



Expatriate Experiences of NZ Hiring

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During November 2012 there were over 120 comments posted largely by expat and returned Kiwis in a KEA group LinkedIn discussion on “How do employers view those coming home after an extended period of time?” The comments centred around a theme that NZ employers appear fearful of hiring expats and don’t recognise the skills and global connectivity opportunities which they can bring.

Reading through the comments one can identify many factors which matched those contained in material released on my website two years ago looking at the cultural impediments to growth of the New Zealand economy. So taking on board the strongly expressed hopes by many contributors that something would be done to highlight this issue of expat under-utilisation I have prepared this paper which will be referenced in the BNZ Weekly Overview publication distributed each week to 27,000 people and posted on the website www.tonyalexander.co.nz The material will also form a backgrounder to comments to be included in my talks around New Zealand during 2013.

What Does The Research Show?

In the year to September 2012 83,629 people migrated to New Zealand. Of this number 22,370 were NZ citizens. This percentage of 26.7% is in line with the past ten years for which we have data however it could easily increase as recent research by www.trackmeback.co.nz has found strong interest from Kiwi expats in returning home.

<http://www.expatriateinfodesk.com/news/2012/08/08/new-research-reveals-kiwi-expats-are-heading-back-home/>

KEA’s focus is on effectively leveraging the expat community to make New Zealand more globally connected and therefore boost the NZ economy. If there are issues which impede the contributions of returning expats to our economy they need to be identified and if possible addressed.

However finding research on the topic is very difficult. It appears that all research in the migration field has focussed on actual immigrants – foreigners who have shifted permanently to New Zealand. For those interested this link takes you to a summary of extensive material on immigration and its effects, with key results being positive impacts on trade, tourism, fiscal accounts, and little support for arguments of lowering wages, boosting unemployment, and boosting house prices – though one could question that last conclusion given on the ground evidence of Asian house buying in Auckland, particularly at auctions. Note however that much Asian money is being spent developing housing projects in Auckland.

http://www.dol.govt.nz/publications/research/synthesis-research/synthesis-research_00.asp

In addition, while the internet is filled with various expat forums, finding anything apart from KEA devoted to the experiences of Kiwi expats returned to NZ is hard. These sites focus largely on foreigners in NZ.

<http://www.expatriateforum.com/>

<http://www.expatriate-blog.com/en/directory/oceania/new-zealand/>

http://www.transitionsabroad.com/listings/living/living_abroad/living_in_new_zealand.shtml

http://www.transitionsabroad.com/listings/living/living_abroad/living_in_new_zealand.shtml#expatriate_websites_new_zealand

There is however a very good source of information on the thoughts of Kiwis with regard to returning to New Zealand in terms of what would attract them back, what stops them returning etc. The annual survey “A Future in New Zealand” conducted by Global Career Link is available here

<http://www.globalcareerlink.com/-25290/new-zealand/resources/latest-research/>

The survey does not capture the actual experiences of returned expats but does offer some insight nonetheless, summarised on the website just referenced as follows.

“Better Appreciation of Overseas Skills

Concerns about a lack of appreciation of skills acquired overseas seemed to be a theme for both expats and migrants alike. Being rejected for lacking New Zealand experience also got a mention more than once....and not for the first time. Either New Zealand employers need to gain an ability to better understand skills acquired overseas, or better articulate what is special about the particular New Zealand experience they are looking for.

Greater Flexibility in Employment Terms

If people are to move to New Zealand for the lifestyle, they need to be confident that they are going to have one. People don't want to move to New Zealand to work hard for less money than they could earn elsewhere. Flexibility in employment terms that would enable people to have an agreeable work/life balance was a consistent and an important theme.”

Those interested in actual responses from the 447 respondents can see their comments here.

<http://news.globalcareerlink.com/wp-content/uploads/2010/01/A-Future-in-New-Zealand-Overseas-Advice-for-NZ-Businesses-Employers-2012-Final-Copy.pdf>

The KEA Discussion Thread

The two dot-points from the Global Career Link survey neatly capture part of the essence of the November KEA discussion thread – expats feeling undervalued but also wanting jobs which allow them to benefit from the NZ lifestyle, while NZ employers are believed to fear either the expertise and possible assertiveness of expats or their desire to kick back and enjoy life and perhaps not deliver what they could to the business. We underline the word “believed” because neither the KEA discussion or the Global Career Link survey adequately captured the actual thoughts of employers.

