



## EMPLOYERS OF MIGRANTS 2009 – FROM RECRUITMENT TO RETENTION

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## **1 PURPOSE**

This report presents high-level findings from the 2009 Employers of Migrants survey. The primary objective of the survey is to assess the benefits and issues associated with employing migrants. It also aims to monitor whether Immigration New Zealand (INZ) is meeting the needs of employers, from the initial policy framework through to the settlement services provided.

The report is broken into two main areas:

- The recruitment and employment of migrants
- Retention and settlement issues

## **2 BACKGROUND**

Employers were selected from a database of those who have had contact with an INZ Relationship Manager. This database was used to enable us to report on customer satisfaction with INZ Relationship Managers and also because these employers were likely to have migrant employees.

A total of 1,065 employers were in the database, and of these, 942 employers were eligible and had correct contact details. All of these employers were invited to take part in the survey. The survey could be completed online or by telephone.

Refer to the appendix for further information on the survey methodology.

### 3 KEY FINDINGS

- More than four-fifths (87 percent) of employers said they rated their migrant employees as good or very good.
- Employers who had tried to find a New Zealander before hiring a migrant reported not being able to find someone with the right skills (83 percent) as the main reason they didn't hire a New Zealander.
- For the employers that reported challenges in hiring a migrant, language difficulties was the most common issue (43 percent).
- Almost half (44 percent) the migrants that had left an employer in the previous 12 months had worked there longer than 12 months, whilst 17 percent had worked there less than 6 months.
- The most common reason for a migrant leaving was to return to their country of origin (23 percent).

#### 3.1 The recruitment and employment of migrants

##### *Recruitment of migrants*

This section examines the recruitment of migrants – what methods employers use to find suitable migrants, whether they tried to recruit a New Zealander first or tried to upskill current staff, and if they have any preferences regarding the potential employees' countries of origin.

Most of the employers surveyed<sup>1</sup> (91 percent) currently had at least one migrant on staff. Four-fifths of employers had taken on a migrant in the last 12 months. The larger the employer's business, the more likely they were to have hired a migrant in the last 12 months. A large majority (97 percent) of employers with 100 or more staff had hired a migrant in the last 12 months as opposed to only 38 percent of employers with fewer than 10 staff.

Employers who did not employ any migrants were asked if there were particular reasons for that. The main reason given (23 percent) was being able to find a New Zealander to fill the position, although the same number said there was no particular reason why they hadn't hired any migrants.

Eighty-five percent of those who had employed a migrant in the last 12 months had tried to find a New Zealander to fill the position. Those who had tried to recruit a New Zealander first reported not being able to find someone with the right skills (83 percent) as the main reason they didn't hire a New Zealander, followed by no-one being available to fill the position (29 percent).

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<sup>1</sup> The sample was comprised of employers who have had contact with an Immigration New Zealand Relationship Manager.

*"Predominantly an engineering and water treatment company and just weren't the suitable required people available in New Zealand."*

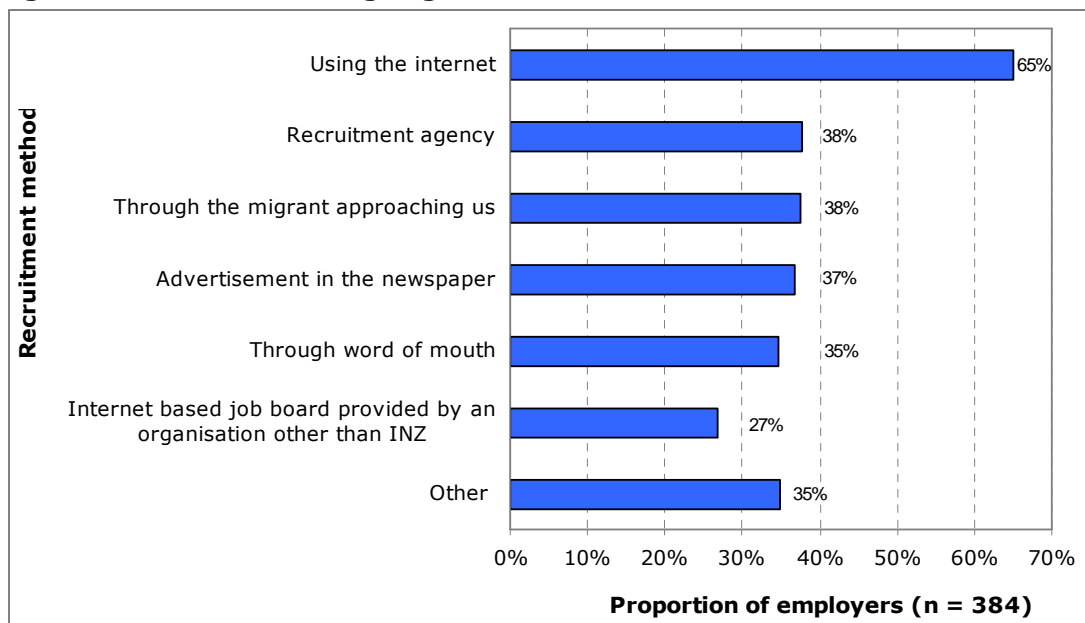
Of those who hadn't tried to recruit a New Zealander first, 38 percent could give no particular reason for hiring a migrant over a New Zealander. However, around a quarter (24 percent) stated they hired a migrant over a New Zealander as they were the best candidate.

