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# AUSTRALIAN HUMAN RESOURCE PRACTITIONER VIEWS & USE OF TEMPORARY SKILLED MIGRATION

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# AUSTRALIAN HUMAN RESOURCE PRACTITIONER VIEWS & USE OF TEMPORARY SKILLED MIGRATION


## ABSTRACT

Skilled migration has become a key element in Australia's strategy to address major human capital trends and issues. These include an ageing workforce and significant skill shortages in key professional occupational groups (health, medicine, nursing, engineering, specific trades and technical occupations). The impacts these human capital trends have upon Australia's economic sustainability and survival in a global economy is paramount. Historically, Australia has been a country dependent upon different forms of migration, however the last 10 years has seen a major shift in migration policy as Australia, along with other developed industrialised nations begin to experience the effects of an ageing population, declining fertility rates and global competition for highly skilled labour. This paper draws together recent policy initiatives and research on skilled migration in the Australian context and the implications this has for Australia's future human capital development. Data from a survey of members of the Australian Human Resources Institute (AHRI) is presented. Human resource practitioners are at the very interface of labour supply and demand and the findings shed light upon employer sponsored temporary skilled migration activity in a range of industries and organisations in Australia.



**Keywords**: skilled migration, HR practitioners, international migration

The authors would like to acknowledge the Australian Human Resources Institute (AHRI) for providing access to the data reported in this paper.


## INTRODUCTION

This paper has utilised data from an online survey of members of the Australian Human Resources Institute (AHRI) which was conducted in December of 2008. AHRI has initiated HRpulse surveys quarterly for the purpose of surveying its membership base on current issues of concern and topics that impact upon organisational performance. Results of these surveys are reported back to members through the AHRI website and are utilised to inform the profession in relation to best practice solutions, influence and lobby relevant bodies, and shape people management standards. An agreement between AHRI and one of the authors has been made to allow for further analysis of the data from the AHRI survey: *Foreign or homegrown talent: Are 457 Visas the answer to skill shortages?* A report on the initial analysis was published in April 2009 and is available on the AHRI website: *Australian Experiences with Skilled Migration-Perception and Reality* (AHRI 2009). This paper has undertaken additional and expanded analysis of the data and is reported in the methodology and findings and discussion sections of this paper. The paper will briefly overview the literature that documents the historic evolution of migration policy in Australia within a human capital context, before looking at recent trends in international migration and migration policy in Australia. The *Temporary Business (Long Stay) Visa 457,* will be described before presenting the additional analysis from the AHRI survey data which explored HR practitioner views and use of employer sponsored temporary skilled migration from within Australia. The paper concludes by identifying points of interest, gaps in the literature and proposing future research in this area.

## HISTORICAL HUMAN CAPITAL CONTEXT FOR SKILLED MIGRATION IN AUSTRALIA

Several authors have documented the historical context of migration in Australia in their discussions of skilled migration (Hugo 2004a, 2004b; Phillips 2005, 2006; Saunders 2008; Shah & Burke 2005; Teicher, Shah & Griffin 2000). Hugo (2004b) undertook a very comprehensive investigation into what he refers to as the 'new paradigm of international migration' and the implications this has for Australia's future policy on migration. As noted by Hugo and others, migration has and will remain a crucial aspect of Australia's economic, social, and cultural development and future. Australia's migration policy has been developed for over 60 years when in 1945 the first federal immigration portfolio was created. The focus then was on attracting migrants primarily from the United Kingdom and Europe in the post WWII period as a means to build and replenish the Australian population. Since then over six million people have settled in Australia (Phillips 2005).

> The original aim of the program was to build up the population for defence purposes. In the 1950s and 1960s, the program aimed to bring in workers to build up Australia's manufacturing industries. By the early 1990s, the aims of the program were more diffuse, encompassing social (family reunification), humanitarian (refugee and humanitarian migration) as well as economic (skilled migration) objectives. Over the last ten years the emphasis of the program has been on skilled migration (both temporary and permanent), particularly to our regional areas (Phillips 2006, p. 1).

Saunders (2008) refers to the earliest targeted migration program in Australia being in 1949 when large numbers of post-war migrants (unskilled and with specialised skills) were actively recruited to work on the Snowy Mountains Hydro-electric Scheme. Since this period the major source countries for Australia's migration has changed and fluctuated and reflects wider international events, politics, conflicts and economic and social changes and trends. The aftermath of WWII saw many displaced people from Europe and the UK enter Australian shores and in the 1980s and 1990s there has been a marked increase of migrants to Australia from Asia, the Middle East and more recently Africa (Phillips 2005).

Hugo (2004b, p. 70) asserts that the contemporary world of immigration in the 21st Century is totally new and is a result of 'a set of powerful international processes which are creating strong new political, economic, financial, cultural and information linkages between countries'. Hugo refers to this as the 'Age of Migration', characterised by 'a massive increase in global population movement and an increase in the complexity of the types of movement—permanent and temporary, legal and undocumented, forced and voluntary, work and non-work related, etc. '(Hugo, 2004b, p 1). This new era has been created by major and highly complex global drivers that have transformed international migration. These global drivers are summarised as follows:

> • the internationalisation of labour markets which has meant that many people now have knowledge of, and compete for, jobs in many countries
>
> • the increasing demographic gradient between nations which has meant many developed economies (which have experienced low fertility over a long period) where local workforces are not growing or declining have labour shortages; while in less developed nations (where workforces are rapidly growing), labour surpluses are large

• widening gaps in economic well-being between less developed and more developed nations

• globalisation of media, which increases peoples' information about other places

• universalisation of education in most countries

• reduction of time and travel costs between countries

• activities of transnational organisations especially companies with operations in many nations

• labour market segmentation, which has seen people in higher income countries eschewing low status, low income jobs which open up niches for migrants

• the proliferation of the international migration industry

• the increased involvement of national governments in origin countries realising the benefits that can accrue through migration

• the massive growth of social networks which facilitate the migration of family and friends by providing information about migration and help new migrants once they arrive at destinations (Hugo 2004b, pp. 9-10).