What Expats Discovered

The central theme of the KEA discussion was that returning expats are surprised at the apparent little value potential employers place on what they have to offer and/or are fearful of hiring them. Comments noting this reluctance/fear included the following.

- “I was actually told by several people that I didn't get the job because the Manager 'perceived' that I knew more than he did and therefore felt threatened.”
- “I suspect many business managers in NZ who don't have extensive overseas experience are intimidated by people who have spent many years overseas so the walls go up”
- “Prospective employers generally took the view that life back in NZ would be far too boring and I would wish to leave in short order.”
- “A number were also intimidated by what I had been doing and maybe I was inadvertently sending a signal that I was accustomed to being the decision maker and was not really an employee”
- “Prior to leaving NZ I served as a Director on a number of boards but have found on my return there is little interest in utilising my international contacts or experience. Even the Institute of Directors latest directors accreditation process gives little or no credence to having held multiple directorships in Asia , the criteria is mainly based on current NZ held directorships. In my case the overseas board director roles were significantly more challenging than most NZ companies come across.”
- “Most companies did not even invite me for an interview, others gave me exactly the impression that what they fear most are any changes to the way they do business or the thought of expanding their business or their horizon in any way.”
- “To my surprise, I too was told that I was over-qualified for NZ and couldn't get work for 3+ months”

Why The Reticence?

If there is widespread reluctance to hire expats reasons discussed included the following.

- From a recruiter ... "...if the person is coming from a large corporation and depending on the persons area of expertise often we find that the experience gained can be too narrow. Larger organisations offshore tend to specialise their people and as a result they become what I think of as narrow and deep when in NZ due to the size and scale of organisations here they need people who are broader who can turn their hands to a lot of things."
- From an employer "What I see is too many CVs which are meant to impress me with big numbers and big deals, when I know it is too easy to bandy the big numbers about (because they are usually bigger there than here) and often the type of work that person has been doing is not relevant to what we do here." "There can be an unfortunate attitude amongst some expats, at least in my experience, that they are superior beings."
- "As there are fewer big companies those really big roles we're used to in the UK or US etc are just not available that often, my husband has been told roles for his experience come up about every 2 years. It's not that our overseas experience is not valuable it's just maybe not immediately usable."
- "There is an awareness that there is so much outside the shores of NZ, but there seems to be some sort of hesitancy to acknowledge it, and maybe the reaction of some (not all) employers there also reflects that view. The best way to describe it more clearly is that it resembles a sort of "inverted snobbery" directed towards expats, with a view that "well we stuck it out here while you were swanning around overseas and now you come back and want us to fall at your feet with reverence"...."
- From a recruiter...." We have some magnificent ex-pats on our books that we simply can't find roles for - in a lot of cases they are too big for the role. Having worked with and for some major organisations it is challenging to find something of scale and scope here in NZ - it is restricted to a handful of organisations and the job opportunities in these do not come up often."

What Expats Feel They Offer

Expats feel that they have a lot to offer prospective employers – hence the discussion thread.

- "We should also recognise the value of the varied cultural exposure as we are in a global marketplace and even if your immediate employer in NZ does not sell offshore then you can bet that his customers eventually do"
- "What we learn from working overseas is to embrace opportunity and leverage it."
- "With the emergence of growing numbers of start-up and early stage companies here aspiring to operate internationally, NZers with global experience are a wealth of knowledge and experience that can help navigate the scale, cultural and operational complexities that these companies will need to face."
- "But where the returning ex-pat can contribute is not only with possible contacts, but more especially a knowledge of the local processes and ways are done in that country."
- "At a recent NZCC event in Singapore I spoke with a fellow Kiwi who was on what I would term a "whirlwind" two week tour of some select countries in Asia. Two weeks is not enough time to get to know your market or the regulatory environment of each country in which you will import your products. Singapore was his last market before returning to NZ with all his assessments of the various market environments. He had never been to Asia before and through our discussions I realised that a lot of the information he had so far gathered was of little use if the company wanted to make a proper analysis of the market potential or of the regulatory and environmental risks of the markets in Asia."

