



# New Kiwis Survey

## Executive Summary

May 2009



## EXECUTIVE SUMMARY

The New Kiwis Employer Survey was conducted between 18<sup>th</sup> and 25<sup>th</sup> May 2009. A total of **469** businesses responded and these form the basis of our results – this was a pleasing increase of 37% on last year's number. The survey was completed on-line.

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### REPORT COMMENT

Results were largely in line with those reported last year with predictable comments around Immigration and English Language concerns.

Employers recruiting offshore increased as did corresponding issues around being able to check references and qualifications. Regulatory / registration bodies and cultural issues also contributed to negative experiences and perceptions.

There were many positive comments and the percentage of migrant employees within businesses remained steady. Businesses also reported that 71% of their migrant employees fell into the category of good, very good or excellent employees.

*"All our migrant staff fitted in really well and all our other staff got to learn from them about their individual cultures. It became an interesting overall experience."*

What was interesting was the change in results around why migrants left employment with nearly 100% increase in migrants returning to their home country and a 75% increase in the number of people leaving to move to another country.

#### English language

With New Zealand's challenging business environment, English language ability was again shown to be critical to the success of the migrant obtaining and sustaining employment.

**Q6. What difficulties have you experienced, if any, when recruiting migrants? and Q9. What would make it easier for you to employ a migrant again?**

Difficulties relating to English language skills featured highly in responses to the above questions and also to question 16 which confirmed the difficulty is for the Migrant as well as the business in terms of being able to perform well in the job.

In question 18a 55% of respondents said English language issues negatively affected the ability of the migrant to do the job.

Kiwi businesses are looking for people that already have a good standard of English purely as a business decision based on retaining and growing their customer base.

Workplace language differences were also highlighted and understanding English used in the kiwi workplace where informality is the key, was commented on. There was also evidence that gaining qualifications in New Zealand is no guarantee of English language ability.

*"ie Unitec have a special unit to assist students put their assignments into "English" so that they can pass their degrees!"*

## REPORT COMMENT continued

### Immigration issues

**Q6. What difficulties have you experienced, if any, when recruiting migrants? and Q9. What would make it easier for you to employ a migrant again?**

The replies to these two questions highlighted ongoing frustrations with the process and the skills shortages list.

In line with last year's responses, kiwi employers strongly prefer prospective migrant staff to already have the legal requirement to work in New Zealand (to avoid using vital business resources to obtain immigration approval).

The impact on business both in time and other resources has a real business cost in terms of diverting resources from the business to meet immigration requirements.

### Attracting and Retaining Migrants

New Zealand is geographically isolated from the remainder of the world. There was a significant increase in the number of candidates moving to another country up from 8% last year to 14% this year.

To tap into the global skilled pool of talents requires significant cost from the employer, e.g: transport, relocation, family requirements and conditions to transfer their skills to New Zealand. The commitment from the employer, immigration and migrant must be total and the process needs not only to be efficient and meaningful but be seen and be known to be this way.

### Regulatory Bodies

Organisations responsible for certifying and registering migrants against their profession again came up for criticism and unnecessary delays.

### Cultural Issues

In addition to workplace language, the informal, inclusive approach of NZ businesses and the 'yes' culture of some migrant groups were highlighted again in this report.

## REPORT SUMMARY

### BACKGROUND

Sixty percent of respondents employed 25 or less people and a good cross section of industries were represented .

Small, medium and large businesses were represented in the survey.

Size	Percentage
<b>1 to 5</b>	<b>21%</b>
<b>6 to 9</b>	<b>15%</b>
<b>10 to 24</b>	<b>24%</b>
<b>25 to 49</b>	<b>13%</b>
<b>50 to 100 or more</b>	<b>27%</b>
<b>Don't know</b>	<b>1%</b>

The top 10 industries, in keeping with last year's results included: Manufacturing / Operations, Human Resources / Recruitment, Hospitality / Travel & Tourism, Technology / ICT, Building and Trades, Engineering / Architecture / Drafting, Health Care, Retail and Education / Training.

Business Activity	Count	Percentage
Manufacturing / Operations	54	11.51%
Other	47	10.02%
Human Resources/Recruitment	40	8.53%
Hospitality / Travel & Tourism	34	7.25%
Technology / ICT	33	7.04%
Building and Trades	26	5.54%
Engineering / Architecture / Draughting	24	5.12%
Health Care	24	5.12%
Retail	20	4.26%
Education / Training	19	4.05%

The survey results indicated that 20% of New Zealand employers have between 1 and 10% of migrants working with them. Most are involved in activities related to Accounting / Finance / Banking / Fund Management, Clerical/Administrative, Information Technology / Telecommunications, Sales, Human Resources and Recruitment.

## **RECRUITMENT METHODS:**

The following table gives details of methods used by businesses when advertising vacancies and a comparison with the 2008 survey results.