Australia is among a small group of countries which have long traditions of migration. Other nations with similar histories include: Canada; New Zealand and; the United States of America (Shah & Burke 2005). Hugo (2004b) argues Australia's long history of migration, associated culture of migration along with generations of expertise in migration policy and management has placed Australia in an advantageous position to make the most of recent international migration tends and forces. However, almost all nations of the world are now influenced significantly by migration and non-Organisation for Economic Co-operation and Development (OECD) nations have become the dominant sources of migrants (Hugo, 2004b, p 4). Many nations are now in competition with each other for groups of highly skilled labour and its is those nations with experience in migration policy and management that will be positioned to make the most of the opportunities and challenges facing many nations in this new 'Age of Migration'. Many developed nations are feeling the effects of ageing populations and workforces, declining fertility rates and associated skill shortages. The traditional migration countries have now been joined by many other nations needing to sustain their economies through human capital strategies such as skilled migration. Hugo (2004b) believes Australia is in a good position to meet these challenges:

> …it is often overlooked that Australia is one of very few nations that has had a federal government department devoted to immigration and settlement for more than half a century. This has meant that there has been the development of a skilled and committed cadre of 'immigration bureaucrats' over a number of generations. This substantial body of people with a level of professionalism, knowledge and experience gives Australia a huge advantage in confronting the challenges created by the New Migration. The need for 'Management of Migration' has become the mantra emerging from international fora, conferences, summits and meetings concerned with international migration. However, an essential element in any migration management is the availability of human resources, institutions and infrastructure to develop and

> operate effective management strategies and Australia is extremely well positioned in that respect. (Hugo, 2004b, p 3)

Shah and Burke (2005) have noted that the global competition for skilled and unskilled migrants will intensify as other nations (Japan, South Korea and Italy) with no previous history of immigration begin to feel the effects of ageing populations and declining fertility rates. These nations are beginning to supplement their workforces with temporary workers from developing nations. Like Hugo, Shah and Burke (2005, p. 3) believe Australia has a significant advantage over these countries due to the length and history of migration expertise and experience, along with language and physical space.

By the end of June 2008 Australia's population reached 21.4 million. Population growth in the 2007-08 financial year was made up of 145 500 people through natural increase (births less deaths) and 213 500 through net overseas migration. In 2007-08, 76 923 people left Australia permanently resulting in the highest level of emigration ever. Australia lost 37 095 skilled people through permanent emigration in 2007-08, but gained 52 705 skilled permanent arrivals (settlers) (DIAC 2009a, p. 2). Over one-third of the Migration Program in 2007-08 was made up of persons granted permanent residence after initial entry to Australia on a temporary basis. In 2007-08, there were 108 540 people granted Skill Stream places, an increase of 10.8 per cent on 2006-07. The Skill Stream made up 68.4 per cent of the total Migration Program and the main source countries in 2007-08 were the United Kingdom (UK), India, the Peoples Republic of China (PRC), South Africa and the Republic of Korea (DIAC 2009a, p. 24).

There is no argument that skilled migration is a crucial strategy (albeit not the only strategy) for Australia in combating the human capital imperatives of the 21st century, although there are concerns by some that there needs to be further efforts made to develop the home grown skilled labour supply (especially through the vocational education and training sector) and the impact of skilled migration on local wages and unemployment rates (Shah & Burke 2005). The next section of the paper provides details of recent policy shifts in skilled migration in Australia that have been developed in response to: the global financial crisis; concerns about the integrity of the skilled migration program and; industry needs.

## SKILLED MIGRATION POLICY IN CONTEMPORARY AUSTRALIA

For the first half of the post war period migration was focused upon permanent settlement from the UK and Europe. The contemporary situation is that the international migration impinging on Australia is now more complex especially with temporary residence becoming more important and more Australians than ever before, migrating to live and work for extended periods in other countries (Hugo, 2004b, p 1). The flow of human capital is not a one way process as evidenced by statistics reported later in this paper. International migration can cause a 'brain gain' for countries but it can also cause a 'brain drain'.

> Australia has long had an emphasis on attracting permanent settlers to the country and a strongly expressed opposition to attracting temporary and contract workers. During the labour shortage years of the 1950s and 1960s, Australia's migration solution to the problem contrasted sharply with that of European nations, such as Germany and France, when it opted to concentrate on attracting permanent

> migrants to meet worker shortages rather than contract workers. However, in recent years attitudes have changed in Australia and it has been recognised that, in the context of globalised labour markets, it is essential to have mechanisms to allow non-permanent entry of workers in certain groups (Hugo, 2004a, p. 1).

Since the 1980s, the government has developed policies designed to target migrants with experience in areas where there is a skill shortfall through its general skilled migration program. There are a variety of options for potential migrants to apply for migration under the general skilled migration program. This depends on whether the application is applying for an onshore visa (applying from within Australia) or an offshore visa (applying from outside Australia). International students currently studying in Australian institutions and skilled migrants on temporary work visas are now eligible to apply onshore for permanent residency under the skilled migration program (Shah & Burke 2005). There are also specific requirements to encourage successful business people to settle permanently in Australia and develop new or existing businesses. Employer sponsored visas include the temporary visa (*Temporary Business (Long Stay) Visa 457)* and 2 permanent visas, (*Employer Nominated Scheme (subclass 121/856)* (ENS); *Regional Sponsored Migration Scheme* (subclass 119/857) (RSMS). There is a range of visa options under the General Skilled Migration program for skilled workers who want to live in Australia and who do not have an employer sponsoring them. These include options for skilled people applying as an independent migrant as well as those sponsored by a relative, or nominated by a State or Territory government.

There are several skills lists which applicants must refer to in determining eligibility for these visas. The *Migration Occupations in Demand List* (MODL) lists those occupations and specialisations identified by the Department of Education, Employment and Workplace Relations (DEEWR) that are in short supply. A review of the purpose of the MODL and its methodology commenced in 2009 and was expected to be completed in late 2009. The review aims to make MODL a more strategic tool in identifying the medium to long-term skill needs that complement Australia's skill supply through the domestic tertiary education sector. The arrangements for the transition to the new MODL will be determined once the outcomes of the review are finalised. The *Critical Skills List* (CSL) remains in place while the review is in progress and will be phased out following the implementation of any recommendations flowing from the review. Occupations which are listed on the CSL will receive priority processing, which assists the targeting of the migration program. These arrangements will continue until the MODL review is finalised. Once the review is finalised, arrangements for phasing out the CSL will be announced (DIAC 2009e). The CSL has 41 occupations listed, the majority of which are health, nursing and medical or allied followed by engineers and specific technical/trades.

Skilled occupations which are acceptable for permanent and temporary skilled migration to Australia fall under two separate categories: General Skilled Migration; and the Employer Nomination Scheme (ENS). Those potential applicants wishing to apply under General Skilled Migration must have a nominated occupation which is on the *Skilled Occupation List* (SOL) at the time of application. Those wishing to apply under the Employer Nomination Scheme (ENS), you must have been nominated by an Australian employer to fill a position in an occupation that appears in the *Employer Nomination Scheme Occupation List* (ENSOL). Occupations are listed alphabetically in accordance with the first 4 major occupational groups in the Australian Standard Classification of Occupations (ASCO) dictionary:

• Managers and Administrators;

• Professionals;
• Associate Professionals; and
• Tradespersons and Related Workers (DIAC 2009c).

