS exam with some students dedicating months to achieving the scores required for their permanent residency application.

While undoubtedly, PR can enhance international graduates’ chances of securing employment in their field, other factors such as work experience, ‘soft skills’ and communication competency are critical. Ten months after obtaining his PR, this Chinese accounting graduate is still looking for work in his field:

‘I just realised that having permanent residency is only the start of the life living here as other local people do. Yeah, I just arrived at the starting line. Before that I thought with my PR, I got everything but it’s wrong. I got my PR but I am only at the start. I just entered the door.’

Accounting graduate, China
Post-study work rights

Post-study work rights were introduced while this study was in progress. From March 2013, eligible graduates can stay and work in Australia for various lengths of time. Graduates of a Bachelor degree, Masters by Coursework or Masters (Extended) can apply for a two-year visa, while Masters (Research) and Doctoral graduates will have up to four years. While the impact of post-study work rights on international graduate employment outcomes in nursing, accounting and engineering are beyond the scope of this study, it is clearly an area requiring investigation. The new visa arrangements were introduced largely in response to the growing concern in the higher education sector that tougher visa rules were harming Australia’s international education sector (Das & Collins, 2010). How the new visa arrangements are perceived by employers and industry and whether post-study work rights are providing international students with opportunities to acquire much sought after local work experience is an area requiring further investigation.

While post-study work rights provide international students with the opportunity to work in their field after graduation, there are no guarantees. Many in the sector are concerned that international students studying in Australia will have raised expectations surrounding their post-study employment prospects with many choosing Australia over other destinations because of attractive post-study employment opportunities. However, if international graduates are unable to gain sought after work experience, there is the risk that many international graduates will return home frustrated that the reality of their Australian education experience did not meet their expectations. As described by the chair of a government advisory group on international education, if international students cannot find appropriate work in their field of study, the result could be ‘mass disillusionment’ (Hare, 2012).

Impact of shifting migration policy

The global financial crisis, reduced government funding for universities and increased international student numbers meant, as a senior migration policy bureaucrat commented, ‘You had almost a perfect storm. Record numbers of students. We had almost half a million students in the country at that time. Rising unemployment. Inflow of expats coming home looking for jobs.’

Senior bureaucrat, DIAC

Many of the international students interviewed as part of this study found themselves caught up in the Australian government’s scramble to sever the education migration nexus. Between 2010–2012 the permanent skilled migration intake was slashed and priority was given to those with employer sponsorship. By moving from a passive approach to managing the skilled migration program where the skills on offer were accepted, to actively targeting the skills employers required, the Government hoped to stem the flow of international graduates transitioning into the workplace (Gribble & Blackmore, 2012)

The severing of the education–migration nexus had major consequences for Australia’s higher education sector. The total number of offshore applications for student visas plummeted from 262, 705 in 2008–9 to 141, 622 in 2010–2011. While changes to the migration program played a central role in the downturn, a number of other factors contributed to what some have described as ‘the perfect storm’ (Trounson & Healey, 2010). Negative media coverage of violence towards South Asian students, tighter quality regulation of international providers in VET due to significant market failures, closer control of agent behaviour and the high Australian dollar also contributed to the decline in applications for student visas. The overall result was an international education sector in crisis and growing concerns that the damage to Australian universities would reverberate through the economy, with fewer international students affecting property prices and dampening demand for ancillary services (Gribble & Li, 2013).

Interviews for this study reveal the stress, anxiety and anger caused by the policy shifts. For many international students, the chance to secure a permanent residency visa upon graduation was a key reason for their decision to study in Australia. Some international students felt cheated by the rapid shift in policy. For many participants in this study, there was a clear pathway to permanent residency and ample opportunities to test the labour market when they applied to study in Australia. However, by the time they graduated, the policy settings had changed fundamentally, making it much more difficult to obtain permanent residency. Others were upset that they would be unable to put into practice the skills and knowledge they had acquired via their Australian qualification. Many international graduates felt they had something to offer Australia and were keen to contribute their skills and knowledge.

Interviews with international accounting and engineering students suggest that the combination of an Australian qualification and work experience would provide a significant advantage in the home country labour market. However, without local work experience, finding work in the home country would be difficult. This finding concurs with other research suggesting that employers in key source countries, such as China, are, like Australian employers, reluctant to hire returning graduates without relevant local Chinese or Australian work experience (Gribble & Li, 2013).
Barriers to employment for international graduates

‘Graduates who have got strong communication skills and initiative, so people who’ve demonstrated initiative, people who are comfortable in freely expressing their ideas on things while still working in a team environment.’

Human Resource Manager, midsize engineering company

Debate surrounding the types of skills, knowledge and attributes required by employers and how best to prepare graduates for the contemporary workplace has intensified. The growth in knowledge economies has led to changing skill and knowledge requirements while the massification of higher education has resulted in an expanding supply of tertiary educated graduates entering the workplace. For employers, globalisation has resulted in greater international competition, offshoring and less certainty regarding their future labour requirements (Brown et al., 2010). For graduates, this translates into heightened competition for entry level positions, far less certainty surrounding post-study employment prospects and the growing need to ‘stand out’ in a crowded graduate labour market. As a result, universities are expected to place greater emphasis on ‘employability’ and ensure graduates are ‘job ready’ upon graduation.

The concept of ‘employability’ is both vague and contested (Andrews & Russell, 2012; Yorke, 2004). More recently, there has been a push to move beyond inventories of skills and attributes to a broader notion of how individuals gain, sustain and progress in employment (Bridgstock, 2009). Knight and Yorke have developed an advanced knowledge of employability which they believe goes beyond the skills agenda but can be developed while at university (Knight & Yorke, 2003). Hinchliffe and Jolly (2011) also argue for the debate surrounding employability to go beyond lists of skills and attributes. They identify four strands of graduate identity – values, intellect, performance and engagement – which employers are interested in and suggest graduates need to be aware of their identity across these four sets of experience (Hinchliffe & Jolly, 2011).

