



Australian Government

Australian Education International

## International graduate outcomes and employer perceptions





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Australian Government

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Australian Education International

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## List of acronyms

AEI	-	Australian Education International
Ai Group	-	Australian Industry Group
IEAA	-	International Education Association of Australia
IIE	-	Institute of International Education
ISS	-	International Student Survey
NCVER	-	National Centre for Vocational Education Research
QETI	-	Queensland Education and Training International
VET	-	Vocational Education and Training

# Executive summary

For the nearly half a million international students choosing to study in Australia each year, an international education is an investment in the future, one that students hope will lead to improved employment and lifestyle opportunities in the future, either in Australia or in another country.

This report investigates the outcomes of more than 4,500 international graduates who completed vocational education and training (VET) or higher education qualifications in Australia between 2004 and 2008. The report also looks at the perceptions that Australian and overseas employers have of international graduates of Australian education and training institutions.

## Graduate outcomes

At the time of this report's survey, conducted in May 2009, most international graduates were either working or studying or combining work and study. Only one in ten respondents were unemployed and looking for work, with many of these being recent graduates who were presumably affected by the global financial crisis and its impact on global labour markets.

Almost half of higher education graduates and two thirds of VET graduates surveyed were living in Australia, with most either already having been granted permanent residency or hoping to obtain permanent residency status. Graduates who were working in Australia had a slightly higher level of unemployment than those who returned home, although most were working or undertaking further study.

The majority of graduates who were working were doing so in an occupation in the same field they had studied or in a related field, and most of these graduates reported a high level of satisfaction with their job. Graduates working overseas were

even more likely to be working in a job related to their qualifications, and reported higher levels of satisfaction than graduates working in Australia.

For graduates who were unemployed and looking for work, the most common perceived barriers to finding work were a lack of work experience, not having permanent residency, and a lack of jobs in the graduate's field of study.

Graduates were asked to nominate what they thought were the most important attributes that employers were looking for. The attributes most commonly nominated were effective communication skills, ability to work in a team, knowledge and skills for a particular professional area or discipline, and qualifications or work experience held. Few graduates nominated effective problem solving skills, and even fewer nominated English language competency, both of which employers rated very highly.

## Employer perspectives

Most employers were facing skill shortages at the time of the survey, or were expecting shortages in the near future, and many were finding it difficult to recruit appropriately skilled graduates.

Employers in Australia and overseas were looking to Australian educated international graduates as one source to help fill these skill shortages, with nearly half expecting to increase the number of international graduates they employed in the short term.

Employers were asked to identify key attributes that they looked for when employing international graduates. The four most common attributes that employers nominated were English language competency, effective communication skills, the ability to work as part of a team, and effective problem solving skills. As noted above, few



graduates nominated English language competency or effective problem solving skills, suggesting a mismatch between graduate and employer perceptions of key attributes.

Most employers were satisfied with the performance of international graduates educated in Australia, with around three quarters reporting that international graduates met or exceeded their expectations. Where Australian employers reported any dissatisfaction, it most likely related to issues with communication skills and standards of written and spoken English, while for offshore employers it was most likely to be with the technical and job function related skills of international graduates.

More than half of employers expressed concerns about investing training and development in employees who were unlikely to stay in the job. The graduate survey revealed that graduates working in a field related to their studies were likely to stay in their jobs longer than those working in an unrelated field, which suggests that employers should focus their recruitment on graduates with relevant qualifications.

## Implications for education providers

Employers were asked to nominate areas that needed more emphasis in an Australian education. The five most common areas were providing practical work experience, linking with business to provide internships, workplace skills and expectations, communications skills and English language skills. More than half of the Australian employers surveyed were already offering internship opportunities, while others were interested in collaborating in offering these types of programs.

As well as providing opportunities for international students to improve their English language and communication skills through their courses, international education providers can help improve the employment outcomes of their graduates by developing internship programs with employers, and providing more career guidance to students through career guidance centres, particularly around salary expectations and employment opportunities. Developing and enhancing alumni networks would also benefit providers and graduates.

## Conclusion and recommendations

Most international graduates who responded to the survey had achieved positive outcomes as a result of their Australian education, and most employers surveyed, both in Australia and offshore, were interested in employing international graduates who had studied in Australia.

Despite these mostly positive outcomes, there are some actions that can be taken by international graduates, employers and education providers to improve outcomes for international graduates. These actions are summarised below.

### International graduates

- Recommendation 1: International graduates should look for opportunities to develop their English language and communication skills during their studies in Australia, given the importance placed on these areas by employers.
- Recommendation 2: International graduates should take advantage of their rights to work up to 20 hours a week during their studies to gain work experience in order to improve their job related skills.

- Recommendation 3: International graduates should look to participate in internship or job placement programs.
- Recommendation 4: International graduates should look to match their Australian qualification to their desired occupation, to maximise their chances of working in that occupation and achieving job satisfaction.

### **International education providers**

- Recommendation 5: International education providers should look to provide opportunities for international students to improve their English language and communication skills during their studies in Australia.
- Recommendation 6: International education providers should link with Australian employers to develop and offer internship or job placement programs for international students.
- Recommendation 7: International education providers should use their career guidance centres to give students more realistic expectations of available opportunities and starting salaries in their desired occupations.
- Recommendation 8: International education providers should look to develop and enhance alumni networks to facilitate tracking of graduate outcomes.

### **Employers of Australian educated international graduates**

- Recommendation 9: Employers should work with international education providers to develop and offer internship or job placement programs for international students.
- Recommendation 10: Employers should focus their recruitment on graduates with relevant qualifications, to maximise the length of time that graduates are likely to stay with that employer



# Section 1. Introduction

Education is one of the most important investments a person can make in their life, with many benefits arising, both financial and non-financial. Increasingly, more and more people choose to invest in an international education, taking advantage of the opportunities to experience a new culture, a different style or higher quality of teaching, to improve career prospects, and to develop and extend networks with people from different countries and regions of the world. Many students are looking to study overseas in a high quality education system, especially one taught in English. Employers are also becoming more aware of the benefits of an international education, placing a premium on high quality graduates with international experience.

