

Employing people from
a refugee background

BRIDGING THE GAP BETWEEN INTENTION AND ACTION



Policy insights



This report was made possible through the generous financial support of the Crescent Foundation and the University of Sydney Business School.

Thank you to Carmen Garcia and her team at Community Corporate for their collaboration on this study, Brad Knight from the Australian Government Department of Education, Skills and Employment for his invaluable guidance, and Sophia Johnson for her ongoing support.

Authors: Betina Szkudlarek, Eun Su Lee, Fiorella Jansen-Nicorescu

© Copyright 2022 the University of Sydney Business School.

We acknowledge the tradition of custodianship and law of the Country on which the University of Sydney campuses stand. We pay our respects to those who have cared and continue to care for Country.

CONTENTS

- 2 Executive summary
- 5 Background
- 6 Findings
- 10 Conclusions
- 12 Recommendations
- 15 Methodology
- 15 References
- 15 Appendix

The University of Sydney in partnership with the Crescent Foundation



THE UNIVERSITY OF
SYDNEY
Business School

crescent
foundation

Thank you to everyone who took the time to participate in this study. This report would not have been possible without your contribution.

EXECUTIVE SUMMARY

Each year Australia opens its borders to resettle thousands of refugees. While studies have proven the importance of workforce integration in the overall integration of refugees in the receiving country (Feeney, 2000), refugees' under- and unemployment continue to be a problem in Australia, where recent migrants and temporary residents experience a higher unemployment rate than those born in Australia (Australian Bureau of Statistics, 2020). The objective of this study is to provide policy recommendations for supporting employers in hiring refugees.

There is an opportunity for employers to play a vital role in improving employment outcomes of people from a refugee background, while expanding their talent pool. A study led by Dr Betina Szkudlarek (University of Sydney Business School) and Dr Eun Su Lee (University of Newcastle), set out to understand how government can support employers in hiring refugees.

The study was conducted among 35 Australian employers with little to no experience in hiring refugees. It revealed that employers were open to hiring refugees but often did not know where to start, nor did they have the time or resources to find out. Moreover, the findings of the study also suggest that when it comes to employers hiring refugees, there seems to be a substantial gap between intentions and actions.

The report outlines the perspectives of employers who consider hiring refugees, the role of various forms of incentives and support mechanisms available to them, and actions that could be taken to encourage employers to hire from this group of job candidates.

There is a gap between awareness and action, where the motivation to recruit people from a refugee background rarely turns into hiring if the right resources are not immediately available, and the recruitment process is not seamless.



Findings

- Employers' willingness to hire refugees tended to be conditional on the hiring process being straightforward. Perception of the process as cumbersome was likely to hinder employers' action.
- While many employers initially stated they were keen to explore governmental grants and incentives, very few looked through the resources that were provided to them by the research team. None of the employers pursued the incentive strategy (i.e. using government subsidies and grants) while attempting to hire refugees.
- Most employers were unaware of existing service providers, grants, subsidies and other means available to assist in the hiring of refugees. Despite these means being made available throughout the study, employers lacked time to explore what was offered.
- Most employers saw an opportunity for service providers and the government to play an important role in helping them hire refugees.
- Though English language proficiency requirements varied per occupation, employers required refugees to have basic conversational English proficiency at the minimum.
- A significant portion of the interviewees felt the media's and/or government's portrayal of refugees fueled prejudice and misconceptions and hampered refugees' efforts to integrate and contribute to the Australian society.
- Many employers had no strategy to purposely hire disadvantaged groups. Some assumed their existing recruitment channels or screening processes were enough to hire refugees. Those with a strategy for hiring disadvantaged groups prioritised target groups based on legislation and available support and/or resources.
- Personal values and experiences tended to influence interviewees' interest and motivation in considering refugee talent.
- A misconception seemed to exist among employers that refugees needed to be recruited from overseas.