In the global labour market, a credential no longer guarantees employment. Graduates must also demonstrate a set of personal aptitudes and capabilities, referred to as ‘personal capital’ (Brown & Hesketh, 2004). ‘Personal capital’ is described as the extent the self can be packaged to capitalize on those personal qualities valued by employers and is based on a combination of hard currencies such as credentials and work experience, as well as soft currencies such as interpersonal skills, appearance and accent. The key to success in the labour market is a graduate’s capacity to present their experiences, character, and accomplishments in ways that conform to the competence profiles demanded by employer.

Strategies implemented by various graduates in their job-seeking efforts stem from different aspects of their personal capital. The development of a ‘narrative of employability’ based on reflection of experience is considered key to successful graduate employment outcomes (Brown & Hesketh, 2004).

International graduates face additional barriers when seeking post-study employment compared to their local counterparts. Lack of local networks, issues surrounding communication skills and cultural differences and limited knowledge of, and exposure to, the local labour market are considered some of the barriers to employment for international graduates. Drawing on interviews with employers and peak bodies in engineering, accounting and nursing, the following section examines the expectations of employers when hiring graduates as well as their perceptions of international graduates.

‘Best fit’

When recruiting, employers are looking for graduates who are going to easily integrate into their organisation. They are looking for candidates who can demonstrate values that match with those of the organisation and who can work well with both members of their immediate team and the broader organisation. The importance of ‘best fit’ was found across the three disciplines of engineering, accounting and nursing as well as in small, medium and large size firms. Employers placed importance on recruiting graduates who not only had technical or professional knowledge and skills but also those who had interpersonal skills and values that matched those of the organisation. Recruiting and inducting new staff involves a significant outlay and employers interviewed for this study emphasized the importance of hiring graduates compatible with their organisation.

Both large engineering firms interviewed for this study placed great importance on ‘fit’. One human resources manager noted that it was important that graduates were able to fit in with not only the values and culture of the overall organisation but also with those of specific team. A group work exercise was a key component of the company’s recruitment process which aimed to assess a graduate’s capacity to work well with others in a team setting. A Victorian state government department which employs a large number of engineers rated ‘cultural fit’ as very important when recruiting graduates. The graduate recruiter explained that the recruitment process involves a number of steps culminating in the final interview which is around how the applicant will fit within the organisation.
Engineering employers often place importance on hiring graduates with high level mathematics ability and advanced technical skills. However, while hiring graduates with superior skills and knowledge is critical, most employers were quick to acknowledge this cannot be at the expense of equally important ‘soft skills’ and their ability to integrate into the organisation. The human resources manager of a mid-size engineering firm discussed the importance of having someone who had the necessary intellectual capabilities but who would also contribute to the ‘family’ culture of the company. The company design, manufacture, install, service, and maintain speed and red light cameras as well as mobile cameras. Their recruitment process is comprehensive and the company will only consider top performing engineering graduates who must undergo rigorous interview and test procedures. However, while the company are clearly focused on hiring the best and brightest, they also want someone who will fit well within the culture of the company.

Entry to any of the graduate programs at the Big Four9 accounting firms is highly competitive. According to a graduate recruiter at one of the Big Four firms, hundreds of applications for the graduate program are received each year but only 120 graduates are successful. Of the successful graduates only around five are international graduates. The Big Four firms are seeking graduates with stellar academic results as well as a range of other ‘soft skills’ and extracurricular experience. The graduate recruiter explained that the firm had changed its criteria for entry into the graduate program based on past experience with international graduates who were not deemed a good fit for the organisation. The graduate recruiter explained that while international students are usually hard workers, the company is seeking more. They are looking for graduates who take risks, show initiative and demonstrate leadership qualities. Lack of assertiveness, a reluctance to ask questions and an inability to work well in teams has resulted in the company tightening its requirements making it very difficult for international graduates to enter the graduate program.

While in engineering the importance of excellent academic results is critical, particularly in roles that required complex technical skills, the employers in nursing and accounting placed more importance on attitude and how the person would fit within the organisation. In the health sector, employers described the importance of hiring graduates who could work well with both other staff and the patients. A graduate recruiter in a large metropolitan hospital described the key importance of ‘fit’ explaining that when recruiting they looked at an applicants key skills and knowledge, but underpinning everything was how the applicant would fit in with other team members on the hospital ward.

For employers, the importance of ‘fit’ stems from their desire for a harmonious work place. As one senior manager in accounting firms commented “You don’t want to employ people that won’t fit your culture and/or the skill set, because if you hire a dumb bunny it really upsets the team”. Employers are looking for graduates who will easily transition into the workplace, who will not only be hardworking and productive employers but who will also be able to maintain good relationships with staff and clients. While many employers mobilised a discourse about the values of diversity, hiring an international graduate was often perceived as too risky in the current climate.

‘Work ready’ graduates
The growing emphasis on ‘work readiness’ is the subject of much debate. Some believe that work and education are qualitatively different social sites. While education provides skills and knowledge useful both in the short and long term, it can only provide broad or generic training for work. Specific training for a particular job can only be undertaken after study (Hansen, 2014). However, the demand for work-ready graduates, who are familiar with organisational practices in the workplace is increasing (Cooper, Orrell, & Bowden, 2010).

Our interviews reveal that work readiness is a key priority for Australian employers in the three disciplines of health, engineering and accounting. The healthy supply of graduates in all three disciplines means that many employers can afford to be highly selective when recruiting. Many employers have set the bar high, often demanding solid academic results, relevant work experience, well developed soft skills and excellent communication skills. When questioned about work readiness, many employers talked about wanting graduates who were ‘job ready’ or could ‘hit the ground running’. Employers mentioned the fast pace of the workplace where there is little time for de-briefing and employees need to be able to keep up with their colleagues in a team environment.