An international education is much more than simply purchasing a degree. As Cubillo, Sánchez and Cerviño point out, students “are buying the benefits that a degree can provide in terms of employment, status, and lifestyle, among others.”<sup>1</sup>

A 2003 study by the Institute of International Education (IIE) on demand for study overseas from American students and employers found that the most important selection criteria for recruiting candidates for approximately 80% of employers was interpersonal skills. At least 90% of employers in the study thought that candidates who had international study experience were likely to possess or display cross cultural communication skills, independence, cultural awareness, maturity, ambition, flexibility and autonomy, all of which were key skills desired by employers.<sup>2</sup>

A further study by the IIE, conducted in 2008-09, found that senior US and international business leaders strongly agreed that a study abroad experience provided participants with the ability

to work in a cross-cultural or globalised work environment, a knowledge and understanding of international systems, and enhanced interpersonal and communication skills<sup>3</sup>.

Research by Australian Education International (AEI) in China found that more than half of major Chinese employers interviewed preferred internationally educated graduates for management positions over students educated within China. Employers cited internationally educated graduates’ better English proficiency, their ability to communicate and liaise with overseas business people and their creativity as major reasons for seeking to employ overseas graduates<sup>4</sup>.

Similar AEI research in Thailand found strong growing demand by employers in multi-national and Thai companies for more internationally educated, English-speaking Thais, particularly those with postgraduate qualifications from English-speaking countries<sup>5</sup>.

A survey of more than 11,000 students conducted by i-graduate in 2007 found that almost two thirds of respondents considering studying overseas were doing so to seek a better quality of education. More than half of respondents wanted to broaden their experience and/or improve their career prospects<sup>6</sup>.

A study conducted in 2006 by Queensland Education and Training International (QETI) and the International Education Association of Australia (IEAA), *The attitudes and perceptions of Australian employers towards an overseas study experience*, found that approximately 60% of Australian employers thought that an overseas study experience would enhance a graduate’s career prospects with them, especially where the experience was related directly to the industry or to the student’s area of expertise. More than 80% of employers thought that Australian

1 Cubillo J, Sánchez J and Cerviño J 2006

2 IIE 2003

3 IIE 2009

4 AEI 2006a

5 AEI 2006b

6 i-graduate 2008



graduates who had studied overseas returned to Australia with enhanced skills applicable to the workplace, with the most benefit occurring where the study experience included some form of work experience or internship. Employers who had recruited an Australian graduate with overseas study experience particularly valued their international perspective and the alternative ways in which they approached challenges<sup>7</sup>.

The 2006 study found that Australian students studying in Australian universities would gain a significant benefit from studying overseas or undertaking an internship overseas, particularly as three quarters of employers surveyed for the study planned to expand into Asia and one in eight employers expected to engage with South America and/or Africa within the next ten years.

While the research literature suggests that employers, both in Australia and overseas, value graduates who have an international perspective, and students are looking to international education to enhance their employability and career prospects, what actually happens to students who undertake international education? Are they satisfied with their outcomes, and are they able to gain fulfilling employment?

AEI's 2007 Follow-up International Student Survey (ISS) investigated the immediate outcomes of higher education and vocational education and training (VET) graduates who had completed studies in Australia in 2006<sup>8</sup>. Approximately two thirds of international graduates were working, either part time or full time, with the majority of them working in Australia after graduation<sup>9</sup>.

The ISS showed that the majority of international graduates found that the skills they had developed while studying in Australia were important and

useful, and the majority of those employed were satisfied with the industry and the profession in which they were working. Only 7% of international higher education graduates who were working thought that their employer did not value their Australian qualification<sup>10</sup>. Less than one in five international higher education graduates who were still looking for work thought that employers they approached did not value their Australian qualification, while almost four in five thought that employers valued their qualifications somewhat or quite highly.

While these previous pieces of research have demonstrated the value of an international education, in terms of employment outcomes and desirability to employers, research has also highlighted some areas for improvement to enable a better match of skills for graduates and employers.

For example, the ISS found that both higher education and VET international graduates were more likely than Australian graduates to have experienced difficulty in finding employment in Australia (although most were successful in finding employment despite this). Some of the factors contributing to these difficulties raised by survey participants included a lack of work experience during their studies, not having a work visa or difficulties with permanent residency status, or not having a sufficient level of English language skills to meet an employer's expectations.

This current report builds on this past research, investigating the employment outcomes of former international higher education and VET students who graduated between 2004 and 2008 and examining the perceptions of both Australian and overseas employers of the skills and attributes that international graduates bring to the workplace.

7 QETI and IEAA 2006

8 AEI 2008a, AEI 2008b

9 For Australian graduates, the numbers were slightly higher, with 82% of higher education and 69% of VET graduates working, either full time or part time.

10 One in five international VET graduates working thought that their employer did not value their Australian qualification, although the number of respondents to this question was very low.

## Section 2. Research background

For this report 8,641 higher education and VET graduates were surveyed online between February and May 2009. Of these graduates, each of whom had completed a qualification at an Australian institution between 2004 and 2008, 3,937 were international higher education graduates and 631 were international VET graduates. A further 3,886 were Australian (domestic) higher education graduates, and 187 were domestic VET graduates.

Respondents for the survey were recruited through alumni networks of Australian universities and VET institutions, as well as participants in the earlier ISS.

An online survey of employers was also conducted, featuring 101 Australian and 28 overseas employers, and face-to-face or telephone interviews were conducted with 40 Australian and 27 overseas employers. Employers were selected based on their known propensity to hire graduates with Australian qualifications in the fields of accounting, engineering, hospitality and health care. Half of offshore employers were based in China, with a quarter in Singapore and most of the rest evenly split between Malaysia and India.

The surveys and interviews were conducted for AEI by **INSIDE STORY**, a research and insights consultancy team. AEI analysed and prepared this report based on data provided by **INSIDE STORY**.

### Characteristics of survey cohort

This project used a number of different approaches to attempt to recruit survey respondents with characteristics representative of the population of international students who have graduated with an Australian qualification between 2004 and 2008. Unfortunately the number of respondents from certain nationalities was quite low, as was the overall number for former graduates of private VET institutions. Due to small sample sizes for some nationalities this report focuses on findings for international graduates in general, rather than differentiating by nationality or locality of study.