The focus of this paper is employer sponsored temporary skilled migration or more specifically the *Temporary Business (Long Stay) Visa 457*. This visa allows highly skilled personnel to come to Australia to work for an approved employer for up to four years. The prospective employer must first apply to become a standard business sponsor, which will permit them to sponsor an agreed number of overseas employees over a two-year period. The position nominated to be filled by the overseas employee must meet minimum skill and salary levels. Many temporary migrants go on to settle permanently in Australia by applying for permanent residency. There is a growing link between these two forms of migration with temporary visa being the first step towards permanent migration (Phillips 2006).

Due to the pressures caused by the global financial crisis the Rudd Government reviewed the Skilled Migration program late in 2008 in consultation with business and industry, and state and territory governments. The review found that Australia needs to maintain a Skilled Migration program but one that is more targeted. In December 2008, the Government announced changes to the 2008-09 skilled migration program to ensure it is driven by the needs of industry and targets skills that are in high demand. The changes have meant that skilled migrants who have a confirmed job or are in occupations on the CSL will be fast-tracked and given priority for a permanent visa to come to Australia (Evans 2009).

The Australian, Minister for Immigration and Citizenship, Chris Evans announced changes to the 457 visa program in April 2009 as a response to the rapid increase in 457 applications and concerns from the Australian community about the possible exploitation of overseas workers and the potential undermining of local wages and conditions after several cases of some employers abusing the program emerged throughout 2005 - 2007. The vast majority of these cases involved trades' level 457 visa holders with little or no English language skills who often lacked the technical skills claimed. In the six months to December 2008 the numbers of 457 visa applications were running at historically high levels, with an average 700 primary visa applications a week lodged by people offshore seeking to come to Australia on a 457 visa. This is the period in which the AHRI survey being reported in this paper was conducted. Despite the economic slowdown experienced during the global financial crisis and the subsequent decline in demand for 457 visas the need for the programme and the heightening of its integrity became a focus for the Australian government. The first three months of 2009 saw on average 430 primary visa applications a week lodged by people offshore seeking to come to Australia on a 457 visa (Evans, 2009).

Later in 2009 the Minister for Immigration and Citizenship, set a new priority processing direction which became effective on 23 September 2009 and applies to certain skilled migration visas. These arrangements were designed to better address the needs of industry by targeting skills in critical need across a number of sectors. The priority processing Direction gives priority to people seeking to migrate to Australia who have skills or qualifications in one of the occupations on the current *Critical Skills List* (CSL). The CSL is a list of occupations which are in critical shortage and are eligible for priority processing for General Skilled Migration (GSM). Under the Ministerial Direction, the following processing priorities (with highest priority listed first) apply:

1. Applications from people who are employer sponsored under the ENS and the RSMS.
2. Applications from people who are nominated by a State/Territory government and whose nominated occupation is listed on the Critical Skills List (CSL).
3. Applications from people who are sponsored by family and whose nominated occupation is listed on the CSL.
4. Applications from people who are neither nominated nor sponsored but whose nominated occupation is listed on the CSL.
5. Applications from people who are nominated by a State/Territory government whose nominated occupation is not listed on the CSL
6. (i) Applications from people whose occupations are listed on the Migration Occupations in Demand List (MODL) and (ii) Applications from people who are sponsored by family and whose nominated occupation is not listed on the CSL.
7. All other applications are to be processed in the order in which they are received (DIAC, 2009d).

This directive allows the migration priority processing for occupations designated as highly critical.

The DIAC (2008) *Summary Report on Subclass 457 Business (Long Stay) visa* report for the period that aligns with the AHRI survey being reported in this paper, lists the top source countries for this visa in 2008-2009 to 31 December 08 as; United Kingdom 21%; India 13%; South Africa 11.4%; Phillipines 10.2%. The top industry sponsors were: Healthcare and Social Assistance 14.4%; Construction 12.4%; Rental Hiring, Real Estate Services 10.3%; Mining 9.6%; and Manufacturing 9.1%. Eleven months later, the DIAC (2009) *Summary Report on Subclass 457 Business (Long Stay) visa* reported the number of Subclass 457 primary visa applications lodged in November 2009 was 46 per cent lower than November 2008, but were 14 per cent higher than October 2009. In the year to date, 64.1 per cent of primary applications granted have been for occupations in the ASCO Major Group 2 (Professionals). About a quarter (23.2 per cent) of the primary visas granted have been for nominated positions in the Health Care and Social Assistance industry. Approximately 26 per cent of all primary visa applications granted have been to citizens of the United Kingdom, followed by 14 per cent of primary visa grants to citizens of India.

## PERCEIVED BENEFITS & PROBLEMS WITH THE 457 VISA

The impact and benefits of skilled migration in Australia is substantial and growing. In a recent overview of skilled migration and the workforce in Australia Saunders (2008, p.1) developed the following key messages:

✧ Australia clearly benefits from the movement of skilled workers in and out of the country. In 2004–05 there was a net gain of around 46 000 skilled migrants, two in three of whom were professionals.

✧ The number of skilled migrants has tripled in the past decade. They now account for close to half of all migrants. Skilled migrants represent a major source of supply for occupations experiencing employment growth, particularly in the professions and the trades.

✧ Temporary migration has grown substantially and is most evident in the rapid rise in employer-sponsored long-stay (or class 457) visas. This is in response to recent skill shortages, with most 457 visa holders employed in the professions and the trades.

✧ Migrants constitute 11% of employed people. They are relatively over-represented in the professions (14%) but under-represented in technical and associate professional occupations (10%) and the trades (9%).

There exists very little research on perspectives from employers who have utilised temporary employer sponsored skilled migration in Australia. Khoo, Voigt-Graf, McDonald and Hugo (2004) undertook a small exploratory survey of 135 employers who had sponsored skilled workers for temporary entry in 2003. The sample was diverse, mainly located in Sydney, and the largest number of respondents were from the IT and communication sectors followed by the accommodation, café and restaurants sector. Over one quarter of the respondents had more than 300 employees. The top source countries for the skilled migrants were English speaking (UK, US, South Africa, Ireland, Canada and India). The majority of surveyed employers had never encountered problems related to inappropriate skills but some experienced problems related to a lack of knowledge of workplace culture and language problems. The main reasons for sponsoring temporary skilled migrants was the skills required could not be sourced domestically. The survey found that the 457 visa had given employers a certain amount of flexibility to be able to tap into the global pool of labour relatively easily. 'In short, with the internationalisation of the Australian economy, there is an increasing demand for people with specialised skills and knowledge that is not available in Australia's relatively small labour market. If the skills and knowledge were available in Australia, most employers indicated that they would not go through the costly and lengthy process of recruiting workers from overseas' (Khoo et al. 2004, p. 24).