A number of employers spoke of the importance of work experience and how exposure to the workplace while studying provides students with the opportunity to acquire valuable insights into how the workplace operates and what is expected of them in different workplace settings. In other words, work experience improves work readiness. Some employers felt that it was time for universities to do more in terms of preparing graduates for the workplace. One state government department saw a role for their organisation in working with universities with the aim of enhancing the employability of graduates.

Others felt that while universities needed to ensure students graduate with certain skills and competencies, employers also needed to take responsibility for training graduates once they were recruited. A peak body for the built environment sector raised the issue of whose role it was to tackle the issue of graduate employability conceding that both industry and the university sector need to take some responsibility.

9 The Big Four are the four largest international professional services and accountancy networks. They include: KPMG, Deloitte Touche Tohmatsu, PricewaterhouseCoopers and Ernst & Young.
He commented that some employers have unrealistic expectations, expecting graduates to be able to run a meeting and be across all aspects of the business from the outset. However, he believed there was scope for universities to enhance graduate employability, citing the written communication skills of engineering graduates as an area of concern among employers.

Similar concerns emerged with employers in the health sector, despite nursing students having to complete compulsory clinical training. Employers in the health sector valued graduates who had worked in the sector while studying (usually in aged care settings) and emphasized the importance of work readiness of graduates who needed to be able to find their feet quickly in busy work settings such as hospitals and aged care homes. The fast-paced hospital environment and the nature of the work which involves making decisions with potentially serious consequences means that employers are reluctant to take on anyone who they feel may not be ‘work ready’. The following comment highlights the pressure that new graduates are under and the high expectations held by employers:

‘So we throw in all that to see how they would cope in a ward. Because they have come into the ward and even though they are junior, the situation is such that they might become a team leader in a week or two weeks. I mean, they are accountable as soon as they walk in. So we don’t say that we want blood out of stone, but at the same time we also expect them to behave as an RN really.’

Graduate recruiter, NSW central coast hospital

Soft skills

When recruiting graduates, employers are looking for more than just good academic results. There is increasing emphasis on ‘soft skills’. The term ‘soft skills’ is used to describe skills and attributes such as teamwork, motivation, problems solving and interpersonal communication. Employers are now looking beyond the qualification for well-rounded graduates who can demonstrate a range of ‘soft skills’. The emphasis on ‘soft skills’ was found in the three disciplines and in small, medium and large size employers.

According to one engineering peak body, employers are looking beyond grades for well-rounded individuals with good interpersonal skills and leadership potential. Among engineering employers, there was the view that while the degree provided entry into the job market, to succeed it was increasingly important that graduates were able to demonstrate ‘soft skills’. Many of the interviews with engineering companies emphasise that while technical skills were very important, graduate engineers also need to work well with others and be good communicators. As one HR manager in a medium-size engineering firm commented, “It’s not just drawing anymore – engineers need to be able to communicate with colleagues, clients and managers both in person, in writing and on the phone”.

Together with the rapid growth in the number of international students studying accounting in Australia has been an increasing concern that while international accounting graduates may have adequate technical competence, they are lacking in generic skills and attributes required for professional employment (Bunney & Therry, 2013). For many accountancy firms, ‘soft skills’ are rated higher than academic results and there is a growing emphasis of hiring graduates who can provide evidence of excellent communication skills, participation in a wide range of extracurricular activities and other key attributes such as leadership.

For the large prestigious accounting firms, where high academic results can be taken as a given, soft skills are key. Graduate positions at the Big Four accounting firms are highly competitive and successful candidates generally have outstanding academic results along with well-developed soft skills typically evidenced through extracurricular activities, part-time work and volunteering.

Employers also made frequent reference to attitude and motivation. There was the view that while certain skills and knowledge can be taught, ‘soft skills’ are more difficult to instil. Choosing someone with the right attitude and a willingness to develop themselves professionally was considered critical. One employer described looking for the ‘X factor’, someone who can add to the work environment rather than detract from it. Nursing employers were also looking for the ‘all-rounder’; someone with sound clinical skills as well as well-developed communication skills. Assertiveness in nursing emerged as an important attribute and central to patient safety. International nursing graduates may come from hospital settings in countries where nurses, particularly graduates, are expected to defer to senior medical staff. This was a source of concern for some employers in the health sector who were critical of the lack of assertiveness among international nursing graduates. Employers interviewed for this study considered it critical that graduates were able to speak up, ask questions, seek clarification and demonstrate initiative.

While nurses needed to be assertive, this also needed to be balanced with compassion and a real aptitude for the nursing vocation. According to recruiters and clinical educators, graduates needed to display a genuine desire to care for patients and their families. While international nursing graduates were sometimes considered lacking in assertiveness, compassion was noted as a key strength with one graduate recruiter describing international graduates as being dedicated, caring and having ‘hearts of gold’. Team work was also seen to be critical in nursing and was emphasised in the interviews. Nurses work in teams and ensuring that potential employees will work well with other staff in a team environment was an important consideration when selecting staff. In all three professions, the criteria upon which graduates were judged were team work, communication skills, motivation and leadership. Recruiters in all sectors sought the top performers who demonstrated potential to be future leaders within the organisation.
Communication skills

The importance of high level communication skills ran across the three disciplines. Employers in accounting, nursing and engineering all seek graduates who have both an excellent command of English and the ability to communicate in a range of settings. Employers have high expectations of graduates. They are looking for graduates who have a confident command of English and are comfortable expressing their ideas freely in a team environment. Graduates need communication skills that can span a range of workplace situations. For example, engineers need to be able to communicate on the shop floor as well as with clients and suppliers while accounting graduates need to elicit information from clients, provide professional advice, and communicate with people at all levels. A number of the large accounting and professional services companies have introduced strict rules surrounding English language, with many requiring IELTS 8.0 across the four skills of reading, writing, listening, and speaking. One mid-size accounting firm described verbal communication as critical and the reason why the company had not yet hired an international graduate:

‘The question I ask is: “Can I see this person as someone who in the short to medium term that I can have sit in front of a client one on one?” And if they’re able to achieve that then to me I’ll move forward. So it comes down then to a language issue. Because it’s not only being able to understand an individual, it’s being able to then talk technically also and use technical terms which are appropriate in front of a client. I need them to be able to talk on the phone and present themselves like any other member in the firm.’