<b>Methods of Recruitment</b>	<b>2008</b>	<b>2009</b>	<b>Increase/ decrease</b>
Internet Job Boards – Seek Trademe etc	16.3%	19%	+2.7%
Advertising in the newspaper	10.3%	18%	+7.7%
Through a friend / word of mouth	11.3%	16%	+4.7%
Using a recruitment agency	8%	16%	+8%
Using the Internet to advertise and recruit offshore	5.7%	9%	+2.3%
Applicant contacted you directly via letter, phone, email	7.7%	8%	+0.3%

### **Accessing vacancies and advertising trends**

Informal ways such as word of mouth and job seekers approaching employers directly continues to be a key method of locating skilled staff and in the current economic climate. More employers than ever are using these methods as demonstrated with a rise from 19% to 24% in 2009. This is partly due to employers wishing to avoid the large responses advertisements in main stream media currently generate. Accessing these opportunities is still a very real issue for Migrants with limited networks.

From the survey, the trend noted last year of internet as an important medium for advertising continues with this up from 16.3% to 19% this year.

The use of internet to recruit offshore is also up having increased from 5.7% to 9% in the last year.

The survey for the third year in a row highlights that migrants still need to be proactive and go to the market to locate job vacancies and work towards increasing their networks using every method at their disposal. Using only newspapers or recruitment agencies, migrants are missing out on a large number of opportunities and need to be empowered to create their own opportunities to a certain extent.

This shows to the kiwi employer that the migrant job seeker is self confident, has a can-do-attitude and they are self motivated (key attributes that the kiwi employers are looking for in their skilled staff).

## **OBSTACLES TO HIRING A MIGRANT:**

We analysed and highlighted respondents comments in question 9

### ***Q9. What would make it easier for you to employ a migrant again?***

The results, using 2008 as a comparison showed increasing frustration with Immigration and Language issues and that these remain major barriers to employing migrants:

<b>Obstacle</b>	<b>Percentage 2008</b>	<b>Percentage 2009</b>
Language/ Communication	34%	39%
Immigration/Visa Issues	19%	44%

It is significant that the percentage of employers expressing concerns around immigration/visa issues has more than doubled from 19% to 44% in the last year. Given the current climate this sort of barrier may prove insurmountable for some employers and immigrants alike.

Pages 17 - 28 and 39 – 46 of the survey report have colour coded the responses into 5 main categories:

#### **Coding:**

Yellow = immigration

Turquoise = language

Pink = references, qualification checking, candidates overstating their ability

Green = regulatory / registration bodies

Grey = cultural issues.

The emphasis on English Language skills remains one of the biggest concerns for businesses. The emphasis on this is purely business driven and relates to the importance of customer relationships and particularly in small teams, the need for colleagues to be able to communicate effectively.

Delays associated with immigration process have more than doubled and problems with professional registration bodies were also cited as major frustrations for employers.

This year issues around migrants overselling their abilities were also noticeable and this is exasperated by the difficulties employers face when trying to corroborate qualifications and access meaningful referees.

**Q8. Under what circumstances would you employ a migrant?**

Rank	2006	2008	2009
1	Was the best person for the job	Was the best person for the job	Was the best person for the job.
2	Had the right attitude	Had Good English Language ability	Had good English Language ability.
3	Had good English language ability	Was allowed to work here / had a work permit	Was allowed to work here / had a work permit.
4	Was allowed to work here / had a work permit	Had the right attitude	Had the right attitude
5	Was reliable	Was already in New Zealand	Was already in New Zealand
6	Had the right qualifications	Was reliable	Was reliable
7	Was already in New Zealand	Had the right qualifications	Had the right qualifications

The results were identical to last year. Most of the employers will always hire a migrant if they were the best person for the job. The results highlighted that candidates with good English language ability and legal work permit are the first two considerations and following a close third is having the right attitude. This comment reflects the NZ workplace culture, the size of our businesses with 89% employing 5 or less people.

Having the right attitude however is of no use if the candidate can't work here or has limited English communication skills.

In summary 83% of Employers believe that improving the immigration process and ensuring candidates have appropriate English language skills are critical to future decisions around employing migrants.

## **RETENTION**

The results remain to be positive showing a 4% increase in the number of migrants remaining in employment for 12 months or more.

<b>Length of Staff Stay</b>	<b>2008 percentage</b>	<b>2009 percentage</b>
More than 12 months	66%	71%

However, also significant is the increase in numbers of migrants leaving employment after less than 5 months in the position up this year from 2% to 6%.

<b>Reason</b>	<b>2008 percentage</b>	<b>2009 percentage</b>	<b>Increase / decrease</b>
Got another job with another employer	30%	43%	+13%
Returned to their home country	13%	25%	+12%
Employee not suitable	9%	16%	+7%
Contract ended / redundancy	6%	15%	+9%
Moved overseas to a country other than their home country	8%	14%	+6%

The increases in all these categories are quite noticeable and raises concerns on a number of levels. The increase in contracts not being renewed and redundancies confirm reports and comments indicating migrants are often the first to suffer in an economic downturn.