The AHRI survey data which is the focus of this paper provides a much more recent and larger sample (n=1045) of employers who have utilised temporary employer sponsored migration and those who have not. The published report for the HRpulse survey which is the focus of this paper, is titled *Australian Experiences with Skilled Migration-Perception and Reality* (AHRI 2009). The HRpulse reports are made public on the AHRI website however permission was obtained by one of the authors from AHRI to obtain access to the data set for this particular survey for the purposes of undertaking further data analysis. The final report for this particular HRpulse survey provides a brief background to the survey, respondent demographics and, key findings and results from 4 sub-sets of respondents. The report provides numerical, graphical and textual data on responses to the survey questions. The numerical data presented is primarily frequency distributions of forced choice survey questions and total percentages for multiple response survey questions. Textual data is presented for some open ended survey questions. Key findings from the AHRI report (2009, p. 5) demonstrate the extent of skilled migration activity across industries:

- Nearly seven out of ten respondents (69.42%) reported their organisation experienced skill shortages.
- More than 85% of respondents believe a skilled migration scheme is necessary.
- More than nine out of ten respondents (95.03%) whose organisations employed skilled migrants reported trying to fill the vacancies within Australia first.

- More than nine out of ten respondents (96.31%) whose organisations employed 457 visa workers reported that their organisation benefited from the scheme.

Nonetheless, problems with skilled migrants were noted:

- Nearly a third of respondents (32%) whose organisations employed 457 visa holders, reported experiencing a problem.
- Of the problems relating to skilled migrants themselves, approximately a quarter of employers (24.43%) and half of those working alongside 457 workers (53.16%), saw English proficiency as the main one.
- By contrast, nearly nine out of ten respondents (85.91%) whose organisations have not employed skilled migrants reported their main area of concern was English proficiency.

Systemic issues were also recorded:

- On the matter of the system, many respondents reported problems in navigating the immigration process, with approximately half (50.02%) of those employing 457 workers wanting to change the medical obligations of employers and nearly a third the visa sponsorship process as a whole (30.9%).
- Nearly half the respondents (45.1%) whose organisations have not employed skilled migrants reported that it is easier to source Australian citizens than to go through the immigration process.

The AHRI research provides unique data from HR practitioners dealing with workforce planning and development needs through the HR functions of attracting, recruiting and retaining skilled migrants from across a wide range of industries. The research delivers invaluable evidence from the field and at the interface of practice behind the policies related to skilled migration.

The president of AHRI, Peter Wilson, makes the following comments in the foreword of the report by stating:

> …this report also leaves little doubt that the skills which migrants have brought into the country under the 457 visa scheme have been beneficial to business and the wider Australian economy, and it is expected they will continue to do so. ….The study reveals that the 457 skilled immigration scheme has brought significant benefits to the Australian economy and the functioning of our labour markets (AHRI, 2009).

The following sections detail the additional and further analysis of the AHRI survey data undertaken.

## METHOD

The study analyses data collected by the Australian Human Resources Institute (AHRI) in a survey of its members. AHRI is a national association representing around 14,000 human

resource professionals and people managers. The AHRI survey, undertaken in December 2008, utilised an email invitation to members asking them to complete an online questionnaire about skilled migration. The questionnaire was completed by 1,045 respondents, giving a response rate of around 7.5%. Given the population size, this sample size is considered adequate to be representative (Leedy & Ormrod 2010) but it is acknowledged that members were able to self-select into the sample. This limitation is considered acceptable for the exploratory nature of this study.

The AHRI questionnaire consisted of both open and closed questions. In addition to demographic questions on respondents and the organisation for which they work, the questionnaire asked all respondents two general questions about skilled migration. These general questions were:

- Do you have skill shortages in your organisation?
- Do you believe a skilled migration scheme is required in Australia?

The questionnaire then streamed respondents into sections based on their skilled migration experience. These sections were based on the following groups:

1. Respondents who have employed skilled migrants
2. Respondents who have worked alongside skilled migrants
3. Respondents who work for an organisation that has not employed skilled migrants
4. Respondents who are themselves skilled migrants.

It is noted that these four groups are not all mutually exclusive because a respondent could identify with multiple groups. The only mutually exclusive groups are groups 3 and 4 because a respondent could not be a skilled migrant and work in an organisation that has not employed skilled migrants. Findings reported in this paper are based on group 1 and group 3, as explained in the section presenting the findings.

Descriptive findings for many of the survey questions, including whole-sample responses to the two general questions about skilled migration noted above, are reported in AHRI (2009) and summarised in this paper's literature review. The AHRI report also describes responses for most questions in sections for each of the four experience groups noted above. It does not, however, compare the responses of these groups on questions common to both or attempt to separate respondents into mutually exclusive groups based on their experience.

In this paper, findings are reported for questions not included in the AHRI report. In addition, some of AHRI's findings are expanded by examining how they vary by demographics. Importantly, this paper reports the reasons organisations use the 457 visa scheme and the methods they use to locate 457 visa workers. Also importantly, this paper compares the characteristics of organisations that employ 457 visa workers with those who do not. Where appropriate, mutually exclusive groups are created and compared as explained in the next section.

Analysis is limited to the closed questions. On the whole, these closed questions provide nominal measurement level data. Therefore, quantitative methods of analysis appropriate to this measurement level, such as cross tabulations and non-parametric inferential statistics (in this case, chi-square tests), are used in this paper.

It is noted that the intentions of this paper are exploratory. Therefore, while chi-square tests are reported when statistically significant, non-significant test statistics are omitted for clarity.

Multiple tests were undertaken, thus increasing the likelihood of Type 1 error. Although a very conservative significance level ($p < 0.001$) was used, the reader is cautioned to interpret all results as tentative and in need of confirmation in future research. Furthermore, for variables where the overall chi-square test was significant, post hoc comparisons between categories were based on descriptives only, rather than performing formal statistical tests. In addition, chi-square tests were not undertaken for multiple response questions. These factors further limit the findings.

## FINDINGS AND DISCUSSION

Basic demographics of the full sample of survey respondents can be found by interested readers in AHRI (2009). This paper reports additional findings in two sections. First, further analysis is undertaken based on the sample of respondents that have employed skilled migrants. Second, comparisons are made of organisations employing and not employing skilled migrants.

### Employing Skilled Migrants

Before outlining findings, it is again noted that all analyses reported in this section of the paper are based on the subsample of respondents that have employed skilled migrants. The total number of respondents in this subsample was 684.

Respondents who have employed skilled migrants were asked to give the main reasons why their organisation used the 457 visa scheme. The options provided to them are shown in Table 1. Multiple responses could be given and at least one reason was given by 676 respondents.