Approximately 16% of international respondents were from China and 14% were from India.

Just over half (52%) of international higher education graduates had studied commerce or finance qualifications, as had 29% of international VET graduates. A further 33% of international VET graduates had studied cooking or hospitality type qualifications.

Roughly a quarter of higher education graduates (both domestic and international) had completed their studies in 2004-05, in 2006, 2007 or 2008. For VET graduates, both domestic and international, more than 80% had completed their qualifications in either 2007 or 2008.

This outcome highlights a current difficulty in undertaking research on the outcomes of international VET graduates who have studied in Australia. The relative success of recruiting higher education graduates for this survey was largely attributable to the alumni networks developed on and offshore by universities, as well as AEI. At this time there do not appear to be equivalent networks available for VET graduates to retain contact with their institution of study or their former classmates.



## Section 3. Current status of graduates

At the time of the survey in May 2009, most international graduates were either working or studying or combining work and study as shown in table 1 below. Figures are shown for Australian graduates as well, for comparative purposes.

A large proportion (78%) of international higher education graduates and 71% of international VET graduates were employed, or had accepted a job offer, while approximately 10% of graduates were actively seeking employment. For graduates who were working, 90% of international higher education graduates and 54% of international VET graduates were working full time, compared with 81% of domestic higher education graduates and 70% of domestic VET graduates.

International graduates who had completed their studies between 2004 and 2006 were more likely to be working (85% of international higher education and 75% of international VET graduates) than those who graduated in 2007 or 2008 (70% of international higher education and 68% of international VET graduates), perhaps reflecting the more difficult job conditions facing more recent graduates due to the onset of the global financial crisis in 2008.

Graduates from 2004 to 2006 were less likely to be seeking employment (6% of international higher education and 5% of international VET graduates) than more recent graduates (16% of international higher education and 10% of international VET graduates). Similar patterns were seen amongst domestic higher education and VET graduates.

One in five (22%) of international higher education graduates and 45% of international VET graduates were undertaking further study either in Australia or offshore, with most of these graduates combining work with their studies.

Just under half (48%) of international higher education graduates and 68% of international VET graduates surveyed were living in Australia at the time of the survey. International higher education graduates who had returned to their home country or were living in another country were less likely to be looking for work (8%) than graduates who had stayed in Australia (13%), suggesting that the Australian higher education qualifications they had earned were competitive internationally. For international VET graduates, the same proportion (9%) was looking for work both in Australia and overseas. Figure 1 below shows the current status of international graduates, for those living in Australia or overseas.

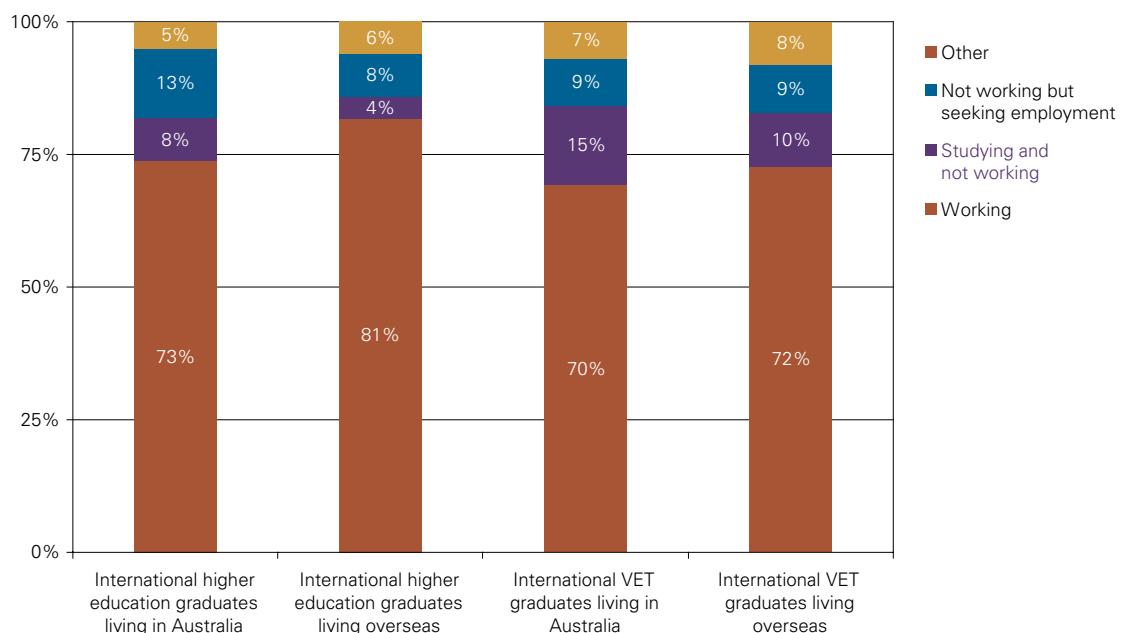
Table 1 Current status of graduates<sup>11</sup>

	Higher Education		VET	
	International	Domestic	International	Domestic
Studying and not working	6%	6%	14%	11%
Working (or accepted job offer) and studying	17%	22%	32%	30%
Working (or accepted job offer) and not studying	61%	59%	39%	44%
Not working but seeking employment	11%	6%	9%	7%
Not working, studying or seeking employment	6%	7%	7%	8%

<sup>11</sup> Percentages in this and other tables may not add up to 100% due to rounding.



**Figure 1 Current status of international graduates by location**



**Table 2 Relevance of field of education studied to occupation**

	Higher Education		VET	
	International	Domestic	International	Domestic
Same field	47%	60%	44%	53%
Related field	38%	27%	29%	22%
Not related to what graduate studied	15%	13%	27%	24%

## Graduate employment outcomes

For graduates who were employed, or had accepted a job offer, most were working in an occupation in the field they had studied, or in an occupation related to the field of education they had studied. Table 2 above shows the relevance of the field of education studied to the occupation for international and domestic graduates.