What Do Expats End Up Doing?

The discussion indicated that many expats go into business for themselves working freelance, consulting etc.

- “Personally, I have started an export trade desk for NZ SME food manufacturers, and after getting some traction have set my sights on employing only staff who are 50+, non-discrimination rules notwithstanding. That's where the experience, ideas and efficiencies will come from.”
- “I was told by employment agencies to trim down my CV and not show so many skill sets as that frightens off prospective employers.”
- “So I started my own business and plan to up and move everything back to Europe within the next 2 years.”
- “I am rather lucky. I brought part of my US job back with me. Because I have Skype I can call the US and the rest of the world from my laptop and can scan and send anywhere.”
- “We will probably do as many others, buy a business and remain self employed. I suppose that is still investing in NZ as Kea is trying to encourage.”
- “I have a number of friends and contacts here in Queenstown who operate internationally (e.g. financial markets) but choose to live here, and they are able to do so with decent broadband connection (we need to be faster though) and good flight connections.”

Expat Suggestions For Change

Rather than simply accept the perceived situation many discussants proposed ways in which this situation of resource under-utilisation can work toward being addressed.

Advice to employers

- “It's not that we are too big for NZ roles, we can make NZ businesses big! Its about getting NZ managers to stop being scared, stop feeling (wrongly) threatened because they think that we might know more than them.”
- “Yes, an expat might be a know-it-all handful, but they are home for a reason - embrace them and take what you can get from them - your global competitors are doing it, why not you?”
- “Its about getting NZ managers to stop being scared, stop feeling (wrongly) threatened because they think that we might know more than them.”

Advice to expats

- “...perhaps there is a consultancy role to travel and maintain sales relationships on behalf of multiple small kiwi would be exporters, but really the experience gained should be managed within the company.”
- “If returnees offer themselves part time some NZ managers may see the expat as less of a threat having achieved or experienced their ambitions overseas and nowadays just want to help out in NZ.”
- “The challenge for expats is being able to fit back into the NZ way of doing things, having realistic expectations about jobs/salary etc and then being resilient enough to take the knocks that will come with trying to get a job in a relatively small economy.”
- “Wouldn't it be worth thinking about using their contacts etc to build a business or consultancy, and supplement that with a directorship or two in their areas of expertise where their overseas experience is going to be a big plus, especially for an export business.”
- “Good luck to ex-pats, I say, and my advice would be to both
 - refine your interview skills with emphasis on humility
 - spend time studying current inefficiencies in NZ to develop product-in-need as independents.”

One expat wrote “we are superior beings as has been proven here in this thread, we have contacts and knowledge 5-10 times that of a Kiwi that hasn't travelled.”

Suggestions for action

- A number of expats wanted a TV documentary and/or PR campaign to be undertaken examining their problem.
- “If focused action were to be undertaken by Kea, it could be to work with recruitment agencies, training them to understand the experience offered in expat CV's”
- “How about a campaign called 'Brain-gain' instead of Brain-drain and set up a Social arm of KEA where NZ Employers are aware of those (expats) coming back with their exceptional talents, contacts and knowledge and who can leverage them to build truly great companies, ones with more than the average Kiwi business of three people.”
- “I have thought of a "Grey Power" consultancy might work for us folk over 50. It would probably need to be multi-disciplinary, i.e. be adaptable across a number of fields. It could also be attractive to the government. How it would work I have no idea, maybe a partnership structure, or a centralised contractor base.”