**Table 1: Reasons for 457 visa use***

| Reasons | No. of responses | % of responses | % of 676 respondents |
|---|---|---|---|
| There is a shortage of workers with these skills in Australia | 586 | 43.8% | 86.7% |
| To attract international skills and knowledge | 255 | 19.1% | 37.7% |
| Difficult to get Australian permanent residents or citizens to work in this region | 185 | 13.8% | 27.4% |
| Australian permanent residents or citizens with the same qualifications and experience were too expensive | 88 | 6.6% | 13.0% |
| Need to bring workers in to train others | 73 | 5.5% | 10.8% |
| Australian permanent residents or citizens don't like doing this job | 52 | 3.9% | 7.7% |
| Sponsorship suits company's policy | 37 | 2.8% | 5.5% |
| Require workers at very short notice | 31 | 2.3% | 4.6% |
| 457 visa conditions provide a higher level of control | 30 | 2.2% | 4.4% |
| Total | 1337 | 100.0% | 197.8% |

*As reported by respondents who have employed skilled migrants

As is evident from Table 1, the most prevalent reason by a considerable margin was ‘there is a shortage of workers with these skills in Australia’, given by around 87% of respondents. Other reasons of note, however, are ‘to attract international skills and knowledge’ (38% of

respondents) and 'difficult to get Australian permanent residents or citizens to work in this region' (27% of respondents).

An exploration of reasons across organisational demographics was undertaken. Reasons were quite similar across organisations of different size (as measured by number of employees and type (public, private, not-for-profit and government business enterprises). However, some differences between industries were apparent in the sample. First, attracting international skills and knowledge was more prominent in the information media and telecommunications, financial and insurance services, and education and training industries, with over 50% of respondents from each of these industries indicating this as reason for using 457 visas. In contrast, less than 20% of respondents from each of the wholesale and retail trade, public administration and safety, and health care and social assistance industries indicated this reason.

Second, there were some sample differences across industries in the proportion indicating it is 'difficult to get Australian permanent residents or citizens to work in this region'. However, this was largely related to whether or not the industries are predominately based in regional or metropolitan locations. For example, this reason was indicated by a greater proportion of respondents whose organisations are in the mining industry (46%), where many of the jobs will be based in regional (and often remote) areas of Australia compared to those whose organisations are in the financial and insurance services industry (6.4%), where many of the jobs will be located in a metropolitan area.

Respondents who have employed skilled migrants were also asked how their organisation located the 457 visa workers they hired. The options provided to them are shown in Table 2. Multiple responses could be given and at least one location method was reported by 669 respondents. The resources need to recruit are substantial and so many organizations will opt to outsource the recruitment process to specialized recruitment agencies, especially those with expertise and knowledge in international recruitment. Advertising overseas is an obvious recruitment strategy however the 'Approached by worker directly' response rate warrants further investigation. Was this done from onshore or offshore? Were those who approached the employer onshore already on another visa? What occupational groups and source country individuals are actively seeking and self initiating employment in Australia?

**Table 2: How 457 workers were located***

| Reasons | No. of responses | % of responses | % of 669 respondents |
|---|---|---|---|
| Through a recruitment agency | 326 | 26.1% | 48.7% |
| Approached by worker directly | 299 | 24.0% | 44.7% |
| By advertising overseas | 290 | 23.2% | 43.3% |
| Through an overseas office of this business | 177 | 14.2% | 26.5% |
| Through a migration agent | 88 | 7.1% | 13.2% |
| Through a Department of Immigration expo | 42 | 3.4% | 6.3% |
| Skill Matching Database | 26 | 2.1% | 3.9% |
| Total | 1248 | 100.0% | 186.5% |

*As reported by respondents who have employed skilled migrants

Table 2 indicates that the most commonly used methods are recruitment agencies, being approached by the worker directly and by advertising overseas, reported by 49%, 45% and 43% of respondents, respectively. Around a quarter of respondents also reported having located 457 visa workers through an overseas office of the business.

An exploration of methods for locating 457 workers across organisational demographics was undertaken. Within the sample, the use of methods was quite similar across organisations of different size except for advertising overseas, which was relatively more utilised by larger organisations. More sample differences in the use of methods were apparent on comparing public (which included government business enterprises), private and not-for-profit organisastions. Compared to the latter two organisation types, public organisastions were more likely to use advertising overseas and a Department of Immigration expo, and less likely to be approached by a worker directly. Both public and private organisations were more likely to locate workers through an overseas office of their organisation than not-for-profit organisations.

There were sample differences in the relative use of methods across industries but patterns largely followed those shown in Table 2. A notable exception was the education and training industry where there was little use of all methods except for advertising overseas (mentioned by 62% of these organisations) and approached by worker directly (33% of these organisations). Another notable exception was the financial and insurance services industry, which relied heavily on recruitment agencies (66%) but made little use of advertising overseas (20%).

Respondents who have employed skilled migrants were also asked whether their organisation has experienced any problems with 457 visa workers and 211 respondents reported in the affirmative. These results are presented by industry in Table 3. Given the small number of respondents within each industry for this question, it is possible industry differences in the table are sample specific. However, with manufacturing, construction and mining industries within the top 4 industries when ordered by proportion within industry reporting problems, it does suggest that goods producing industries may be subject to some specific issues around problems with 457 workers. This finding warrants further investigation.

**Table 3: Occurrence of problems with 457 visa workers by industry***

| Industry | Number of respondents reporting problems | % within industry |
|---|---|---|
| Public administration & safety | 6 | 43% |
| Manufacturing | 22 | 42% |
| Construction | 14 | 40% |
| Mining | 19 | 39% |
| Health care & social assistance | 26 | 37% |
| Other service industries | 46 | 36% |
| Professional, scientific & technical services | 32 | 34% |
| Other goods producing industries | 11 | 31% |
| Wholesale & retail trade | 9 | 26% |
| Information media & telecommunications | 7 | 22% |
| Education & training | 7 | 18% |
| Financial & insurance services | 8 | 17% |
| Transport, postal & warehousing | 4 | 15% |
| Total | 211 | 32% |

*As reported by respondents who have employed skilled migrants

Respondents that reported problems with 457 workers were just as likely to also report that their organisation had sponsored 457 workers for permanent residence ($\chi^2 = 1.35$, df = 1, p = 0.245). One potential reason for this finding is that problems may have been specific to individuals (unlikely to be sponsored) in organisations that have multiple 457 workers and so it was others (where no problems were experienced) that are sponsored. Another possible reason is that skills were considered in such shortage that sponsorship was necessary to keep positions filled. While the available quantitative data did not allow any insight into the first possible reason, the second was partially examined by testing for any moderating effect of organisational skill shortages on the association between problems and sponsorship. The results suggested no moderating effect. For example, respondents reporting problems and skill shortages were just as likely to sponsor 457 workers as respondents reporting problems and no skill shortages.