Table 2 shows that only 15% of international higher education graduates and 27% of international VET graduates who were working were working in a field that was unrelated to what they had studied in Australia. Nearly half were working in the same field as their educational studies<sup>12</sup>.

International higher education graduates working outside of Australia were even more likely to be working in an occupation related to their field of

12. There was little variation between cohorts graduating in different years, with similar proportions working in fields related to their field of study.

study, with only 13% working in a field unrelated to what they had studied in Australia (compared with 18% who were working in Australia).

Across all graduates who were working in an occupation that was unrelated to the qualifications they had studied, the most common reasons given for not working in that field were a lack of sufficient work experience in that industry (45% of graduates) and a lack of jobs in that field (38% of graduates).

For international higher education graduates working in the same (or a related) field as their studies, 52% nominated relevant work experience and 47% nominated the skills they had developed while studying in Australia as factors that had helped them to get a job in this field. For international VET graduates, these were also the two most commonly nominated factors, with 52% nominating skills developed while studying in Australia and 44% nominating relevant work experience.

Most working graduates, both international and domestic, were reasonably satisfied with the job that they were working in, as shown below in table 3.

Only one in ten graduates in employment experienced either a low or very low level of satisfaction with their job, with similar results for both higher education and VET graduates, and for international and domestic graduates.

Fewer international higher education graduates working overseas reported a very low or low level of satisfaction with their job (9%), compared with those who were working in Australia (13%).

Graduates working in a field related to what they had studied were more likely to be satisfied with their job than those working in a field unrelated to their studies. Figure 2 shows this relationship for international VET and higher education graduates combined.

Graduates who were working in a field unrelated to their field of education were less likely to be satisfied with their job (25% of international higher education graduates and 17% of international VET graduates had a low or very low level of satisfaction with their job) than those working in a related field (11% and 8% respectively) or in the same field as their education (6% and 7% respectively).

Graduates working in the same or a related field to what they studied were more likely to intend to stay longer with their organisation than those working in an unrelated field. Approximately half (49%) of international higher education graduates and 35% of international VET graduates working in the same field as their studies expected to stay in their current organisation for at least two years, compared with 48% and 41% for international higher education and VET graduates working in a related field to their studies, and only 31% and

**Table 3 Overall satisfaction with job**

	Higher Education		VET	
	International	Domestic	International	Domestic
Very high	20%	31%	26%	38%
High	41%	46%	33%	31%
Neutral	28%	14%	31%	18%
Low	7%	6%	5%	8%
Very low	4%	4%	5%	5%



27% for international higher education and VET graduates working in a field unrelated to their field of education<sup>13</sup>.

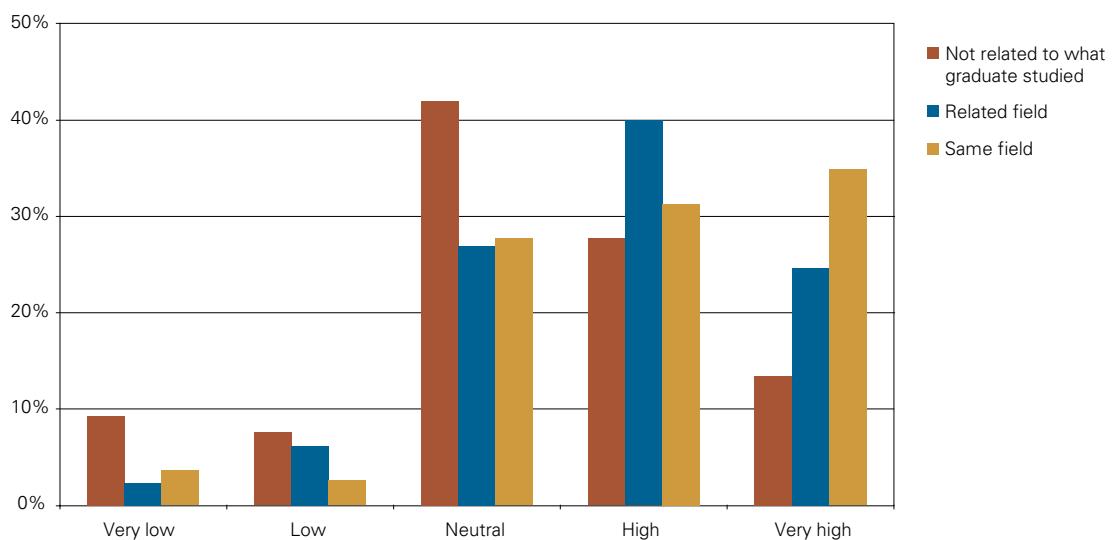
### Important skills for employment

All graduates participating in the survey were asked to select the three most important skills that they

thought employers were looking for when they were recruiting a new graduate. The five most common skills are shown below in table 4, along with a sixth result, English language competency.

Table 4 shows that domestic and international graduates, both from higher education and VET courses, had similar views about the types of

**Figure 2 Relationship between working in a field related to study and job satisfaction**



**Table 4 Graduates' views of most important skills employers were looking for**

	Higher Education		VET	
	International	Domestic	International	Domestic
Effective communication skills	64%	72%	64%	69%
Ability to work as part of a team	43%	51%	50%	56%
Knowledge and skills for a particular professional area or discipline	46%	49%	43%	46%
Qualifications/work experience held	44%	44%	50%	49%
Effective problem solving	24%	24%	20%	23%
English language competency	19%	5%	21%	7%

13 Domestic graduates were slightly more likely than international graduates to intend working for their organisation for at least two years: 57% and 51% for higher education and VET respectively for work in the same field; 49% and 32% respectively for work in a related field; and 30% and 18% respectively for work in an unrelated field.

skills that employers were looking for. Effective communication skills were most commonly mentioned by graduates, followed by the ability to work in a team and knowledge and skills and work experience. Interestingly, only one in five international graduates thought that English language competency was one of the most important skills that employers were looking for. This is one area where the perceptions of international graduates are at odds with those of employers – as one Australian employer noted in an interview:

*"The graduates need to understand how important English language skills are – this is sometimes not clearly understood and leads to frustration."*

### Barriers to finding work

As table 1 showed, 11% of international higher education and 9% of international VET graduates were unemployed and seeking employment. While the field of education studied by the graduates did not appear to have an impact on their likelihood to be unemployed and seeking work, the year of graduation did. Table 5 below shows the proportion of graduates by their year of graduation that was unemployed and seeking employment at the time of the survey.