Partner, mid-size accounting firm

Graduate nurses must feel confident conversing with other hospital staff as well as patients in what can be highly stressful and emotional circumstances. One manager of a large nursing recruitment agency described the importance of graduates having confident communication skills to survive in a workplace where nurses can be very critical of each other. The 2010 decision by the Australian Health Practitioner Regulation Agency (AHPRA) to require international nursing graduates to achieve an IELTS of 7 across all four bands was met with widespread approval by all of the nursing academics interviewed for this study. Many of them had nominated communication skills as a key issue for international nursing students and believed that in the past language requirements for international nursing students were too low.

Written communication skills are also highly valued by employers. According to a survey conducted by Consult Australia, an industry association for consulting companies in the built environment sector, low levels of written communication skills remain an ongoing challenge amongst graduates (Consult Australia, 2011). Graduates need to be able to write confidently and in the appropriate tone and style. In nursing the ability to write accurately and succinctly in patient notes and other documentation is critical.

Racism in Australian society

‘Take care of our feeling, because we are also human being, and we are also young persons, need help, we are students, and we pay money to learn. It’s not to pay money to have the bad experience like nightmare.’

Nursing student, China

Whether the emphasis on ‘best fit’ is, in some cases, a form of racism is an issue that requires further investigation. Racism among Australian employers and the broader community was raised in interviews with academics, peak bodies, and international students. When discussing the challenges that international graduates face when attempting to enter the graduate labour market, a number of stakeholders said that the attitudes of Australian employers acted as a barrier to employment. One accounting academic referred to the discrimination international graduates face, describing many employers in the accounting profession as being a bit behind the times and being reluctant to hire graduates who may not get involved in footy tipping of Friday night drinks at the pub. An engineering academic responsible for professional placements attributed employers’ reluctance to hire international graduates to “a high level of xenophobia in Australian society”. The issue of racism among Australian employers was also raised by a senior bureaucrat in the Department of Immigration and Citizenship, who consults with Australian employers extensively as part of his work in skilled migration, and described an “inherent degree of racism amongst middle management in Australia”.

Many participations in this study experienced discrimination in some form during their time in Australia. Most commonly, this took the form of verbal abuse on public transport or while walking in the streets at night. However, two students did report physical abuse. One described having eggs thrown at him while walking to his local shops while the more alarming report involved a student having an axe thrown at him during a trip to Tasmania. Tensions between local and international students on campus were also raised. International students described struggling to interact with local students and the challenges of group assignments when the lecturer required international and local students to work together. Many students interviewed for this project described their disappointment in being unable to include an Australian student among their friendship circle.

Despite a range of programs and initiatives, encouraging meaningful engagement between domestic and international students continues to pose challenges and there is much scope for improvement. More worrying are reports indicating that international students are concerned about safety and perceive Australians to be unwelcoming to international students. A recent survey of more than 18,000 students from 195 countries found that found one in five participants said safety was a reason not to study in Australia while a quarter said Australia’s attitude towards international students was a reason not to pursue tertiary education here (Maiolo, 2014).
ENHANCING THE POST-STUDY EMPLOYMENT OUTCOMES OF INTERNATIONAL GRADUATES

‘Not many employers willing to hire fresh graduates. It doesn’t make any sense. Why would I hire you? Why would I spend the time to train you? So yeah, everyone wants experience and we don’t have it definitely. It is very tough for us as well.’ Chinese accounting graduate

Role of universities
The growing demand for access to relevant work experience opportunities by international students, along with the mounting importance placed on ‘soft skills’ and ‘work ready’ graduates by employers, raises an important question: Whose role is it to develop employability skills? According to some, the current focus on graduate employability is undermining the true purpose of higher education institutions which is to further students’ understanding of the world and pass on a body of knowledge from one generation to the other. It is the view of some in the university sector that the role of academics should be engaging students in rigorous and challenging academic pursuits, rather than teaching employment skills (Williams, 2012).

However, many universities claim that upon graduation students from their institution will be able to demonstrate a particular set of attributes. Graduate attributes, usually included in a university’s strategic plan and documented on university websites, range from being able to communicate perceptively and effectively and work collaboratively in teams, to having the capacity to operate effectively within a discipline context in a socially diverse global environment, or the ability to span the boundary between the world of study and the world of work. There is the growing expectation that students develop important graduate skills and attributes throughout their program. Others believe there is an important role for employers to play in developing the skills required to integrate technical or academic knowledge into the workplace (Hancock et al., 2009). Many of the academics we spoke to were concerned about the employment outcomes of graduates and believed that universities do need to do more to enhance graduate employability.

Providing English language support
Academics and university staff interviewed believed lack of English language competency was preventing international graduates from transitioning into the labour market. In addition to needing a certain level of proficiency to enable progress through their courses of study, our research found a strong perception that English language proficiency is central to labour market success in both home and host countries for international students. Interviews with academics and other university staff highlighted a range of approaches to improving the communication skills of international students. Some faculties offered concurrent English language programs for international students while others offered English language support via a central service. One university was trialling an online writing service where students submitted written work which was evaluated by an e-tutor. Other universities had adopted online diagnostic tests to encourage students to identify and address their specific language issues. The main challenges with centralised services, online tools and language support programs is that they are voluntary and, as a result, are often not taken up by international students who are sometimes overwhelmed with the requirements of their courses and other commitments.