Conclusions

- There seems to exist a gap between awareness and action, where the motivation to recruit refugees rarely turns into hiring if the right resources are not immediately available, and the recruitment process is not seamless. The gap seemed to be caused by:
 - Limited time to take action beyond business as usual
 - Concerns among employers to "do it right" leads to inaction
 - Challenges to access refugee talent and validate internationally-obtained credentials, skills and experience
 - Mismatch in immediately available labour supply and demand for refugee skills
 - Lack of policies to encourage employers to target disadvantaged groups as part of their hiring strategies
 - Limited business acumen and lack of employer-centred perspective by some service providers in their outreach effort



Recommendations

- Provide education to help employers understand who refugees are, how to assess their transferrable skills and validate overseas qualifications.
- Provide employers with assistance in revising existing recruitment processes to remove barriers for refugees and other culturally and linguistically diverse candidates.
- Create country-wide guidelines for inclusive recruitment.
- Offer education opportunities to help service providers adopt proven account management practices used in the corporate world to improve their outreach efforts toward employers.
- Encourage collaboration between educational institutions and employers to combine targeted training and work experience to create a pipeline of candidates for employers, and to ease refugees' entry into certain industries.
- Introduce diversity quotas/targets as a condition for doing business with the government to encourage the hiring of under-represented job seekers.
- Support funding models that encourage collaboration between organisations responsible for refugee resettlement and social enterprises specialising in refugee employment.
- Create a talent bank to address the mismatch in labour supply and demand.
- Enable a safety net for employers to allow low-risk trials of refugee employment.
- Introduce initiatives to educate individuals in the public sector, elected officials, as well as the public to address polarising narratives which are harmful to refugees.

There is an opportunity for the Government to provide education to help employers understand who people from a refugee background are, how to assess their transferrable skills and validate overseas qualifications.

BACKGROUND

Australia has a long history of providing resettlement for refugees. Since the end of World War II, Australia has resettled more than 920,000 refugees and others in need (Australian Government Department of Home Affairs, 2021). Most recently, the Government of Australia has allocated 13,750 places to the Refugee and Humanitarian Program for 2021-2022 (Australian Government Department of Home Affairs, 2021).

Successful resettlement of refugees is becoming increasingly important as the number of refugees and other displaced individuals continues to grow. For instance, in 2021, the United Nations High Commissioner for Refugees (UNHCR) reported 89.3 million people worldwide were being forcibly displaced due to persecution, conflict, violence, human rights violations or events seriously disturbing public order (UNHCR, 2022).

The world is grappling with growing numbers of people displaced by war, conflict and natural disasters. As a result, an increasing number of refugees search for work in their new home countries. Studies have shown that workforce integration is one of the most critical steps in the overall integration of refugees into the receiving society (Feeney, 2000).

In Australia, where the overall unemployment rate is higher for recent migrants and temporary residents than for people born in Australia (Australian Bureau of Statistics, 2020), there is an opportunity for government to support employers in hiring refugees.

The objective of this report is to illustrate the challenges employers face in hiring refugees and provide the government with policy recommendations that will encourage employers to provide refugees with sustainable employment commensurate with their skills, qualifications and experience.



FINDINGS

Employers in our study shared the following experiences and perspectives about engaging with the refugee talent pool.

Hiring refugees needs to be straightforward

Lack of time or other priorities seemed to hinder employers' willingness to try new avenues for finding talent. While almost all employers expressed motivation to hire refugees, their willingness tended to be conditional on the hiring process being "easy and smooth." There seemed to be a low commitment from employers to be willing to put in the effort that goes beyond their traditional recruitment process. In the first round of interviews, some employers expected refugees to come in and "hit the ground running."

Wage subsidies and grants are not silver bullets

Though employers felt positive about financial support to offset the cost of hiring, subsidies and grants were not considered methods to incentivise employers to hire refugees. Employers interviewed in this study considered managing their business a priority, leaving little to no time to understand or consider the different incentives available to them.

“ *"I think if the companies make the decision that they do want to hire a refugee, then we got to make it really easy or they're not going to go much further. [...] And no, they don't want to necessarily take money from the government or the incentives, but you have to make it easy to go that route."*

– Study participant

Unaware of available support, and with limited time to learn about it

Almost all employers were completely unaware of the existence of service providers, grants, subsidies and other means available to assist in hiring refugees. For many, hiring of refugees "never came up," or they had no idea they could hire refugees in a "proactive way." Others expected refugees to apply through their existing recruitment channels, lacking awareness of the many barriers refugees face in a standard recruitment process. Even when provided with written material and links to resources, most employers had no time to look into available support.