Most of the employers that had not attempted to employ a New Zealander first had tried to upskill New Zealanders for the position (70 percent), most typically with:

- staff training - 35 percent
- a graduate programme or supervision - 19 percent
- other ways -16 percent

Most employers reported using more than one type of recruitment method. Almost half (49 percent) reported using three or more methods. The most popular method was the internet (65 percent), followed by using a recruitment agency (38 percent). The most common ways are shown in figure 1.

**Figure 1: Methods of finding migrants for the role**



Total may exceed 100% because of multiple response. Based on those that had migrants currently on staff and/or had taken on any migrants in the last 12 months.

Once the employer had found a migrant for the role, the most commonly used services to assist in bringing those migrants who weren't already in the country into New Zealand were:

- INZ Relationship Manager – 26 percent
- Immigration advisor – 24 percent
- own (e.g. inhouse) services – 16 percent

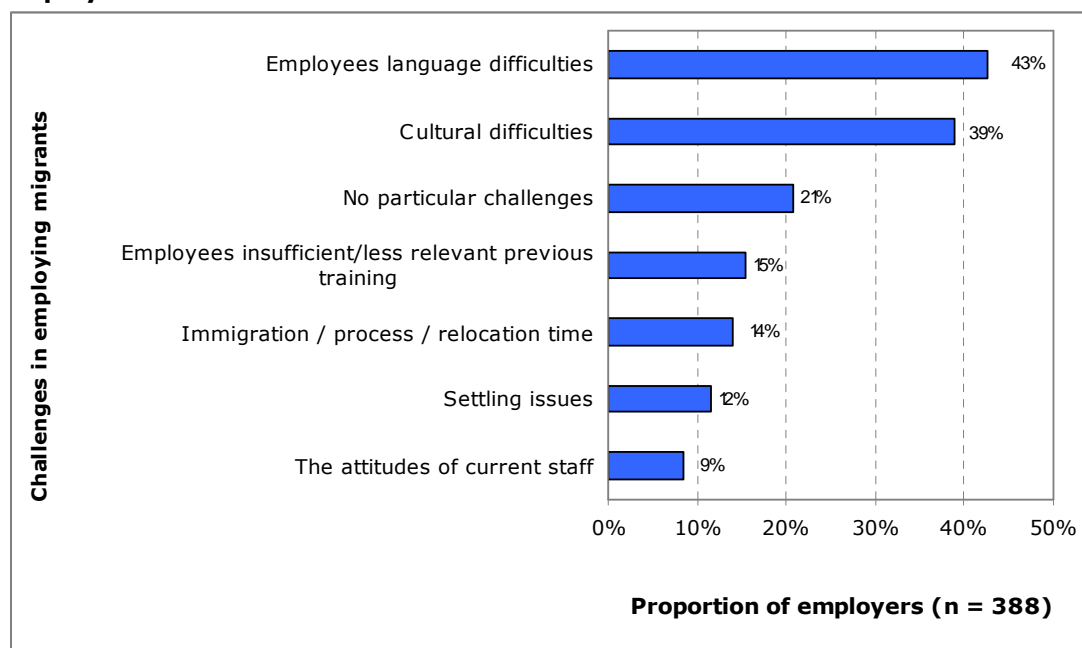
Two-thirds of employers had no preference regarding the country they preferred to employ migrants from if they could not find a New Zealander. Of those with a preference, the United Kingdom was the top choice (20 percent), because they felt the migrants from that region had good skills and/or qualifications.