Some universities embed English language and/or academic skills support into the curriculum and many staff interviewed for this study endorsed this approach. The idea of embedded English language support is not new. However, despite a large body of literature claiming its benefits and numerous attempts to embed such support, the notion has not gained traction in Australian higher education. While one university had introduced an English for Health Sciences unit in response to concern around international students failing their clinical placements due to inadequate English language skills, there did not appear to be any systematic approach to embedding English language across the three discipline areas.

Generic or ‘soft’ skills
There is widespread agreement among academics and other university staff that generic or soft skills such as interpersonal communication, teamwork, initiative and leadership are valued highly by employers but are often lacking in international graduates. How international students improve their generic skills remains a topic of debate. While many interviewed for this study believed that the best way for international students to develop those skills was through work experience and extra curricula activities, a number of academics believed that the university had a role to develop those skills via targeted programs.

University staff also noted that developing the employability skills of international graduates needed to be a combined effort, with employers taking some responsibility for preparing students for work. One senior staff member in the School of Engineering believes that work needs to be done on both sides. Universities need to help international students develop the key generic skills that are highly valued by employers as well as educate employers on the benefits of hiring international graduates. Others academics highlighted the difficulty in striking the right balance between providing graduates with the requisite technical skills and soft skills. One accounting academic commented that there has long been a debate surrounding how best to prepare graduates for the workplace, however the rapid increase in the number of international students studying accounting adds another layer of complexity as to how best enhance graduate employment outcomes in the accounting discipline.
Importantly, how employers conceptualise so-called ‘soft skills’ is an area worthy of further investigation. For instance, this study found that while many companies strongly emphasise the importance of graduates having the right skill set to assimilate into the culture of the organisation, there are examples of companies who are more likely to recognise the value of diversity and how different perspectives, approaches and skill sets can benefit an organisation (see Meltwater case study Figure 8).

Career education

Career education has emerged as an important issue with university staff concurring that more needs to be done to improve students’ knowledge of Australian and global labour markets, understanding of local recruitment practices, as well as enhancing communication and ‘soft’ skills. Our study suggests that many international students in Australia have poor knowledge of the job application process, little understanding of employer-sponsored migration processes or think about employment too late in their degree. Interviews with employers suggest that poor understanding of the job application process is causing many international graduates to fall at the first hurdle. Employers frequently referred to the poor quality of job applications submitted by international graduates. They spoke of receiving generic applications that failed to address the selection criteria and did not include a cover letter. There is evidence to suggest that many international graduates adopt a scattergun approach, sending off the same resume to multiple employers without tailoring the application to the specific position. Others felt that international graduates need to be encouraged to employ diverse job hunting strategies such as networking, rather than rely on advertised positions. International graduates should also be encouraged to cast a wider net and explore non-traditional pathways such as smaller startup companies rather than focussing on large organisations and high status multinationals.

The overwhelming view of university staff in careers and employment is that international students are failing to think about employment early enough. Staff expressed frustration at the common pattern of international graduates seeking assistance from careers and employment in their final semester. Careers and employment staff felt strongly that career education needed to be embedded into the curriculum, therefore ensuring that students are thinking about their career from first year and taking steps that will place them in the best position in the graduate market. One senior staff member advocated a tiered approach to career education where students enhance their employability skills throughout their university program. In first year students participate in a compulsory volunteer program where the emphasis is on engaging with the local community and improving communication skills. In second year students participate in an unpaid internship in their discipline area while in their final year the focus is on obtaining a paid work placement. The focus is on achieving incremental growth and students are required to attend compulsory career development workshops and seminars from first year. While a program such as this is resource intensive, it is likely to lead to improved graduate outcomes thus delivering significant benefits to universities.

There was a strong sense that the needs of international students were distinct from domestic students. The three universities in this study had all made the decision to develop programs specifically designed to assist international students enter the labour market. Initiatives ranged from programs that helped international students recognise appropriate behaviour for various workplace situations; advice and strategies to improve networking skills, to the more traditional job interview and resume writing workshops. Importantly, many universities now have a designated international career consultant who works exclusively with international students. In one of the participating universities, the core role of the international career consultant is to engage with industry. This involves regular travel to key source countries such as China and India to build relationships with employers as well as forging relationships with domestic employers to promote the benefits of hiring an international graduate and encourage employers to offer internships and work placements to international students.

Despite the efforts of staff in Careers and Employment, many of those interviewed expressed frustration at the marginalisation of career education. Staff working in Careers and Employment firmly believe that career education needs to be embedded from first year in order to give international students sufficient time to develop the skills and knowledge required to transition into the labour market. Others described their frustration that while employability is often located centrally in university strategic plans, in practice it remains on the periphery. This view was echoed by NAGCAS, Australia’s peak professional body for career development in the higher and tertiary education sectors who noted that in many Australian universities, there were moves to embed career education into the academic curriculum. According to the peak body, this is the trend overseas and while Australian universities are heading in that direction, it depends on the attitudes and structures of individual universities as to the pace of change.
ENHANCING THE POST-STUDY EMPLOYMENT OUTCOMES OF INTERNATIONAL GRADUATES

Work integrated learning

The link between relevant work experience and graduate employment outcomes has led to growing interest in work integrated learning (WIL) and how it may be used to enhance the employment outcomes of international students. While WIL has long been a key element of many university programs, there is a growing interest in WIL which is seen by universities as a valid pedagogy and a means to meet employer demands for work-ready graduates. Importantly, students are seeking a return on investment and WIL is seen to provide critical ‘employability’ knowledge and skills (Gribble, 2014; Victorian Ombudsman, 2011).

Growing importance of WIL for international students

One of the key findings of this study was the growing importance of WIL among international graduates. International graduates interviewed for this study believed that participation in some sort of work experience during their study program would enhance their chances of success in the graduate labour market. The common refrain from students was that employers are looking for graduates with experience and a lack of discipline related work experience was a significant disadvantage when looking for graduate employment. Many of the international students interviewed for this study were disappointed that they had not acquired discipline related work experience while studying. For some students, the pressure of combining study with part-time work and day to day living meant that finding an internship or work placement was not prioritised. However, others were unaware of the importance of work experience until after they graduated and began looking for work. This comment by an accounting student from India highlights the importance of making international students aware of the importance of developing their employability from the outset:

‘Nobody told me about the importance of work experience in this country, they didn’t emphasise that that is what employers would be looking at. And because of that I have wasted too much time because otherwise if somebody had told me look this is what we expect of you not just your scores then I would do more for that.’