The increase in 'not suitable' candidates reflects back to comments relating to 'overselling ability', to not assimilating well, no suitable NZ referees and the difficulties in check qualifications, experience and references.

<b>Method of Retaining Staff</b>	<b>2008 percentage</b>	<b>2009 percentage</b>
Mentoring	36%	34%
Structured internal training	35%	30%
Promotion	19%	16%
Structured external training programme	12%	0%
English language classes	7%	9%
Other (please specify)	11%	7%

The effects of the current economic climate can be seen in the decline in training, particularly structured external training programmes, however this is unlikely to be any different for migrants than any employee at this time.

## **BENEFITS**

**Q14. On a scale of one to five, where one is excellent and five is very poor, how would you rate the migrants you currently employ?**

Scale (1 = excellent and 5 = poor)	2008 percentage	2009 percentage
1	23%	27%
2	32%	28%
3	16%	18%

The results this year were almost identical with 73% reporting migrants were in the good, very good or excellent categories in terms of performance and this could easily be overlooked with the emphasis on reporting the concerns.

**Q15a. Has employing migrants change your attitude or that of your staff towards migrants?**

	2008 percentage	2009 percentage
No	27%	55%
Yes	72%	36%

Auckland is now a very multicultural environment and comments reflected that attitudes are good and remain good with the focus on employing the right person for the job. The decrease compared to last year is more likely a reflection of this than a negative indicator.

*"Has been proven to us how much migrants have to offer with their varied skill base and work experience. More open to employing more migrants in the future."*

## **BARRIERS**

**Q16. What difficulties, if any, have the migrants faced in doing their job? (Please tick all that apply)**

Difficulties	2008 percentage	2009 percentage	Increase/ decrease
English communication problems	63%	62%	- 1%
Cultural differences	51%	46%	- 5%
Lack of work experience in NZ	36%	29%	- 7%
Lack of experience, and therefore unprepared for the NZ workplace culture	29%	29%	-
Difficulties with customers / clients	22%	25%	+ 3%
Previous training was not relevant to NZ work	21%	19%	- 2%
Not doing the job well	16%	16%	-
Relationship difficulties	16%	15%	- 1%
Occupational mismatch	10%	8%	- 2%
Non-transferable skills	5%	5%	-

**There were no significant changes in the results relating to difficulties migrants face in doing their job.**

According to the research findings, the English communication problem 62% continues to be the greatest difficulty migrants faced in doing their job. This is followed by the cultural differences 46% and their lack of work experience 29%. A 7% drop in the numbers reporting a 'lack of NZ work experience' as a difficulty and a 5% drop in those reporting 'cultural differences' are positive trends.

**Q17. What difficulties, if any, did they face fitting into the workplace culture? (Please tick all that apply)**

Difficulties	2008 percentage	2009 percentage	Increase/decrease
Not understanding New Zealand culture in general	35%	35%	-
Slang / colloquial language	28%	27%	- 1%
Cultural differences from other colleagues	27%	22%	- 5%
Relationship issues with colleagues	20%	16%	- 4%
Time keeping / punctuality	10%	10%	-
Food issues (e.g. smelly food)	6%	10%	+ 4%
Gender issues	6%	7%	+ 1%
Other (please specify)	9%	7%	- 2%
Religious issues	7%	6%	- 1%

Understanding New Zealand culture has accounted for 35% of the reported difficulties faced by migrants which is exactly in line with last year's findings. Small improvements are possibly indicated by the 5% and 4% drops respectively around cultural differences and relationships with colleagues.

**Q18a. Have difficulties with English language communication affected the migrant/s performance in the job?**

	2008 percentage	2009 percentage
Yes	53%	55%
No	42%	37%
Did not respond to this question	16%	9%

**Q18b. What type of performance has been affected by these difficulties?**

Performance	2008 percentage	2009 percentage
Spoken	56%	58%
Written	34%	31%
Reading	14%	17%

English and in particular, spoken English remains a major barrier to performance within a role and will always be a primary issue for Employers when looking at employing a migrant.

## IN GENERAL...

### Flexibility

**Q19. Does your work place offer flexible workplace practices?  
E.g. part-time, job share, flexible start/finish times**

	Percentage
Yes	63%
No	36%
Did not respond to this question	1%
<b>Note: 398 people responded to this question</b>	

### 90 day trial period

**Q20. Has, or will your company be changing your contracts to include the 90 day trial period?**

	Percentage
Yes	48%
No	22%
N/A our company employs over 20 people	28%
Did not respond to this question	2%

### Skills shortages

**Q21. Do you have an areas of skills shortages at the moment?**

No	246	62%
Did not respond to this question	10	3%