Lack of time hinders the ability to adjust recruitment practices

Most employers expressed some degree of willingness to adjust or tailor their recruitment strategies for refugees. Employers differed in how much they were willing to modify their existing approaches. One employer, experienced with hiring disadvantaged groups, identified currently used adjustments that could also be implemented for refugee candidates. Other employers looked to third-party support to guide them. Reference checks and international qualifications were areas where some employers were willing to be flexible. In reality, however, employers tended to have little time to adjust hiring practices.

“ *"My team is quite under-resourced. And so, trying to do anything other than just the business as usual is sometimes quite stressful, quite hard, because we just don't have the resources to support it."*

– Study participant

Third-party support is crucial

Most employers saw an opportunity for service providers and the government to play an important role. As a matter of fact, in the first round of interviews, many employers felt third-party support would help them hire refugees. Reasons include help accessing the refugee talent pool, guidance on what employers “need to do to actually make it happen,” and assistance to employers feeling “ill-equipped to assess” candidates from a refugee background. One employer noted no longer being able to hire refugees after a governmental program executed through a service provider was cancelled. Of the five employers who hired refugees, all used the aid of a service provider.

“We hired refugees predominantly because there was that government support program [through a service provider]. Since it’s no longer in place, I don’t have time and energy to go on specifically scout for refugees for the business [...] it’s just too hard.”

– Study participant

Most common expectations when hiring refugees



English language proficiency is essential

Although the required English language proficiency varied per occupation, at the minimum, basic English was required by all employers interviewed. When describing the nature of the roles they were looking to fill, many employers tended to have expectations of native English fluency. Interestingly, for some highly-skilled roles, where a job candidate had the relevant skills and experience, the language expectations could be lowered (in comparison to job candidates who needed training and upskilling). The challenge for those employers was locating refugee candidates with the desired skills. Many interviewees indicated no government support nor incentive could motivate them to consider hiring someone that did not meet their language-proficiency requirements.

Media and government deemed responsible for negative narrative

A significant portion of the interviewees felt the media’s and/or government’s portrayal of refugees had a negative impact on how refugees are perceived in Australian society. They thought the media and government fueled prejudice and misconceptions about refugees. The negative narrative about refugees could inadvertently discourage refugee-hiring initiatives. One interviewee noted that the open hostility of an elected official towards refugees seemed to influence others to do the same. Consequently, employees might find it risky to suggest a refugee-hiring initiative in their workplace.

Employers’ view on media and government narrative



Of the 25 employers that discussed media and/or government influence, 22 perceived the narrative as negative.



Lack of strategy to hire disadvantaged groups

Many employers did not have a strategy to purposely hire disadvantaged groups. Some employers tended to take a passive stance on diversity, only considering candidates who made it through their recruitment system. The assumption that existing recruitment channels or screening processes were enough to hire refugees tended to be a barrier to attracting refugee applicants. Other employers involved service providers on a “case-by-case basis” to hire disadvantaged groups. Yet, the employers with a strategy tended to prioritise disadvantaged groups based on legislation, such as the requirement for a reconciliation action plan, or prioritise groups with the most available support and/or resources.

Personal values spur interest in hiring refugees

Personal values and experiences tended to influence employers’ interest in refugee talent, with some undertaking the task as a “personal endeavour.” Many employers attributed personal values or experiences as the core motivation for considering engagement in refugee recruitment. Factors influencing personal interest included self-reward from having a positive impact, experience with barriers faced by disadvantaged groups, and experience with exclusion or being a minority.

Misconceptions that refugees need to be recruited from overseas

A misconception seems to exist that refugees need to be recruited from overseas. A few employers participating in this study have either attempted to recruit refugees from overseas or were considering it. One employer noted, “I think what I learned from you was [...] I didn’t know that there was a model where I could source refugees that were already based in Australia.”