Accounting student, India

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10 Work Integrated Learning (WIL) is an umbrella term used to describe learning that is embedded in the experience of work (McIlveen et al., 2009).

The Most common forms of WIL are cooperative education, work experience, placements, practicum, internships, field work, workplace projects, workplace research, work-based learning, sandwich years, cadetships, community-based learning and service-learning.
Others participants were quick to point out that having local work experience would enhance their employment prospects both in Australian and in their home country. There is growing evidence to suggest that employers in key source countries such as China are emphasising work experience (Li & Yang, 2013; Sharma, 2014). There were also indications that providing international students with opportunities to acquire discipline related work experience would boost the attractiveness of Australia as a study destination. The views of students match with those of employers who are looking for graduates who have had exposure to the workplace which is considered a sign that they are motivated and more likely to be ‘work ready’.

International students struggle to source own placement

Interviews with international students, employers and academics suggest there is a need to provide international accounting students with more opportunities to acquire discipline related work experience. In engineering, a practical component is often a core component of their program with many engineering programs requiring students to complete a 12-week work placement. However, despite the obligatory nature of practical experience in engineering, a number of issues emerged in relation to international students.

In both of the schools of engineering in this study, students were required to source their own placements. While domestic students typically had little difficulty finding a company willing to host them on a placement, for international students this was the source of much angst. Of the 19 Engineering student interviewed for this study, only one student completed his practical placement in Australia. This particular student achieved very high academic results and was awarded a scholarship to complete a paid internship. After unsuccessfully attempting to find a placement in Australia, the other 18 international students either returned home to fulfil the 12-week work placement requirements or carried out some sort of project work with one of their lecturers. According to the students, neither of these options were deemed satisfactory as they fail to provide exposure to the Australian workplace.

Preparation is key to success of WIL for international students

Much of the WIL literature highlights the importance of pre-placement preparation. Indeed one of the key findings of a major report on WIL in Australia is that “merely providing practice-based experiences for students is insufficient unless those experiences are enriched through preparation, engagement and opportunities to share and reconcile what has been contributed by these experiences” (Patrick et al., 2008). Adequate preparation is not only critical to the success of an internship or work placement, it is also vital in enhancing the overall employment prospects of all international graduates.

In nursing, where clinical placements are a core component of the program, preparation for placements emerged as a key issue. The School of Nursing at one university created a YouTube video designed to initiate international students into the expectations of nurses in Australia before students arrived in Australia. The School of Nursing has also focussed on lifting the performance of international nursing students on clinical placement. Academics spoke of the importance of preparing international students for the Australian hospital and the expectations of clinical placement. After having ongoing issues with international students on clinical placement, a unit was designed specifically to prepare international students for clinical placement. According to the unit chair, those international students who completed the unit performed much better on placement than those that did not.

In one of the participating universities there were significant variations across disciplines in the way students are prepared for WIL. For example, in the School of Business, students are required to complete one pre-placement assessment task which involves documenting how they negotiated their placement, providing a profile of the organisation, establishing a learning plan for their placement and identifying learning goals. They are not required to attend face to face classes. In the Faculty of Science, students are required to complete a number of modules that involve both contact and non-contact hours. The modules are designed to ensure that students are well equipped to enter the workplace covering areas such a workplace communication, time management, Australian workplace culture, along with interview skills and resume writing. The modules are designed to bridge the gap between theory and practice, providing students with the skills and knowledge to operate in a professional environment. In contrast, the School of Engineering provide no formal pre-placement preparation for the mandatory 12-week professional placement. Students are required to secure their own placement and are referred to the Careers and Employment centre for advice on possible placements as well as assistance with resumes. A number of WIL academics linked the importance of pre-placement preparation to successful WIL placements.

Expectations of international graduates

Interviews with academics and other university staff suggests that many international students have unrealistic expectations about graduate employment. These findings are echoed by other research suggesting that unrealistic expectations are a barrier to graduates success in the labour market (Patton, 2009; UNESCO, 2012). This was particularly evident among accounting graduates. For example, our interviews with both international accounting graduates and university staff in the School of Business suggests that international students are placing too much emphasis on prestigious accounting and professional services firms at the expense of mid-tier and micro firms. When asked about their career goals, international accounting students frequently indicated that they hoped to find employment at one of the major banks or ‘Big Four’ international accountancy and professional services firms.

However, securing a graduate position at one of the ‘Big Four’ is an unrealistic goal for many international students. Most of the top tier banks and accounting and professional services firms use vacation programs to recruit graduates and are often reluctant to take on international students for fear they will require additional support and will not transition easily into the workplace. Many large accounting firms and banks apply strict conditions on work placements, often requiring students to have permanent residency or achieve very high scores on the IELTS which excludes many international students studying at Australian universities. In contrast, many small firms are not bound by strict rules surrounding visas and have the flexibility to hire an international graduate. For example, when asked about the idea of sponsoring a Chinese international student who was currently completing an internship, the owner of a small accounting firm was open to the idea of sponsorship.
When interviewing university staff, the issue of international students’ expectations was also raised. According to staff in Careers and Employment, many international students have unrealistic expectations of post-study employment opportunities and are unaware of just how difficult it may be for them to secure work in their field after graduating. A number of university staff referred to the lure of the large multinationals and how the emphasis on high status companies may prevent some international graduates from pursuing other opportunities. Some staff felt that international students needed to be reminded of the importance of getting their foot in the door and encouraged to set smaller career goals which can be increased over time. A number of academics felt that universities could do more to promote alternate pathways, engaging more with smaller companies and ensure that students are exposed to a wide range of employment options, including those outside of the CBD or in regional locations.