Table 5 shows that graduates who graduated between 2004 and 2006 were much less likely to be unemployed and seeking employment in 2009

than their more recently graduated counterparts. In large part, this may reflect the more difficult economic environment in 2008 and 2009, due to the global financial crisis. It may also reflect the time lag involved in applying for and being granted permanent residency, and the time that it takes to find a job.

Graduates were asked about the barriers they faced in finding work. For international graduates who had been unable to find work (those not working but seeking employment), the three most commonly perceived barriers were a lack of work experience (39% of international higher education and 25% of international VET graduates), not having permanent residency or a required work visa (21% of international higher education and 29% of international VET graduates) and a lack of jobs in the graduate's field of study (17% of international higher education and 29% of international VET graduates).

International graduates who were unemployed and seeking work did not commonly perceive language or culture to be a barrier, with only 6% of international higher education and 9% of international VET graduates nominating language problems as a barrier and only 5% of international higher education and 16% of international VET graduates nominating cultural barriers.

**Table 5 Proportion of graduates unemployed and seeking work by year of graduation**

	Higher Education		VET	
	International	Domestic	International	Domestic
2004-05	5%	2%	2%	0%
2006	6%	5%	7%	6%
2007	10%	5%	11%	4%
2008	23%	11%	10%	9%



## Further study

As table 1 showed, approximately one in five international higher education graduates and half of international VET graduates were undertaking some form of further study. More recent graduates were more likely to be undertaking further study, as shown below in table 6, however a reasonable proportion of earlier graduates were also engaging in further education at the time of the survey.

**Table 6 Proportion of international graduates undertaking further studies by year of graduation**

Year of graduation	Higher Education	VET
2004-05	19%	31%
2006	22%	26%
2007	23%	33%
2008	25%	57%

The majority of graduates who were undertaking further study were doing so while also working, either part time or full time. Higher education graduates who were combining work and study were more likely to be working full time, while

international VET graduates working and studying were more likely to be working part time. Table 7 shows the proportion of graduates who were undertaking further study and their working status.

For international higher education graduates undertaking further study, 23% were studying at the same Australian higher education institution they had studied at previously, with another 23% studying at a different Australian institution. Approximately one in six (16%) were studying at a higher education or VET institution in their home country.

For international VET graduates, 42% were undertaking further studies at the same VET institution they had studied at in Australia, with a further 30% studying at a different Australian education institution. Ten percent were studying at a university in their home country.

These results, similar to those shown in the ISS<sup>15</sup>, support the suggestion that the majority of international graduates were generally satisfied with their studies in Australia, with many electing to undertake further studies in Australia, often with the same provider.

**Table 7 Graduates undertaking further study<sup>14</sup>**

	Higher Education		VET	
	International	Domestic	International	Domestic
Graduates undertaking further study	22%	28%	45%	41%
Studying only	6%	6%	14%	11%
Studying and working part time	3%	8%	24%	13%
Studying and working full time	13%	14%	7%	18%

<sup>14</sup> The proportions of graduates undertaking further study do not exactly match the combined totals shown in table 1 due to rounding.  
<sup>15</sup> AEI 2008a and AEI 2008b

## Living in Australia

Previous research has shown that a substantial proportion of international students intend to live and work in Australia after graduating, with permanent residency becoming an increasingly popular option for many students<sup>16</sup>.

As noted in section 2 above, 48% of international higher education graduates and 68% of international VET graduates were living in Australia at the time of the survey. Survey respondents who indicated they were living in Australia were asked questions about their visa status, and their intentions to apply for permanent residency. Table 8 below shows the permanent residency intentions for those international graduates living in Australia.

**Table 8 International graduates' plans for permanent residency**

International graduates living in Australia	Higher Education	VET
Yes, have applied for and been granted permanent residency	64%	18%
Yes, have applied for but not yet been granted permanent residency	12%	11%
Yes, planning to apply for permanent residency	20%	64%
No, not planning to apply for permanent residency	4%	6%

Table 8 shows that only 4% of international higher education and 6% of international VET graduates living in Australia did not intend to apply for permanent residency and more than half of international higher education graduates living in Australia had already been granted permanent residency. The majority of international VET graduates living in Australia intended to apply for permanent residency, but had not yet done so.

The more time that had passed since the graduate completed their studies, the more likely they were to have been granted permanent residency. For international higher education graduates who had graduated between 2004 and 2006 and were living in Australia at the time of the survey, 85% had applied and been granted permanent residency, with a further 12% either having applied but not yet been granted permanent residency, or planning to apply. For international VET graduates who had graduated between 2004 and 2006 (a much smaller sample size), 54% had applied and been granted permanent residency, 8% had applied but not yet been granted permanent residency, and 31% were planning to apply.

For international graduates who had completed their studies in 2007 or 2008, and hence had had a smaller period of time in which to apply for permanent residency, the proportions were smaller: 47% of international higher education graduates living in Australia had been granted permanent residency, 17% had applied but not yet been granted permanent residency, and 32% were planning to apply. For international VET graduates, 12% had been granted permanent residency, 12% had applied but not yet been granted permanent residency, and 70% were planning to apply.

16 AEI 2007, AEI 2008a and AEI 2008b



International graduates living in Australia and applying for permanent residency can stay in Australia on different types of visas. Table 9 below shows some of the types of visas that graduates applying for permanent residency were utilising while staying in Australia.

**Table 9 Visa status of graduates applying for permanent residency**

International graduates applying for permanent residency	Higher Education	VET
On a 485 Skilled – Graduate (Temporary) Visa	17%	7%
On a Bridging Visa	35%	19%
Not on either of these	46%	70%
Unsure	3%	4%

Table 9 shows that more than half of international higher education graduates living in Australia and looking for permanent residency were utilising either a 485 Skilled – Graduate (Temporary) Visa or a bridging visa to stay in Australia. For international VET graduates, less than 30% were staying in Australia on a 485 Skilled – Graduate (Temporary) Visa or on a bridging visa.