Lack of awareness about the refugee talent pool

For some employers, the idea that refugees could be targeted as a potential talent source was not something they ever considered. About half of the interviewees that participated in the second interview found that exposure to this study on hiring refugees increased their awareness about the refugee talent as a potential talent pool. Engaging in this study brought refugees to the forefront as a talent pool for many employers. However, awareness did not necessarily translate into action. While only five interviewed employers hired refugees, several others engaged in other ways, such as volunteering to mentor refugee jobseekers, or joining business networks and roundtables, where employers share knowledge about refugee recruitment.

Employers with a strategy to hire disadvantaged groups tended to prioritise based on legislation, such as the requirement for a reconciliation action plan, or prioritise groups with the most available support and/or resources.

CONCLUSIONS

Almost all interviewees expressed some level of interest in hiring refugees or knowing more about the process. However, motivation to recruit refugees rarely turned into hiring if the right resources were not available. Of the 35 employers that participated in study, five (5) hired refugees. Employers' action ranged from including refugees into their equity, diversity and inclusion (EDI) strategy to engaging with third parties to access refugee candidates.

Several factors prevent awareness or interest from turning into action:

Time-strapped staff lack the bandwidth to do more

Most employers had no time to read the materials and resources they requested at the end of the first interview. Of the 23 employers that were asked in the second round of interviews, if the information they received was helpful, most of them briefly looked through the materials but had no time to read them and did not recall what was in them, or they did not look at all. Furthermore, lack of time to look through materials made employers wish for support that already exists.

 *"The issue is companies are busy doing business. They don't have the time to navigate all this. They don't even have the time to look into those files, not even talking about navigating through all the different funds and applications and so on."*

– Study participant

Employers' concerns to "do it right" lead to inaction

Many employers were concerned about having the necessary internal resources to train or onboard refugee hires. Others were concerned about helping refugees feel safe and welcome in the workplace. Employers tended to be unable or unwilling to internally provide support such as language training or additional support to integrate refugees into their workplace. Rather, employers were expecting "refugees to be ready for employment."

Employers struggle to find refugee talent and validate their credentials, skills and experience

Many employers did not know how to access the refugee talent pool. They also considered it challenging to validate internationally obtained credentials and assess how experience gained abroad could be seen as transferable skills relevant to the Australian market.

There is an opportunity for more collaboration between employers and service providers specialised in refugee employment to help employers connect to refugee candidates with the skills they are looking for.

There is a mismatch in labour supply and demand

A few employers that engaged third parties to help them access refugee talent were not successful in finding candidates with the required skills. For one of the employers, the social enterprise they worked with had challenges due to the unavailability of refugee candidates in the geographic region the company operates. The other employer that engaged with a social enterprise to hire refugees internationally was also unable to find candidates with the skill level they were looking for.

Policies can encourage action

Interestingly several interviewees referred to their efforts to implement a reconciliation action plan. Some employers also mentioned their choice to pursue a specific vulnerable group being spurred by the available support programs. These responses from employers suggest government policies could play a significant role in encouraging employers to target certain groups as part of their hiring strategies.

Service providers are expected to be more proactive

Employers noted that service providers could be more proactive in approaching employers. Employers wanted to see service providers follow up regularly to keep refugee candidates top of mind. Employers with previous unsuccessful experiences with service providers pointed to their lack of understanding of how businesses operate, which hindered progress.

Factors preventing interest from turning into action

The 23 employers that participated in the second round of interviews mentioned the following reasons for not hiring refugees.



Concerns to
"do it right"

57%



Need for a support program
or government policy

48%



Lack of time or
other priorities

30%



Mismatch between
skill-set needs and supply
of refugee talent

13%



Service providers
not being proactive
enough

9%



Service providers
not following up
long-term

9%

RECOMMENDATIONS

The government could take the following actions to stimulate the hiring of refugees among employers.

Education for employers

Some employers grappled to understand who refugees are, and most had no idea where to find candidates from a refugee background. Employers mentioned struggling with assessing transferrable skills and validating overseas qualifications. Additionally, it was not always clear to many employers when their requirements and hiring practices were creating barriers for refugee candidates. Most, were very keen to learn more.