In nursing, participating in the graduate year program is the preferred route for international graduates as it is well supported, includes professional development and provides new graduates’ training in a range of speciality areas. However, entry into the graduate year program is highly competitive. For example, Victoria uses a computer match system to allocate graduate year places. Priority is given to domestic graduates or those on permanent residency visas which means that international graduates are only eligible for places once all domestic graduates have been placed. Our study revealed that obtaining a place in a graduate year program in a metropolitan hospital, particularly in Victoria, is an unrealistic goal for many international nursing graduates. Gaining experience in regional areas or in aged care settings can provide international students with valuable experience that provides a springboard to other opportunities.

In our study two Victorian international graduates who were willing to move outside of Melbourne successfully found employment. One completed her graduate year in a regional centre three hours from Melbourne and is currently applying for jobs in metropolitan hospitals. Another accepted a graduate position in an aged care provider in Sydney which led to a permanent position at a Canberra hospital. There are suggestions that graduates willing to think outside the box and consider alternate career pathways are more likely to succeed.

**Interaction with the local community**

Greater involvement in the local community is considered critical if international students are to improve their English language and communication skills and enhance their understanding of local culture. Expanding local networks is also likely to improving post-study employment outcomes. A key finding of research conducted by Australian Education International (AEI) indicates that there is much scope to improve interactions between international students and local students on and off campus, and support international students to engage more fully with the broader Australian community (Lawson, 2012). Supporting and expanding opportunities for social engagement allows international students to practise their English and make social and academic connections beyond their field of study. Importantly, programs and activities that encourage international students to mix with local students and the community are likely to improve the employment outcomes of international students. Volunteering, sport, part-time employment and other extracurricular activities such as the Duke of Edinburgh provide valuable networking opportunities and are looked upon favourably by employers seeking the ‘all-rounder’.

Our research suggests that many international students struggle to engage with the local community and that lack of interaction with locals is a source of frustration and disappointment. Interactions with the peers in class and on campus was frequently raised as an issue with many international students expressing disappointment in that they could not include an Australian among their friendship group. Many of the international students interviewed for this study lived with other students from the same cultural background. A few chose flatmates who did not speak the same language, but they were in the minority. Many Chinese accounting students recalled their dismay when they arrived at their first lecture to find so many other Chinese students.

For those international students who chose to step outside of their comfort zone, the rewards were great. A few students went to great lengths to immerse themselves in Australian society. For example, after six months of struggling with homesickness and loneliness, Mei, a Chinese accounting student, had a watershed moment where she decided she needed to meet native speakers, improve her English and make the most of living in Australia. She decided to take up rowing, purely because she believed it would allow her to meet locals. This proved successful, and led Mei to meet other Australian students. She began socialising on the weekends with other Australian students and participated in a surf camp and a trip to Central Australia. Mei also decided to pursue her interest in art and joined a suburban painting group which provided her with more opportunities to meet locals and improve her English.
As Mei’s story illustrates, while initiatives designed to enhance local-international interactions are welcome, ultimately, those international students who take a proactive stance are more likely to develop key skills, expand their local networks and improve their chances of success in the Australian labour market. While many international students expressed disappointment in the lack of interaction between local and international students, some believed that international students needed to show more initiative when it came to connecting with local students.

‘I think international students ourselves, we should be more positive. Because we can’t count on others to be willing to talk to you more. We should come out to speak to people. Like, although there are some people who are not willing to talk to international students, most of the people are really friendly here in Australia. They are willing to talk, they are willing to explain things’

Accounting student, China

**Employer attitudes**

There is substantial evidence to suggest that by and large, employers would prefer to hire a domestic graduate than an international graduate. As discussed, employers spoke of the difficulties associated with recruiting international graduates, including issues surrounding language and culture as well as visa practicalities. Given the current healthy supply of domestic graduates many employers do not see any reason to employ an international graduate. However, those employers who do hire international graduates are often very satisfied. Employers who had hired international graduates in the past cited a range of advantages including strong work ethic, intelligence and dedication. One employer commented that compared to local graduates, international graduates were less likely to quit if they ran into difficulties as they had worked hard to get the job and had more at stake.

DEEWR research found that lack of specialized skills was one of the reasons large numbers of qualified applicants were considered unsuitable by employers which suggests that in certain areas of engineering advanced technical knowledge is prioritized (DEEWR, 2013b). In smaller engineering companies, where technical skills are seen as critical, international graduates are seen as possessing key specialist skills and the capacity to drive innovation in the workplace, while in health having a staff that reflects the diversity of the patients and their families is seen as very beneficial. In aged care, employers spoke of the colour and interest that international graduates brought to the workplace which benefitted both staff and residents. International graduates were also seen to invigorate the workplace, bringing new methods and new ways of doing things.

In nursing, warmth and compassion are seen as key qualities brought by international graduates. A number of employers in the health sector spoke of international graduates in glowing terms, describing their warmth and dedication to their work. Other employers recognised that while an international graduate may take longer to adapt to the workplace, it is often worth the investment with the workplace standing to benefit from their specialist skills and knowledge.