Most international graduates who had been granted permanent residency stayed in Australia – only 8% of international higher education graduates and 4% of international VET graduate who had been granted permanent residency were living outside of Australia at the time of the survey.

## Living overseas

One of the important benefits of an international education is the lasting friendships and networks that can be formed with people from other countries, cultures and places. More than half (53%) of international graduates surveyed living overseas maintained contact with Australian students at least two or three times a year, 77% kept in contact with students from the graduate's home country and 55% kept in touch with students from other countries.

More than half (56%) of international graduates kept in touch with people that they had worked with in Australia at least two or three times a year, however only 37% kept in touch more than once a year with people in the broader Australian community.

## Section 4. Employer views of graduates

### Skill shortages

Most employers surveyed both onshore (Australian) and offshore (international), were facing skill shortages or were expecting to face them in the near future. Only 28% of Australian employers and 32% of international employers were not expecting skill shortages within the near future<sup>17</sup>.

More than half of employers surveyed were finding it difficult to find graduates with the right skills to suit their organisation. Table 10 below shows some of the most common reasons given by employers for difficulty in finding graduates.

As table 10 shows, the most common reasons that Australian employers had difficulty in recruiting graduates was a lack of graduates in the relevant industry sector, competition from other employers, and the skill level of graduates being unsatisfactory. An Australian employer elaborated on this at interview:

*"It's never easy to find qualified people to fill the vacancies – we are always looking to recruit people."*

For international employers, the most common reasons for difficulty in finding graduates were the

unsatisfactory skill level of graduates, unrealistic salary expectations and insufficient work experience.

A recent newspaper article (Macdonald-Smith 2009) noted that one impact of the global financial crisis has been that many Australian expatriates looking to return to Australia need to be wary of unrealistic salary expectations. The survey responses from Australian and international employers suggest that both Australian and international graduates need to be cautious about their salary demands when searching for jobs in Australia or overseas.

As one Australian employer noted in interview:

*"In general it is difficult to find people with the right combination of skills and experience. In the current market however, there are a lot of people out there and this generally means we can get better candidates for the same money."*

Despite the difficulties faced by employers in finding graduates, 70% of Australian employers surveyed were looking to use international graduates with Australian qualifications to fill their skills shortages, as were 84% of international employers. Most (78%) Australian employers surveyed were looking to Australian graduates with Australian qualifications to help meet skill shortages, and 74% of international

Table 10 Reasons employers found it difficult to recruit graduates

	Australian employers	International employers
Not enough graduates in the relevant industry sector	41%	47%
Competition from other employers	41%	24%
Skill level of graduates is unsatisfactory	39%	59%
Salary expectations are not realistic	35%	59%
Not enough work experience	24%	53%

<sup>17</sup> These views are shared by the Australian Industry Group (Ai Group), which released a report in October 2009 on the business skilling intentions of Australian businesses in 2009-10. At the release of this report, Ai Group Chief Executive Heather Ridout noted:  
*"Despite the downturn and its impact on employment, skill shortages continue to be a major strategic issue for business, and industry remains alert to the problem. Indeed, over the next 12 months skill shortages are anticipated for a range of occupations."* (Ai Group 2009)



employers were looking to local graduates with local qualifications. Across all employers, 43% expected that the number of international graduates they employed would increase over the next five years, while only 9% expected that number to decrease.

Offshore employers were asked why they might recruit an overseas educated graduate (ie. a graduate with an Australian qualification) over a locally educated graduate. More than half (63%) stated that overseas educated graduates were more creative or had better problem solving skills than locally educated graduates; 53% thought overseas educated graduates had better life experience; and 47% nominated the English language skills of overseas educated graduates as an important reason for recruiting them over a locally educated graduate.

When offshore employers were asked why they might choose to recruit a locally educated graduate over an internationally educated graduate, 68% mentioned the more realistic salary expectations and

53% mentioned the graduate's proficiency in the local language as reasons why they might recruit a locally educated graduate.

To quote one offshore employer:

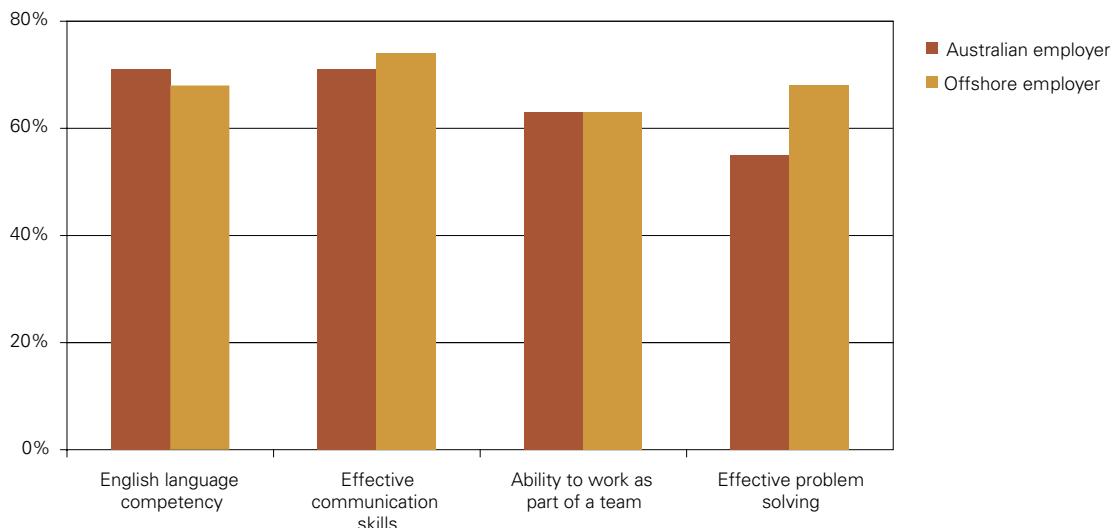
*"Australian qualified graduates are too confident and put too much value on themselves due to their international qualifications. They expect higher salaries but this is not specific to just Australian graduates."*

### Importance of factors when employing graduates

Employers look for a number of different factors when they seek to employ graduates.