### **Employment of migrants**

This section examines the challenges employers face when hiring migrants and whether they have made any changes to business practices to accommodate migrant employees. It also looks at how employers rate their migrant employees' job performance.

When asked if there were any particular challenges to employing a migrant, one in five (21 percent) employers with migrants on staff felt there were no such challenges. For the employers that did report challenges, language difficulties was the most common challenge for employers (43 percent). Figure 2 shows the main challenges for employers.

**Figure 2: What particular challenges are involved in employing migrant employees?**



Total may exceed 100% because of multiple response. Based on those that had migrants currently on staff and/or had taken on any migrants in the last 12 months.

Most employers (76 percent) reported making no particular changes in business practices to accommodate their migrant employees. Of those that had, the most common changes were:

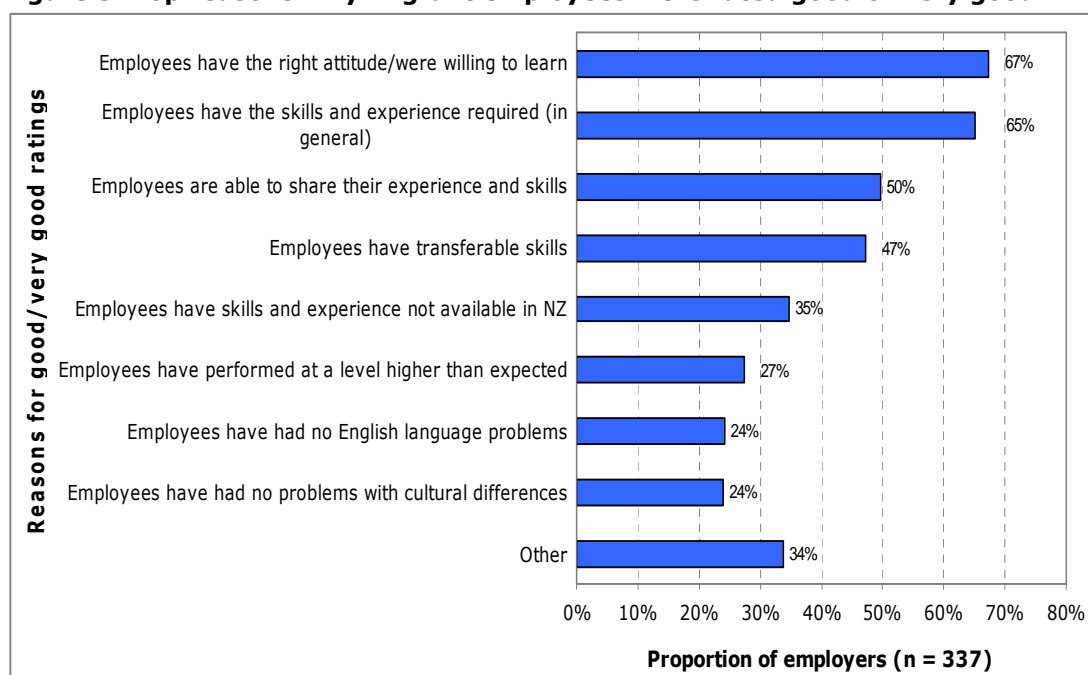
- Settlement / induction / orientation / relocation assistance – 9 percent
- Cross-cultural training – 5 percent
- Cultural / diversity awareness – 5 percent

*"Made space available onsite for a specific prayer room for Muslim employees."*

Employers were asked how well they would rate their migrant employees' overall job performance. More than four-fifths (87 percent) said they rated their migrant employees good or very good. Only 7 percent rated them as either average, poor or very poor.<sup>2</sup>

The main reasons for migrants being rated as good or very good by employers was that they have the right attitude and/or are willing to learn (67 percent) and they have the skills and experience required (65 percent), with over a third of employers reporting they had skills and experience that weren't available in New Zealand (35 percent). The main reasons are shown in figure 3.