 *"The next time I employ someone who's a refugee, I'm going to be asking more questions around those topics to offer support [...] understanding what it's like for people at the fringes, ultimately, can help you as an organisation design an experience that's better for everybody."*

– Study participant

Resources to encourage inclusive hiring practices

Many employers in this study did not have a strategy to purposely hire disadvantaged groups. Some employers tended to take a passive stance on diversity, pursuing mainstream recruitment processes without regard for diversity. The assumption that existing recruitment channels or screening processes were enough to hire refugees tended to be a barrier to attracting refugee applicants. EDI strategies have helped a number of employers prioritise certain groups as part of their hiring plans. There is an opportunity for the government to develop a country-wide standard for inclusive recruitment. Employers could benefit from assistance in revising existing recruitment processes to remove barriers for refugees and other culturally and linguistically diverse candidates.

Employers could benefit from assistance in revising existing recruitment processes to remove barriers for people from a refugee background and other culturally and linguistically diverse candidates.

Education for service providers

Feedback from employers on the need for service providers to take a more proactive and consistent approach in their outreach efforts towards employers suggests service providers could benefit from training to increase their business acumen. Adopting proven account management practices, such as key account management (KAM), which involves a systematic process of relationship-building and meeting individual needs of key accounts, could help service providers achieve higher uptake of refugee candidates among employers.¹

Programs that create refugee candidate pipelines

Employers expect candidates to come into the job ready with the skills to quickly get up to speed and contribute productively to the organisation. One of the employers interviewed invests resources into influencing training curricula to meet their needs. There could be an opportunity to create partnerships between educational institutions and employers to develop curricula based on role-specific skills and sector-specific language skills. This would enable employers to take on refugee candidates that graduate from job-specific training tailored to employer/sector needs. While there are programs in place, the scope of these programs should be increased while reviewing their effectiveness.

Alternatively, certain employers run structured programs where university students have intervals of co-op periods, during which they have an opportunity to build on-the-job experience while they study, and are considered for a position at the firm at the end of their degree. A similar training-work program could be designed to create a pipeline of potential refugee candidates with skills the employer is looking for.

Diversity quotas

Diversity targets imposed by the government tend to encourage the hiring of underrepresented job seekers in certain sectors in Australia (Szkudlarek, 2019). There is an opportunity for the government to issue tenders stating a preference for doing business with companies that are committed to diversity. It should be noted that diversity quotas can increase hiring costs (Szkudlarek, 2019). Therefore, rather than being heavily guided by price, tenders' selection criteria should consider the additional hiring cost employers might incur by hiring vulnerable groups.

Distribution of subsidies and grants

The current funding structure rewards service providers and settlement agencies for helping refugees gain employment. At times, the model leads to increased competition among various support organisations that all aim to work with the most employable refugees whose path to employment is most straightforward. The funding models might underplay the importance of work that goes into training a candidate to become job ready and could be causing competition among organisations within the sector. Funding structures that acknowledge and reward organisations that provide training to refugee candidates prior to job placements could encourage partnerships between social enterprises that tend to have more business acumen, and settlement agencies, that have direct contact with refugees. This, in turn, could lead to better collaboration and increased placement of refugees into sustainable jobs.

1. Gounaris, S. & Tzempelikos, N. (2014) Relational key account management: Building key account management effectiveness through structural reformations and relationship management skills. *Industrial marketing management*. [Online] 43 (7), 1110–1123.

Visibility into refugee candidates and job vacancies

Better access for service providers to refugee job seekers and visibility into open vacancies could improve job placements. Employers spoke of instances when service providers were unable to find refugee candidates with the skills employers needed, suggesting there could be a mismatch in labour supply and demand. Creating a talent bank – where settlement agencies are rewarded for uploading profiles of refugee job seekers into a national database and where employers across Australia can upload their vacancies – could support addressing the skill-related supply/demand challenges. Through the talent bank, service providers could gain more visibility into the available refugee talent pool and existing vacancies. This way, service providers would be better positioned to connect employers to refugee talent.