Despite recognising the advantages associated with a diverse workforce, there are indications that many employers are inclined to gravitate towards the familiar. When asked, many employers are quick to espouse the benefits of a diverse workforce. For example, a graduate recruiter at one of the ‘Big Four’ companies was quick to cite the advantages of diversity in the workplace. She spoke of the emphasis her workplace placed on a diversity and inclusiveness and referred to company policy and documents on the subject. However, later in the interview she spoke of the firm’s decision to severely tighten eligibility for international graduates. She claimed that previously a more lenient criteria had resulted in the company hiring international graduates who, despite being hard working and conscientious, lacked other key attributes required by the company.
Other employers commented that when given the option, they were more likely to hire those from culturally similar backgrounds. One engineering peak body described having to weigh up the benefits of workplace diversity with maintaining a harmonious workplace, conceding that a decision to employ someone culturally similar to the workplace may mean missing out on the benefits associated with diversity. In nursing, our research concurred with other studies indicating that nurses who were non-native speakers of English and were derived from non-Commonwealth countries were more likely to experience difficulty transitioning into the Australian labour market (Hawthorne & To, 2014). Interviews with employers, such as this senior manager in large agency reflected this view:

‘Yes, but also if you’re blonde haired and blue eyed and speak with an Irish accent, those nurses will come and just fly. They just get in wherever they go and I think a lot of it is to do with not so much cultural assimilation, but just the other staff just having the confidence in your abilities as well.’

Senior Manager, large nursing agency

A report by Diversity Council Australia found that Asian talent regularly experience bias and stereotyping, including about their cultural identity, leadership capability and English proficiency (DCA, 2014). The report found many employers over emphasise Westernised leadership models which over-value self-promotion and assertive direct communication, while undervaluing and misinterpreting quiet reserve, deference and respect for seniority. Importantly, the report found that many organisations are failing to leverage workforce cultural diversity to better service clients, particularly Asian markets (DCA, 2014). Our research concurs with many of these findings. Interviews with employers in the three discipline areas found that while a few organisations conceptualise issues surrounding linguistic and cultural diversity differently (see Figure 8: Meltwater News Case Study), the majority are of the view that hiring someone who mirrors the existing staff cohort is the preferred option.
The impact of post-study work rights on employment outcomes

The impact of the recent introduction of post-study work rights on international graduate employment outcomes is unclear. Investigation into the impact of the new visa arrangements and how they are perceived by employers and industry is needed as well as a more comprehensive understanding of the requirements of Australian employers in the context of international graduate recruitment.

Improving community perception of the broader benefits of international education and contribution of international students to the local community

The study uncovered disturbing reports of racism experienced by international students studying in Australia. Further investigation into the attitudes, perceptions and interactions between international students and the wider community is required. This study suggests more work is needed to ensure that the broader Australian community supports international students and recognises the value of their contribution to local communities. While interactions between domestic and international students has been a longstanding issue, there are indications that more needs to be done to harness the potential of student diversity.

Educating employers on the benefits of hiring an international graduate

Employers have many concerns when it comes to hiring an international graduate. However, the experience of those employers who have employed international graduates are often very favourable. There are also indications that employers are failing to recognise the benefits of cultural diversity, address biases and stereotypes and leverage the skills and knowledge of staff from diverse backgrounds. Employers need to consider unconscious bias that may be embedded in recruitment practices that prioritise ‘fitting in’ with the cultural norm at the expense of talent from a diverse range of backgrounds. Promoting the positive experiences of employers who have hired international graduates, demystifying visa requirements and highlighting the benefits of diversity in the workplace in an increasingly multicultural business environment should be prioritised.

Understanding how ‘employability’ is understood in key source countries

While this study focussed on the employment outcomes of international graduates in the Australia, there is also a need to better understand the requirements of employers in key source countries. If opportunities to enter the Australian labour market diminish, it is likely that international graduates will return home or seek employment opportunities elsewhere. A more nuanced understanding of what constitutes generic skills and employability in key source countries is required in order to ensure the continued relevance of Australian tertiary education to both international and domestic students.

Work integrated learning and international students

The current and projected importance of WIL for international students is a key finding of this study. There is an urgent need for research into how best to cater for the WIL needs of an increasingly diverse student cohort in a range of disciplines. Research into participation rates of international students in a range of disciplines, the barriers to participation, and strategies for enhancing overall participation rates among the international student cohort is required. Investigation into the role of employers and industry and how to strengthen the university-employer relationship to enhance WIL provision for international students is also a priority.

RECOMMENDATIONS FOR FUTURE RESEARCH

The impact of post-study work rights on employment outcomes

Understanding how ‘employability’ is understood in key source countries

Work integrated learning and international students
This study examines the wider policy implications surrounding international graduate employment for countries seeking to both maintain their share of the lucrative international education market and compete for skilled labour in a highly competitive global labour market. For the current generation of international students and their families, global career and mobility opportunities are driving factors in their choice of study destination. Whether they are planning to remain in the host country or return home, acquiring overseas work experience to complement their foreign credential has become a key goal for many international students. For host countries, the economic value of international students is often considerable and in many cases domestic universities rely heavily on revenue from international students. There are also considerable social and cultural benefits associated with international education, including opportunities for deep global engagement.

Visa and migration policies shape international student choices and the recent experience of Australia highlights the wide ranging and unintended consequences of linking education and migration policy. While post-study work opportunities are a key driver of choice, the findings of this study suggest that success in the graduate labour market is dependent on a number of factors. In a highly competitive graduate labour market, employers are increasingly discerning. Employers expect graduates to have excellent communication skills, well developed ‘soft skills’ and relevant work experience. There is also an emphasis on ‘fit’ and hiring graduates who will easily integrate into their organisation.

While the desire for harmony in the workplace is understandable, there are concerns that the emphasis on ‘fit’ may be resulting in Australian workplaces missing out of the benefits associated with diversity in the workplace. More concerning are suggestions that the racist attitudes of some Australian employers are preventing international graduates entering the Australian labour market.

For universities, the expectations and demands have intensified in terms of the types of supports they need to provide particularly around work readiness, career education and English language support. Work integrated learning has emerged as an area of critical importance. Given the current and projected demand for practical discipline related work experience among international student cohorts, how universities address the issues surrounding employability and the provision of work placements for international students is vital. Finally, the findings of this study highlight the need for more nuanced understandings of what constitutes generic skills and employability. The employability of international graduates is perhaps the best branding approach for Australian universities, enhancing the value of an Australian degree and ensuring Australia remains a global leader in international education.

CONCLUSION
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