**Figure 3: Top reasons why migrant employees were rated good or very good**



Total may exceed 100% because of multiple response. Based on those that rated their migrant employees' performance as good or very good.

<sup>2</sup> The other 5 percent either didn't provide an answer or did not know how they would rate the migrant employee.

*"Just the diversity, also the very specialised skills that aren't really available in the New Zealand market. For example, the engineering department."*

*"They fit in very well and become part of team very quickly."*

*"Richer skills and experience."*

Of the 7 percent of employees rated as average, poor or very poor, the main reason was that they lacked experience of the New Zealand workplace culture (52 percent). Other reasons were:

- They had English language problems – 41 percent
- They had previous training that was not relevant to the New Zealand work required – 31 percent
- They didn't have the right attitude – 24 percent

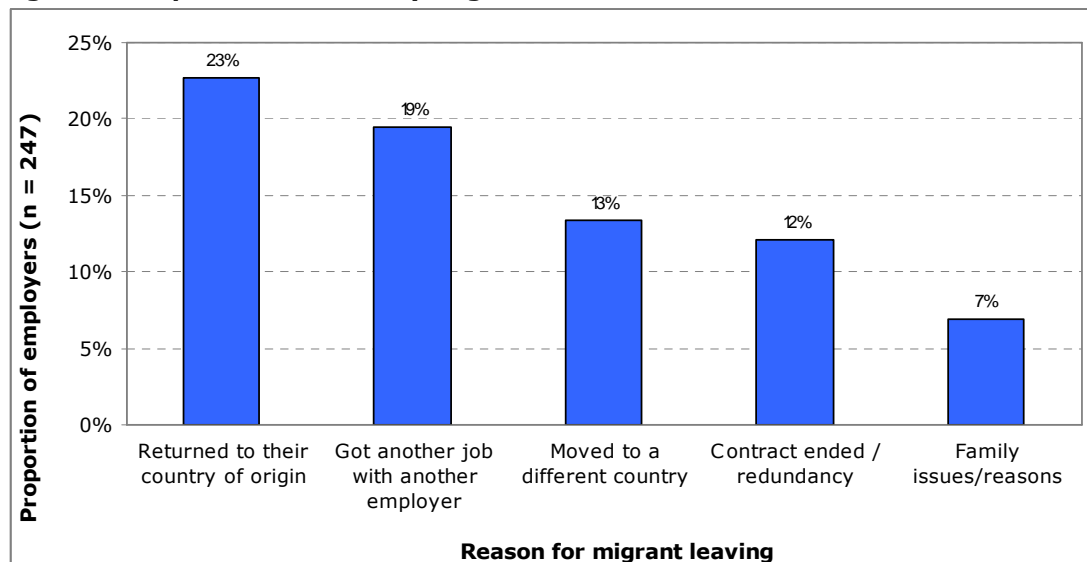
## 3.2 Retention and settlement

### ***Migrants leaving***

This section examines the reasons for migrants leaving.

The most common reason for migrants leaving was to return to their country of origin (23 percent). The top five reasons are shown in figure 4.

**Figure 4: Top five reasons why migrant left**



Total may not sum to 100% due to rounding. Based on those that had any migrants leave their organisation in the last 12 months.

*"Left to further their careers. Often go into their own business."*

*"Her husband and family are back home. She went on holiday and decided to stay."*

Of the employers who had had a migrant leave their organisation in the previous 12 months, almost two-thirds (64 percent) stated that the migrant employee had no difficulties fitting into the workplace culture. Of the reasons given for those who stated their employee did have difficulties, no one reason stood out. Some reasons given were that the migrant did not understand New Zealand culture in general or that the migrant had cultural difficulties with other colleagues.

Again, nearly two-thirds (63 percent) of employers who had had a migrant leave their organisation in the previous 12 months stated that the migrant employee had no difficulties in doing the job. Of the reasons given for those who stated their employee did have difficulties, no one reason stood out. Some reasons given were that there were cultural differences, a lack of work experience in New Zealand, or English problems, both spoken and written.