As shown in Table 4, sponsorship of 457 workers was most likely in large firms (1000 plus employees) with 75% of these firms sponsoring compared to 60% of medium sized firms (100 to 999 employees) and 45% of small firms (less than 100 employees). There were no differences in likelihood of sponsoring across organisation types. While an association between sponsorship and industry was evident ($\chi^2 = 60.1$, df = 12, $p < 0.001$), specific differences between industries were not clear from descriptives. Less than 50% of respondents from each of the following industries reported sponsorship: wholesale and retail trade; transport, postal and warehousing; and public administration and safety. More than 74% of respondents from each of the following industries reported sponsorship: mining; construction; information media and telecommunications; professional scientific and technical; and education and training.

**Table 4: Cross tabulation of sponsorship of 457 visa workers for permanent residency by organisational size***

| | Organisation Size (No. of employees) | | | |
|---|---|---|---|---|
| | **1-99** | **100-499** | **500-999** | **1000+** |
| **Have sponsored** | 44.6% | 60.9% | 59.8% | 74.8% |
| **Have not sponsored** | 55.4 | 39.1 | 40.2 | 25.2 |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |
| | (n = 121) | (n = 225) | (n = 87) | (n = 238) |

$\chi^2 = 32.4$; df = 3; $p < 0.001$

*As reported by respondents who have employed skilled migrants

## Comparison of organisations employing and not employing skilled migrants

In this section, respondents from organisations who have employed or who have not employed skilled migrants are compared in order to better understand differences in the characteristics of these two groups. In order to ensure that the respondent's current organisation has or has not employed skilled migrants, certain criteria were used in allocating respondents to the subsamples analysed in this section. Respondents chosen to represent organisations not employing skilled migrants presented no difficulties; these were respondents who reported that they work for an organisation that has not employed skilled migrants in the skilled migration experience question outlined in the method section of this paper.

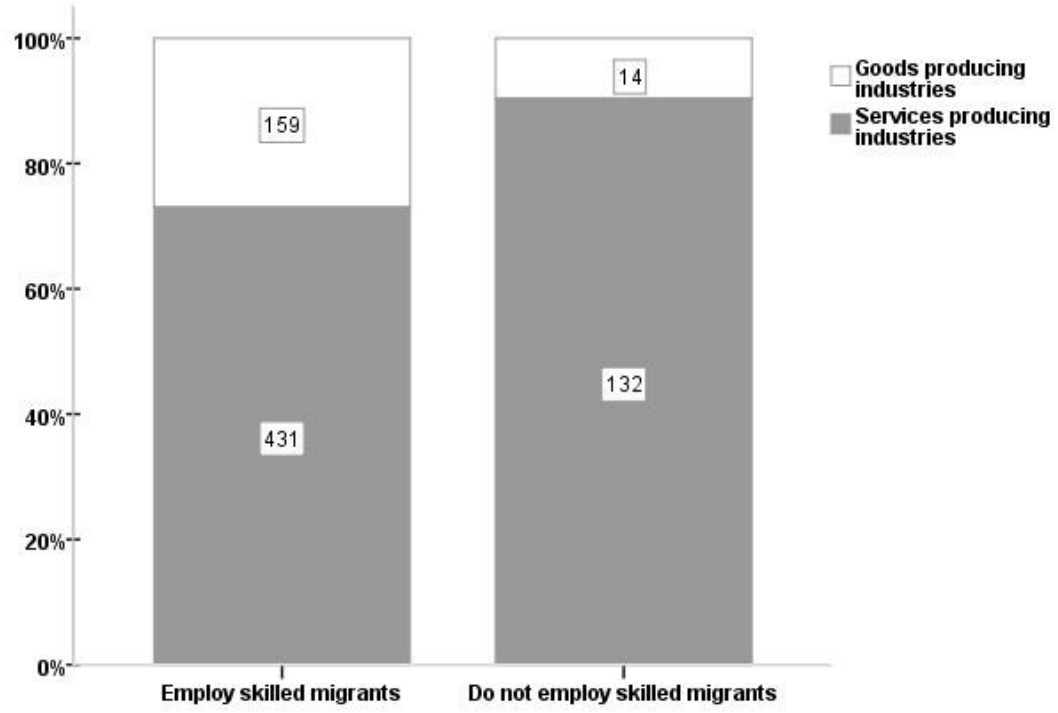
Respondents chosen to represent organisations employing skilled migrants were those who (1) reported having employed skilled migrants, (2) reported having done so for their organisation and (3) reported no identification as skilled migrants themselves. Those who have employed skilled migrants but only to work in another organisation or identified as skilled migrants themselves were not included. The first exclusion is straightforward: they have only employed skilled migrants to work in another organisation and so it cannot be assumed that their own organisation employs skilled migrants. The second exclusion is based on the assumption that respondents who are themselves skilled migrants arguably have biased views about issues such as whether a skilled migration scheme is required in Australia.

Respondents who have worked alongside skilled migrants but have not employed skilled migrants (as reported in the skilled migration experience question) were also excluded because it was not clear whether these respondents have worked alongside skilled migrants in their current organisation.

The two groups were compared on age, gender, industry sector, organisation size, organisation type, location, skill shortages in the organisation and whether a skilled migration scheme is required in Australia. Significant differences between groups were not found for age, gender or location. Significant differences were found on the remaining variables, each now described.

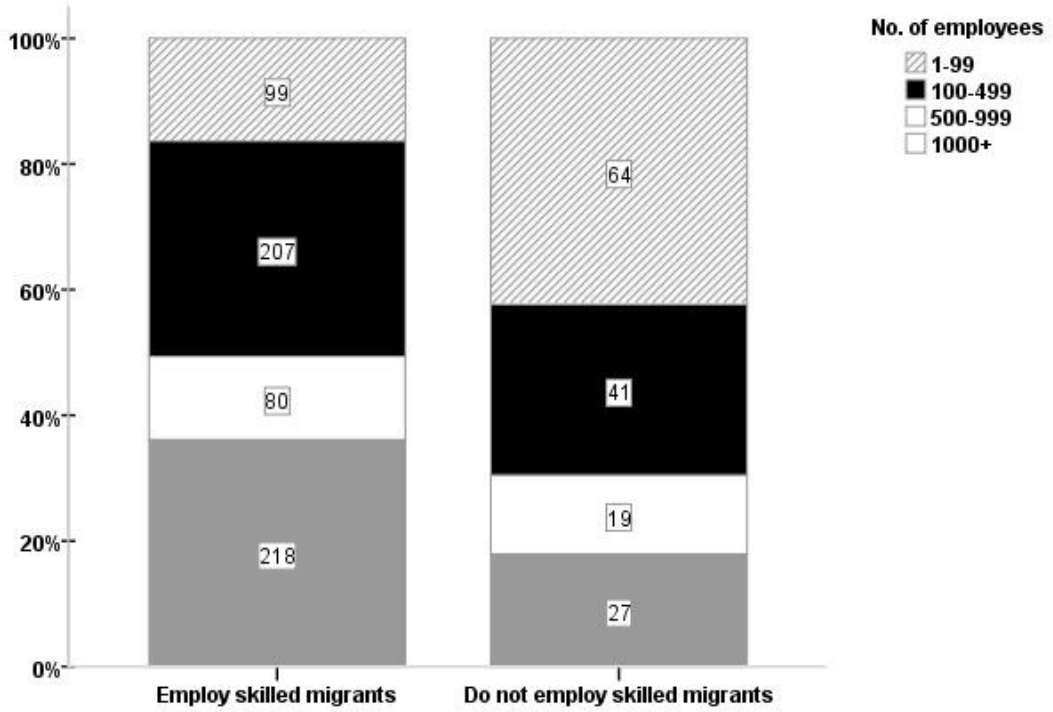
First, the groups differed based on industry sector ($\chi^2$ = 19.2, df = 1, p < 0.001). Figure 1 shows the sector breakdown as a percentage of each group of organisations. Numbers within the bars are the number of organisations represented by that section of the bar. While service firms make up a greater proportion of both groups, this is more pronounced in the group not employing skilled migrants. Due to small cell sizes, testing a more detailed industry breakdown was not considered feasible.