Australian and offshore employers were asked to rank the importance of these factors when seeking to employ international graduates. Figure 3 below shows the four attributes that the greatest number of employers nominated as very important.

**Figure 3 Important attributes for employing international graduates**



A comparison of table 4 and figure 3 shows a mismatch between what graduates thought were the most important attributes that employers look for and what employers actually thought. While graduates and employers both nominated effective communication skills and the ability to work as part of a team, only 24% of international higher education and 20% of international VET graduates nominated effective problem solving skills, and only 19% of international higher education and 21% of international VET graduates nominated English language competency as important factors.

As one Australian employer noted,

*"the graduates need to understand how important English language skills are – this is sometimes not clearly understood and leads to frustration."*

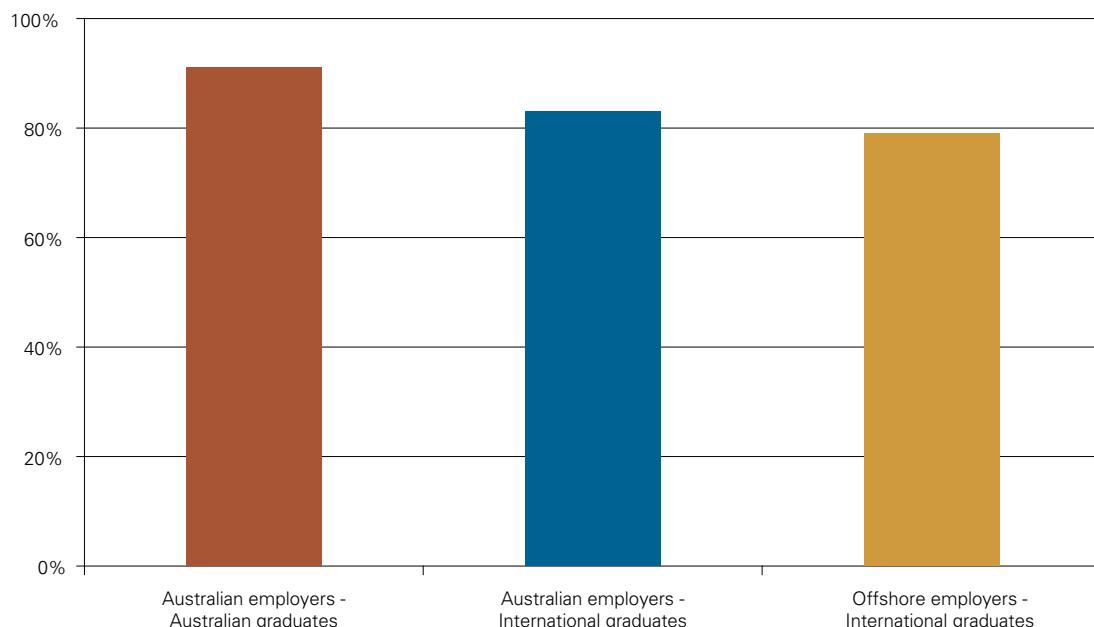
## Satisfaction with graduates

Most Australian and offshore employers were satisfied with Australian educated graduates, as shown in figure 4 below.

Australian employers were slightly more likely to be satisfied with an Australian graduate (91%) than with an Australian educated international graduate (83%), while offshore employers were more satisfied with Australian educated international graduates that they employed (79%) than with locally educated graduates (74%).

Almost three quarters (74%) of Australian employers thought the English language competency of international graduates that they had employed was acceptable or better, and 71% rated their effective communication skills as acceptable or better. One in five (21%) thought the English language competency of their international

**Figure 4 Employers' satisfaction with Australian educated graduates**





graduates was poor, and 23% thought international graduates performed poorly in terms of effective communication skills.

Two thirds (66%) of Australian employers rated the ability of international graduates to work as part of a team as good or very good, and 59% rated their problem solving skills as good or very good. Domestic graduates were rated slightly higher in terms of their ability to work as part of a team (72% were rated good or very good), and were rated the same in terms of problem solving skills (59% good or very good). Only 4% of employers rated the performance of international graduates as poor in terms of their ability to work as part of a team, and 5% rated their problem solving skills as poor.

Overall, 74% of Australian employers thought that international graduates met or exceeded their expectations, while 88% thought that domestic graduates met or exceeded their expectations. For offshore employers, 74% thought that Australian educated international graduates met or exceeded their expectations, while 68% thought that graduates with local qualifications met or exceeded their expectations.

### Reasons for dissatisfaction

Six Australian employers (8%) were dissatisfied with the performance of domestic graduates and 12 (16%) were dissatisfied with the performance of international graduates educated in Australia. The reasons for dissatisfaction for these employers are explored below.

The most common concerns over the performance of domestic graduates were related to their work ethic (100% of dissatisfied employers), their perceived inability to adapt to the work environment (100%), and issues relating to their technical and job function related skills and their communication skills (83% respectively).

For international graduates, the most common reasons for dissatisfaction related to their communication skills and their standard of written and spoken English (67% respectively), their ability to adapt to the work environment, and their lack of relevant work experience (58% respectively). Only one employer was dissatisfied with the work ethic of international graduates.

Four offshore employers (21%) were dissatisfied with the performance of Australian educated graduates. Of these four employers, three were dissatisfied with the technical and job function related skills of Australian graduates, while two were dissatisfied with the graduates' work ethics, two with their communication skills, two with their lack of work experience and two with the quality of their Australian qualifications.

### Concerns about recruiting

Employers were asked about any concerns that they might have when recruiting Australian educated graduates.

Although three quarters of Australian employers were satisfied with the English language ability of graduates they had employed, 69% stated that they were concerned about the standard of written and spoken English of Australian educated international graduates in general. Half (51%) were concerned about investing training and development in employees who were unlikely to stay in the job, 48% were concerned about the ability of international graduates to integrate into the work culture, 47% were concerned about the difficulties or expense of sponsoring a work visa for an international graduate, and 42% had concerns about a possible lack of relevant work experience. While nearly half were concerned about difficulties with sponsoring work visas, 73% of Australian employers stated that they would employ an international graduate on a bridging or 485 Skilled – Graduate (temporary) visa.