Cultural Impediments To NZ Growth

The points raised by expats in the KEA group discussion include that NZ businesses are conservative, inwardly focussed, fearful of change, and wary of out-performers from a number of sources. These points are not just broadly consistent with the Global Career Link annual survey of expats, but as noted earlier are in line also with my own analysis of NZ's impediments to growth. This research partly summarising the work done by Tony Smale of Forte Management, <http://www.forte-management.co.nz/> is most succinctly summarised on pages 3 and 4 of the document at this link from my website. <http://tonyalexander.co.nz/wp-content/uploads/2011/05/Our-Deficiencies-Summarised.pdf>

In summary, we are fearful of failure, don't like sacrificing control in our businesses, don't think the rest of the world has anything to offer us because we think the rest of the world is like us (Kiwi-centric), distrust book-learning and experts, and we work for leisure not wealth.

In addition, from the October 2011 KEA and BNZ-sponsored report “Foreign Investment from Kiwis: The potential for New Zealand's diaspora to invest in our productive economy” http://www.keanewzealand.com/sites/default/files/kea-investment-report-final-7nov_0.pdf

we note the following points relevant to the discussion here.

- by size, most New Zealand businesses are significantly smaller than in other developed countries
- by market capitalisation, they are more likely than in other developed countries to be owned privately.
- Theme 2: Business Culture & Theme 3: Commercial Capability – By far, the biggest challenges to attracting investment to New Zealand businesses are the level of commercial skill and the perceived low-ambition culture of New Zealand entrepreneurs.
- It is generally agreed that New Zealand has a strong innovation base from which growing companies emerge, and that this is predominantly what differentiates the New Zealand economy both from its traditional agricultural base and from other potential investment destinations. Indeed, many overseas companies already use New Zealand as a test-bed and look to New Zealand companies as a source of innovation-through acquisition. But this view is not widely held or understood by the domestic business community.

But before one concludes that the problem of effective utilisation of expats lies solely with employer conservatism it pays to note that there is also backing for the view that NZ employers do not necessarily expect returning expats to make full use of their extensive offshore contacts. The 2011 “Every Kiwi Counts” five yearly census by KEA of the expat community found only 6% of expats plan returning to NZ for general economic reasons. Over 60% plan returning for family, lifestyle, and simply because NZ is home.

<http://www.keanewzealand.com/ekc>

Conclusion

Many expats feel that NZ employers are not willing to utilise the skills and connections which they offer. Rather than advising expats to tone down their CVs and kowtow in interviews it would appear better to educate NZ employers as to the benefits which expats can offer and the way certain NZ business cultural characteristics are holding the economy back.

Further Action

1. Writing a paper achieves nothing if few people read and digest it. Therefore I shall make reference to this paper in as many forums as possible.
2. I require further knowledge of the interface between expats wishing to return and employers looking for their expertise. Improving this interface may yield better results than a generalist approach of trying to educate all business owners and managers as to their cultural characteristics and under-appreciation of expats.
3. Your suggestions – email me at tony.alexander@bnz.co.nz

This paper is written by Tony Alexander, Chief Economist at the Bank of New Zealand. It will be posted on the website www.tonyalexander.co.nz where one can find some of my other outputs including the following

- The BNZ Weekly Overview sent to 27,000 subscribers each week <http://tonyalexander.co.nz/topics/regular-publications/bnz-weekly-overview/>
- monthly Growing With China publication, <http://tonyalexander.co.nz/topics/china/>
- monthly BNZ Confidence Survey, <http://tonyalexander.co.nz/topics/surveys/bnz-confidence-survey/> and the
- monthly BNZ-REINZ Residential Market Survey. <http://tonyalexander.co.nz/topics/surveys/bnz-reinz-survey/>
This latter survey provides information from a survey of over 10,000 licensed real estate agents on the current state of the residential property market in New Zealand.
- He also produces a monthly column for the NZ Property Investor magazine, <http://www.propertyinvestor.co.nz/> and
- writes a monthly column for the NZ China Trade Association. <http://www.nzcta.co.nz/>
- Discussion of New Zealand's relationship with China can be found here. www.facebook.com/TonyAlexanderNZ

Tony Alexander has been Chief Economist at the BNZ since 1994 and apart from publications and advising management spends considerable time on the road around New Zealand making presentations and speaking with the media. He travels to the UK and Europe twice a year to assess economic conditions and present at numerous functions, has five children, tramps, and his partner Dr Sarah Farquhar runs the early childhood education network www.childforum.com

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