*"Communication issues."*

*"Mainly language difficulties."*

Almost half (44 percent) of migrants who had left an employer in the previous twelve months had worked there for longer than 12 months, whilst 17 percent had worked there for less than 6 months.

### ***Migrants settling***

This section examines the reasons employers believe their migrant employees or employees' families had problems settling in to life in New Zealand.

Employers who were interviewed by telephone<sup>3</sup> were asked if the employee or their family had any problems settling in. Almost two-thirds (63 percent) didn't think their employee or family had any problems. However, the online survey asked employers to give three ratings; one for the employee, one for the employee's partner and one for the employee's children.

- Employee – 56 percent had no problems settling in
- Partner – 35 percent had no problems settling in
- Children – 38 percent had no problems settling in

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<sup>3</sup> 160 of the 424 respondents completed the survey via telephone

Cultural barriers (other than language) and language barriers were given as the most common reasons for all three groups not settling well.

*"Too far away from the rest of family. Partners unable to secure employment."*

*"Family had problems settling into New Zealand."*

*"Wife wanted to return to be near her family."*

When asked if they had done anything in particular to try and retain their migrant employee, almost half (45 percent) said they had. The most common was support for settlement/family/counselling (13 percent).

*"Depends on the individual. Some of them we will make specific things, for example, more flights home to see family."*

*"Offer an extension to their fixed term agreement."*

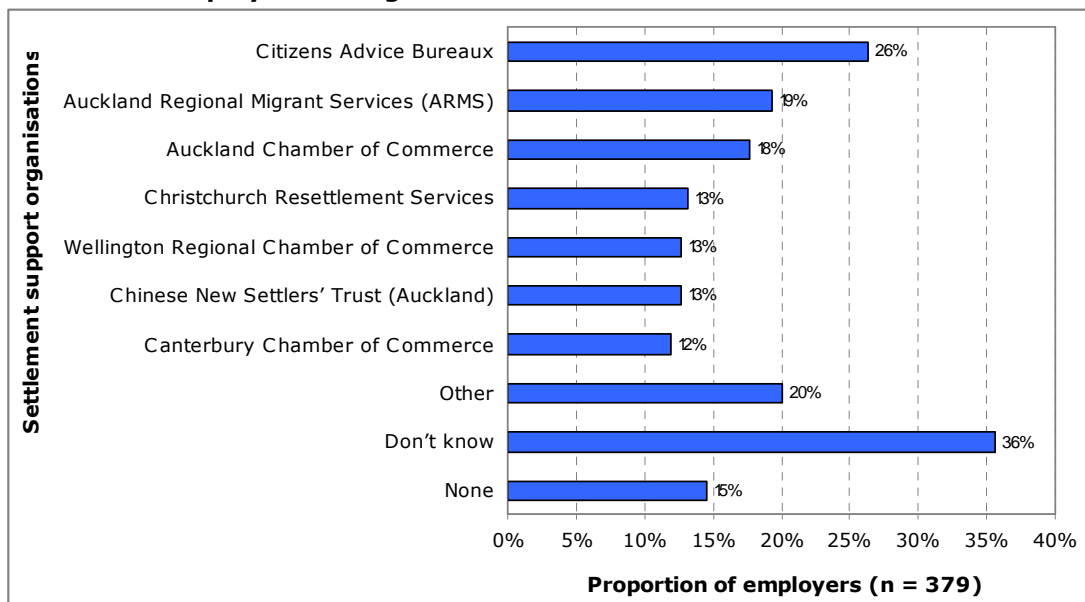
*"Offered alternative position."*

### **Settlement Services**

This section examines employers' familiarity with Settlement Support New Zealand. It also looks at employers' knowledge of other settlement support organisations and what services those organisations offered.

Around one-quarter (24 percent) of employers had heard of Settlement Support New Zealand. Respondents were then asked about other organisations that provide settlement support services to migrants. As Figure 5 shows, respondents were most familiar with the Citizens Advice Bureaux, Auckland Regional Migrant Services or a local chamber of commerce. More than one-third (36 percent) did not know which of these organisations provided settlement services and 15 percent stated none of them did.