**Figure 1: Organisations employing and not employing skilled migrants by sector**



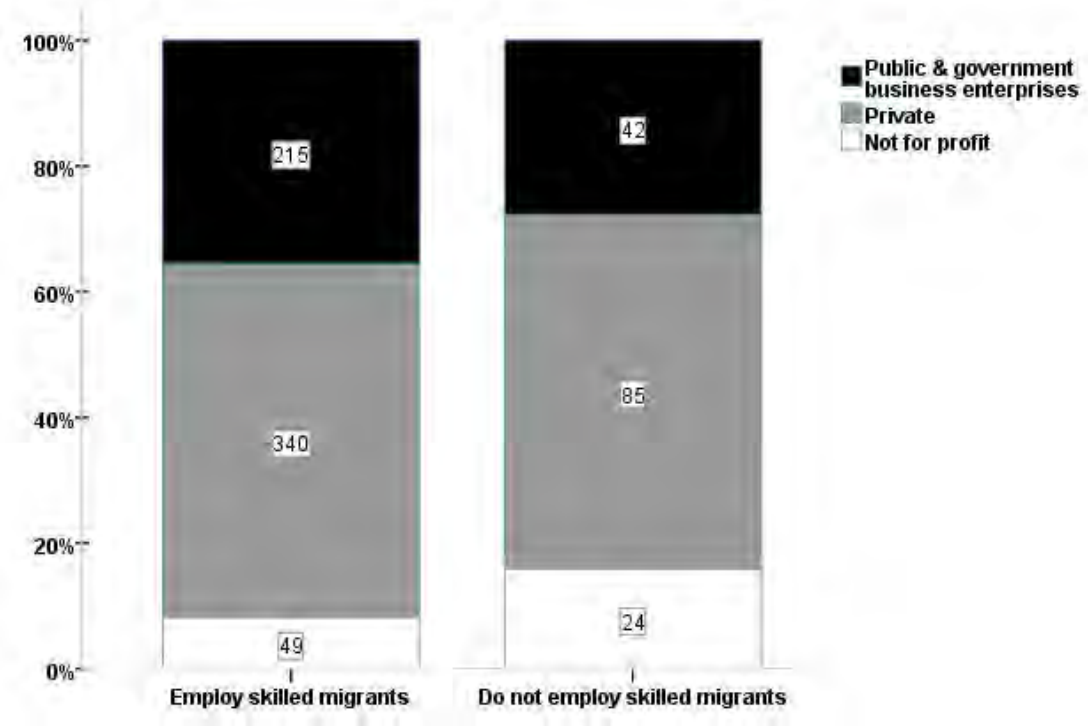

Second, the groups differed based on organisational size ($\chi^2$ = 52.1, df = 3, p < 0.001). Figure 2 shows the size breakdown as a percentage of each group of organisations. Numbers within the bars are the number of organisations represented by that section of the bar. Large organisations (1000+ employees) constitute a greater proportion of the group employing skilled migrants in comparison to the group not employing skilled migrants. The situation is reversed at the other end of the scale, small organisations (1 to 99 employees) comprising a greater proportion of the group not employing skilled migrants. The proportion of mid-size firms in each group is fairly similar.

**Figure 2: Organisations employing and not employing skilled migrants by size**



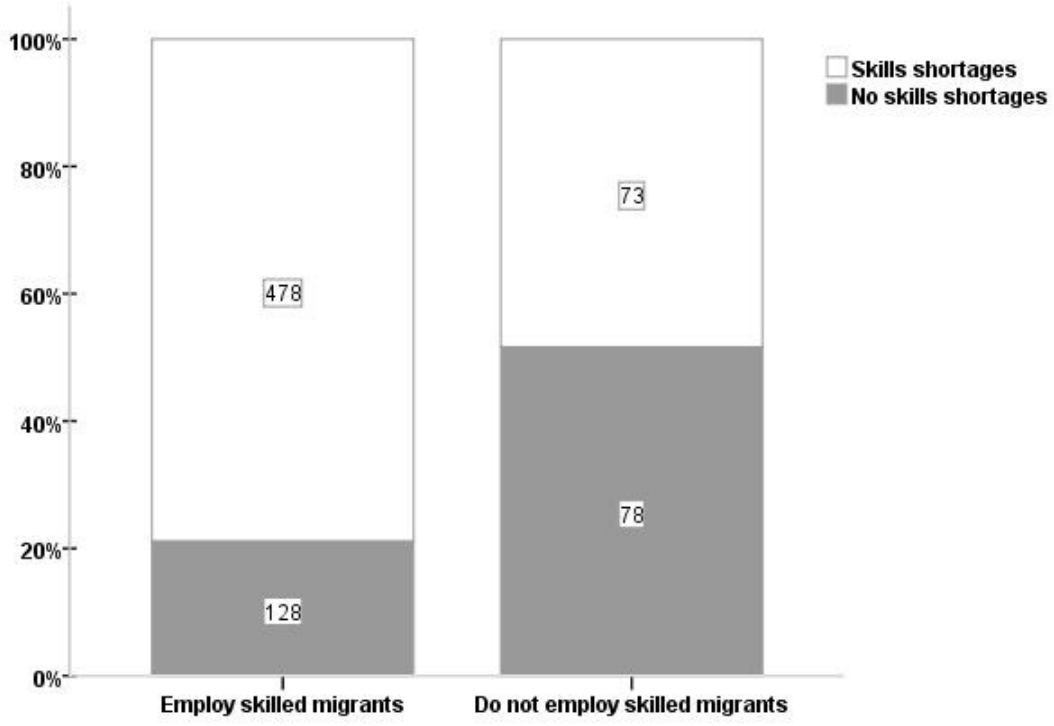

Third, the groups differed based on organisation type ($\chi^2 = 19.2$, df = 1, $p < 0.001$). Figure 3 shows the type breakdown as a percentage of each group of organisations. Numbers within the bars are the number of organisations represented by that section of the bar. While private firms make up the same proportion of both groups (56%), the groups differ on the relative proportions of public and not-for-profit organisations. Public sector firms make up a greater proportion of those organisations that employ skilled migrants compared to those that do not. Conversely, not-for-profit organisations represent a smaller proportion of employers of skilled migrants compared to those that do not.