Enable a safety net for employers to allow low-risk trials of refugee employment

Most employers had never met or worked with a person from a refugee background. A study conducted among Australian employers found that an initial positive experience can create a strong halo effect for the whole refugee population and result in long-term engagement of employers in hiring from this group (Szkudlarek, 2019). There is an opportunity for the government to enable a safety net for employers to allow low-risk trials of refugee employment. This could be facilitated through a fee-free placement of the first candidate into employment.

Addressing polarising refugee narrative

Many employers discussed the harmful effects negative narratives about refugees in politics and the media have on the acceptance of refugees in society and the workplace. Government can introduce initiatives to educate individuals in the public sector, elected officials, as well as the public. These types of initiatives could help counter the harmful use of language that leads to bias, stereotyping and exclusion.



METHODOLOGY

The study consisted of two sets of interviews conducted with employers. Thirty-five (35) employers participated in the first round of interviews, where they were asked about their stance on hiring people from a refugee background and their perspectives on the refugee talent pool. Following the first interview, participants were provided with information and support materials, links to resources and an offer to get connected with service providers specialising in refugee employment.

The second interview with employers was conducted within three to six months after the first, where employers were asked about any steps undertaken with regard to hiring people from a refugee background. The intention was to allow employers to reflect upon the utility of the shared materials and identify barriers to engagement. Of the 35 employers that participated in the first interview, 23 agreed to a second interview.

REFERENCES

Australian Bureau of Statistics. June 12, 2020. *Characteristics of recent migrants*.

<https://www.abs.gov.au/statistics/people/people-and-communities/characteristics-recent-migrants/latest-release>

Australian Government Department of Home Affairs. July 20, 2021. *About the program*.

<https://immi.homeaffairs.gov.au/what-we-do/refugee-and-humanitarian-program/about-the-program/about-the-program>

Feeney, A. (2000). Refugee employment. *Local Economy*, 15, pp. 343–349.

Szkudlarek, B. (2019). *Engaging business in refugee employment: The employer's perspective*. Sydney: The University of Sydney Business School.

The UN Refugee Agency (UNHCR). (June 21, 2022) *Figures at a Glance*.

<https://www.unhcr.org/figures-at-a-glance.html>

APPENDIX

Overview of employers who participated in the interviews.

Industry	Business size*
Hospitality	Large
Technology	Large
Retail	Small
Manufacturing	Medium
Utilities	Large
Food	Medium
Government	Large
Professional Services	Large
Professional Services	Small
Manufacturing	Large
Services	Medium
Healthcare	Large
Technology	Small
Government	Large
Professional Services	Small
Professional Services	Large
Banking	Small
Healthcare	Large

Industry	Business size*
Banking	Medium
Services	Medium
Construction	Small
Professional Services	Large
Sports	Medium
Professional Services	Small
Mining	Large
Professional Services	Small
Healthcare	Small
Technology	Small
Services	Small
Manufacturing	Large
Services	Large
Technology	Small
Professional Services	Medium
Professional Services	Small
Technology	Large

*(1-99 employees) Small businesses
 (100-499 employees) Medium-sized businesses
 (500+ employees) Large businesses.

© Copyright 2022 the University of Sydney Business School. This work may be reproduced for private study, research or educational purposes as permitted under the Copyright Act 1968 of the Commonwealth of Australia. Commercial copying, sale, hiring or lending is prohibited. Apart from the permitted uses as state above, no part of this work may be reproduced by any process without the written permission of the University of Sydney Business School. This work has been funded by the Crescent Foundation and the University of Sydney Business School. Any permitted reproduction must include a copy of this copyright notice and must acknowledge the funding by the Crescent Foundation and the University of Sydney Business School.

Please note this guide provides general information and is not intended to and does not constitute legal advice regarding the employment of those from a refugee or asylum-seeking background.

The law, particularly in relation to employment and the legal status of refugees in Australia and overseas, is complex and subject to change based on government policy and legislation. The particular circumstances must be considered in every case, and for that reason legal advice should be sought.

The authors disclaim any and all liability arising from reliance on the contents of this report however caused.

Contact

refugee-employment.project@sydney.edu.au