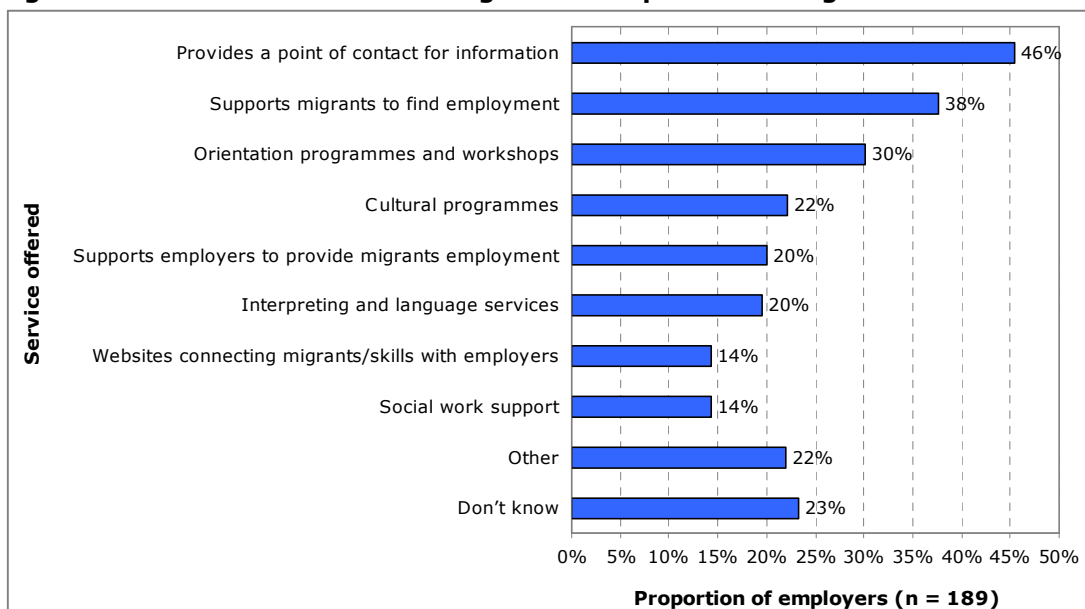
**Figure 5: Which of the following organisations provide settlement support services for employers or migrants?**



Total may exceed 100% because of multiple response. Based on those that had migrants currently on staff and/or had taken on any migrants in the last 12 months.

Those respondents that were aware of organisations offering settlement support services were then asked what services those organisations offered. Figure 6 shows that providing a point of contact for information was the most common service that employers knew about (46 percent).

**Figure 6: What services do these organisations provide to migrants?**



Total may exceed 100% because of multiple response. Based on those aware of organisations that provide settlement support services.

## **4 FUTURE WORK**

Future Employers of Migrants surveys will be part of the Survey Monitoring Programme. The Survey Monitoring Programme collects information from the migrant streams (skilled business, family sponsored and temporary), employers, and the community. The objective of this Programme is to build up an evidence base of data. This evidence base will enable monitoring over time of both the effects of immigration policy, and changes in the environment which may affect immigration policy.

Surveys of the different groups will be undertaken on an annual or biennial basis, with the first results released in 2010. Employers will be surveyed again later in 2010, followed by a report on the findings.

## **APPENDIX: METHODOLOGY**

The Department of Labour contracted Research New Zealand to undertake the 2009 survey.

The 2009 survey is a pilot of the new questionnaire and method. It is intended to repeat this survey on a regular basis.

### **Response rate**

Employers were selected from a database of those who have had contact with an INZ Relationship Manager. This database was used to enable us to report on customer satisfaction with INZ Relationship Managers and also because these employers were likely to have migrant employees.

A total of 1,065 employers were in the database, and of these, 942 employers were eligible and had correct contact details. All of these employers were invited to take part in the survey. The survey could be completed online or by telephone.

A total of 424 employers completed the survey, 264 respondents online and 160 interviewed by telephone, giving a 45 percent response rate.

### **The questionnaire**

This survey includes the use of the Common Measurement Tool (CMT) questions as advocated by the State Services Commission. These are benchmark questions that will be used going forward and will allow for comparisons with other users of the CMT. These include other Department of Labour users and external users, both nationally and global.