For domestic graduates, 35% of employers were concerned about their possible lack of relevant work experience and 31% were concerned about investing training and development in employees who were unlikely to stay in the job.

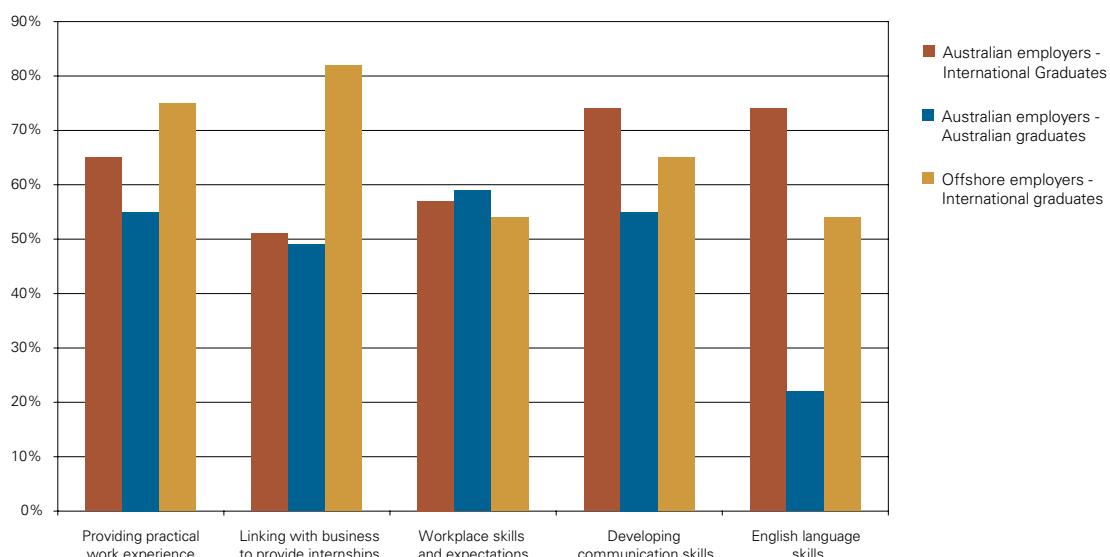
More than half (54%) of offshore employers were concerned about investing training and development in Australian educated international graduates who were unlikely to stay in the job, 39% were concerned about the ability of Australian educated international graduates to integrate into the work culture, 39% were concerned about the different work ethic of Australian educated international graduates and 36% were concerned about a possible lack of relevant work experience.

## Areas for more focus

Australian and offshore employers were asked to nominate any areas that they thought required more emphasis in an Australian education. The main areas identified by employers involved workplace skills and experience, and English language and communication skills. Figure 5 below shows the five most common areas nominated as requiring more emphasis.

Improving the workplace readiness of higher education and VET graduates from Australian education and training institutions can be facilitated through partnerships between education providers and employers. More than half (53%) of Australian employers surveyed were offering internships, apprenticeships or traineeships to students while they were studying in Australia, and of those that were not currently doing this only 38% were not interested in collaborating.

**Figure 5 Areas requiring more emphasis in an Australian education**



## Section 5. Conclusions

Australian educated international graduates are a valued source of labour for both Australian and offshore employers.

On the whole, Australian educated international graduates had positive employment outcomes after graduation, although more recent graduates were less likely to be working and more likely to be undertaking further study, due perhaps to a weaker labour market at the time of the survey as a result of the global financial crisis.

The survey of employers found that most employers surveyed both in Australia and offshore were satisfied with the performance of Australian educated international graduates, and were interested in employing international graduates who had studied in Australia.

Most international graduates who were living in Australia at the time of the survey were working in an occupation related to what they had studied, and there was no evidence that large numbers of international VET graduates were working in occupations unrelated to what they had studied in Australia.

International graduates who were working in an occupation related to their field of study were likely to be happier with their job and likely to stay longer in that job than graduates working in a field unrelated to their studies.

International graduates who left Australia had even more positive outcomes than those who chose to stay in Australia after graduation, suggesting that an Australian qualification was highly competitive internationally.

Although the outcomes for Australian educated international graduates were mostly positive, the surveys of graduates and employers have identified some ways that these outcomes can be improved. These areas are explored in the section on recommendations.

## Section 6. Recommendations

Most international graduates who responded to the survey had achieved positive outcomes as a result of their Australian education, and most employers surveyed, both in Australia and offshore, were interested in employing international graduates who had studied in Australia.

Despite these mostly positive outcomes, there are some actions that can be taken by international graduates, employers and education providers to improve outcomes for international graduates. These actions are summarised below.

### International graduates

- Recommendation 1: International graduates should look for opportunities to develop their English language and communication skills during their studies in Australia, given the importance placed on these areas by employers.
- Recommendation 2: International graduates should take advantage of their rights to work up to 20 hours a week during their studies in order to gain work experience to improve their job related skills.
- Recommendation 3: International graduates should look to participate in internship or job placement programs.
- Recommendation 4: International graduates should look to match their Australian qualification to their desired occupation, to maximise their chances of working in that occupation and achieving job satisfaction.

### International education providers

- Recommendation 5: International education providers should look to provide opportunities for international students to improve their English language and communication skills during their studies in Australia.
- Recommendation 6: International education providers should link with Australian employers to develop and offer internship or job placement programs for international students.
- Recommendation 7: International education providers should use their career guidance centres to give students more realistic expectations of available opportunities and starting salaries in their desired occupations.
- Recommendation 8: International education providers should look to develop and enhance alumni networks to facilitate tracking of graduate outcomes.

### Employers of Australian educated international graduates

- Recommendation 9: Employers should work with international education providers to develop and offer internship or job placement programs for international students.
- Recommendation 10: Employers should focus their recruitment on graduates with relevant qualifications, to maximise the length of time that graduates are likely to stay with that employer.

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