**Figure 3: Organisations employing and not employing skilled migrants by type**



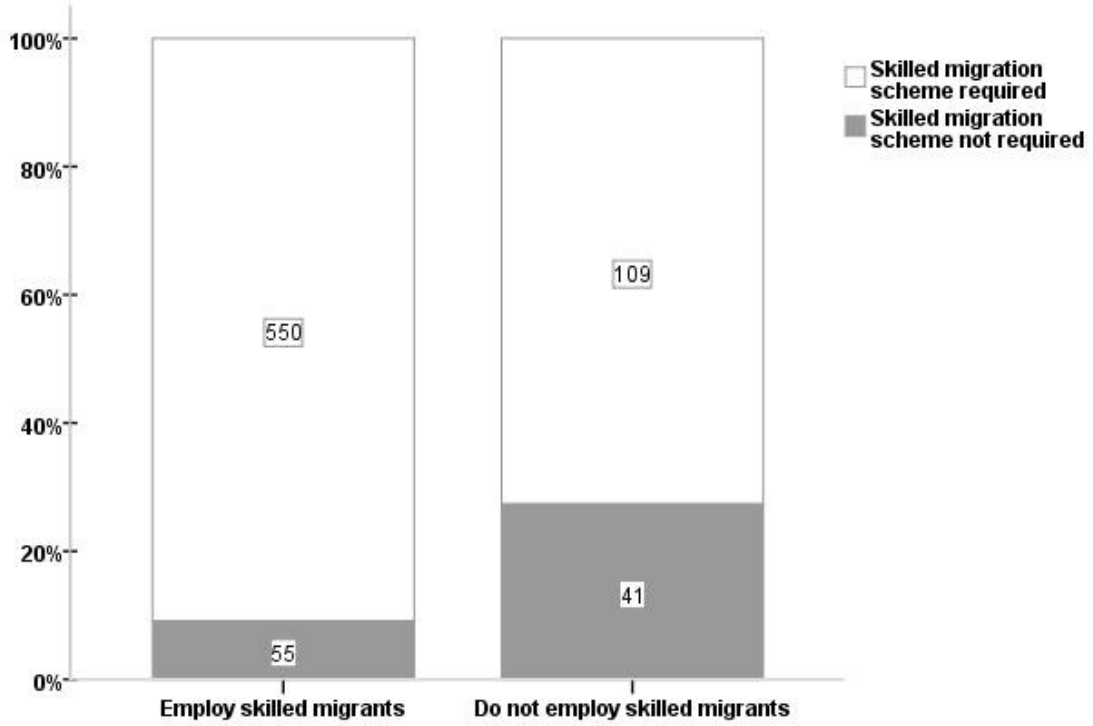

Turning now to the perceptions and attitudes of the individuals representing these groups of organisations, it was found that the groups differed in their perceptions of skill shortages in the organisation ($\chi^2 = 56.9$, df = 1, $p < 0.001$). Figure 4 shows the breakdown of responses as a percentage of each group of organisations. Numbers within the bars are the number of organisations represented by that section of the bar. It can be seen that those working for organisations that have not employed skilled migrants are split on whether their organisation has skill shortages: 73 (48%) saying yes; 78 (52%) saying no. In contrast, a majority (79%) of those representing organisations that employ skilled migrants perceive skill shortages in their organisation.

**Figure 4: Organisations employing and not employing skilled migrants by skill shortages**




Differences between the groups were also found in terms of attitudes towards whether a skilled migration scheme is required in Australia ($\chi^2$ = 36.0, df = 1, $p < 0.001$). Figure 5 shows the breakdown of responses as a percentage of each group of organisations. Numbers within the bars are the number of organisations represented by that section of the bar. While a majority of each group believes a skilled migration scheme is required in Australia, this majority is smaller for organisations not employing skilled migrants. Around 90% of individuals representing organisations employing skilled migrants were in favour of a scheme, compared to 73% support amongst individuals representing organisations who do not employ skilled migrants.

**Figure 5: Organisations employing and not employing skilled migrants by attitude towards a skilled migration scheme in Australia**




Results of this study should be considered tentative only, particularly for variables such as industry that have multiple categories. In the latter cases, conclusions made on differences between industries were based on post hoc comparison of descriptives between categories. However, given the paucity of previous work in this area, this was considered appropriate for the exploratory aims of the research. Regardless, further research should seek to confirm the findings reported here. Likely related variables not included in survey but for consideration in further research relate to: ethnicity of respondent and offshore work experience of respondent.

## CONCLUSION

The nature, scope and scale of world immigration in the 21st Century is totally new. 'It is part of a set of powerful international processes which are creating strong new political, economic, financial, cultural and information linkages between countries. These forces of globalisation are crucial to an understanding of changing global immigration trends. To view immigration as an autonomous process in isolation from other international flows and linkages could lead to the development of irrelevant and ineffective policies' (Hugo 2004b p. 70). The globalised labour market and human capital imperatives affecting Australia and many developed nations (many of which are not considered traditional migration countries), has meant that Australia will be in greater international competition for skilled migrant labour. Australia's history and expertise in migration policy and management provides an advantage in this respect. The Australian government keeps substantial sets of statistics in relation to migration, however little data exists on the views of employers and their use and perceptions of skilled migration programs. The findings reported in this paper provide valuable data for the practical application of Australia's employer sponsored temporary skilled migration policies, specifically the *Temporary Business*

*(Long Stay) Visa 457*. The implications, benefits, associated problems and perceptions of those dealing with skilled migration at the interface between labour demand and supply cannot be fully answered by the large scale immigration data sets and statistics. The AHRI survey data reported in this paper provides invaluable supplementary data on the praxis of employer sponsored temporary skilled migration programs, as professionally experienced by Australian HR practitioners. Further areas of research have been identified in relation to the recruitment process involving the skilled migrants approaching the employer direct, specific issues for skilled migration for goods producing industries and reasons other than skill shortages for using 457 visas (international skills and knowledge). Due to limitations imposed, only the additional and expanded quantitative data analysis was presented in this paper. Further analysis of the qualitative data from the survey will be analysed and reported elsewhere.

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