Facilitating a Global Professional Workforce: Latin America: A Case Study

1. Background to Study
2. Outline of Study
3. Preliminary Findings
1. Background to Study

Latin America

Main Markets:
Argentina, Brazil, Chile, Colombia, Mexico, Peru

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (millions)</th>
<th>GDP (USD)</th>
<th>GDP/per capita (USD)</th>
<th>GDP Growth (%)</th>
<th>Inflation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>39</td>
<td>248</td>
<td>6,310</td>
<td>7.5</td>
<td>9.5</td>
</tr>
<tr>
<td>Brazil</td>
<td>187</td>
<td>1,295</td>
<td>6,942</td>
<td>4.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Chile</td>
<td>16</td>
<td>161</td>
<td>9,696</td>
<td>5.9</td>
<td>3.9</td>
</tr>
<tr>
<td>Colombia</td>
<td>47</td>
<td>172</td>
<td>3,614</td>
<td>6.6</td>
<td>5.5</td>
</tr>
<tr>
<td>Peru</td>
<td>28</td>
<td>102</td>
<td>3,616</td>
<td>8.4</td>
<td>2.8</td>
</tr>
<tr>
<td>Mexico</td>
<td>104</td>
<td>886</td>
<td>4,426</td>
<td>2.9</td>
<td>3.9</td>
</tr>
<tr>
<td>Total (Average)</td>
<td>421</td>
<td>2,864</td>
<td>(6,434)</td>
<td>(5.95)</td>
<td>(4.9)</td>
</tr>
</tbody>
</table>

Source: Austrade, Last Updated: 07 Apr 08
### Australian Trade with Latin America

<table>
<thead>
<tr>
<th>Country</th>
<th>Exports SAM</th>
<th>Imports SAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>125</td>
<td>212</td>
</tr>
<tr>
<td>Brazil</td>
<td>856</td>
<td>859</td>
</tr>
<tr>
<td>Chile</td>
<td>226</td>
<td>203</td>
</tr>
<tr>
<td>Colombia</td>
<td>29</td>
<td>22</td>
</tr>
<tr>
<td>Peru</td>
<td>84</td>
<td>142</td>
</tr>
<tr>
<td>Mexico</td>
<td>837</td>
<td>1,102</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,157</strong></td>
<td><strong>2,540</strong></td>
</tr>
</tbody>
</table>

Source: Austrade, Last Updated: 07 Apr 08

### Australia: Latin America Relations

**Government/Business Framework**
- DFAT, Austrade, AEI/DEEWR & DIAC
- COALAR (DFAT)
  - Established 2001
  - Priorities of education, tourism, business and culture
- ALABC
  - Established in 1989
  - Excess of 150 members including 10 universities
- APEC (Chile, Peru, Mexico)
  - Host countries impact including Peru in 2008
- FTA Chile 2008
2. Outline of Study

The Research Project

To ascertain the level of connectivity between Latin American students studying in Australian universities and Australian and/or multinational companies with a strong presence or interest in Latin America

Sponsored by
– COALAR
– QETI
– UQ
Scope of Study

• Are Australian/multinational companies actively engaged with Latin America aware of Latin American students studying in Australia?

• If so, are they interested in employing Australian trained Latin American graduates either in Australia or in Latin America?

• What has been their experience to date in employing Australian educated Latin American graduates?

• Do company employment attitudes differ in Australia and Latin America?

• What work aspirations do Latin American students have during their study in Australia and what have been their experiences?

• On completion of their studies do they prefer to stay in Australia or return home?

• Have Australian alumni found ready employment on returning home and how many have chosen to work with an Australian or multinational company involved in trade/investment with Australia?
Higher Education Engagement with Latin America

<table>
<thead>
<tr>
<th>Latin America</th>
<th>Higher Education Annual Enrolments in Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationality</td>
<td>2005</td>
</tr>
<tr>
<td>Colombia</td>
<td>588</td>
</tr>
<tr>
<td>Brazil</td>
<td>420</td>
</tr>
<tr>
<td>Mexico</td>
<td>391</td>
</tr>
<tr>
<td>Peru</td>
<td>137</td>
</tr>
<tr>
<td>Chile</td>
<td>115</td>
</tr>
<tr>
<td>Argentina</td>
<td>84</td>
</tr>
<tr>
<td>Venezuela</td>
<td>76</td>
</tr>
<tr>
<td>Ecuador</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>1,848</td>
</tr>
</tbody>
</table>

Source: Australian Education International, International Link Data, 2008

Australia/Latin America Relations

- Business
- Investment
- Education
- Tourism
3. Preliminary Research Findings: The Students

A. Latin American Degree Students in Australia

- Students willing to work in Australia
- Great majority working in hospitality industry
- Majority are Post Graduate students with 2-7 years of professional work experience
- Level of frustration in inability to access professional work experience in Australia
  - companies inflexible, looking for full-time Australian citizens etc.
- Most anticipated difficulties in accessing positions in Australia after graduation
  - different backgrounds, no PR,
  - Australian view of LA as an underdeveloped region, international students a risk in terms of continuing employment.

- All students keen to join alumni associations on graduation
  - networking, job opportunities etc.

- Students open to global/mobility and flexible employment opportunities
  - remote areas, other cities etc.

- Professional internship with degree studies universally valued
  - would definitely influence their choice of university if this could be facilitated

- Majority of students interested in working in Australia for 1-2 years and then returning home
  - Australian/multinational companies with operations in LA
B. Alumni Living and Working in Latin America

- Most alumni tried to arrange professional work experience in Australia but were unsuccessful
  - all agreed their preference would be for professional work experience if university could facilitate it.
  - and value add standing university would receive as a result
- All currently full time professionals
  - 50% Brazilians not in their preferred career choice c.f. 90% in Chile
- Great majority happy to recommend Australia as a place of study but not for professional work experience

C. Alumni Living and Working in Australia

- All could apply for PR after completion of degree and found a professional job related to degree easily
- The few who had professional internships while they were studying acknowledged its importance when applying for positions after graduation
  - Agreed that Australian universities facilitating professional work experience as a value add to degree would influence their choice of university
  - All interested in subsequently working with an Australian company in Latin America
  - Would recommend Australia as a place to study and to seek professional employment
Australia: Latin America Relations

**Australian Business in Latin America**

Australian investment in Latin America

Exports to Latin America

Australian companies in Latin America

Latin American companies in Australia

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**The Companies in Australia**

- 20 companies interviewed
  - 7 small, 6 medium, 5 medium/large, 2 large

- All companies had a long-term commitment to Latin America
  - some language/cultural challenges
  - majority expecting expansion in business to the region

- No company had a specific HR policy in regard to employment of Latin American graduates in LA or Australia
  - seeking to employ the ‘right’ person with language/technical skills, good communication/social skills

- 15 of the 20 have employed young LA graduates educated in Australia
  - very impressed with their professionalism and ability to learn
One company made the following observation:

“Our experience in hiring LA’s in Australia is different to hiring in the region. When LA’s are employed in Australia they are already aware of the cultural environment and we have few adaptation issues. The best value for the company would be to hire LA students who could work for the company and then return to LA to work in our offices. They would understand the Australian and the company’s business culture.”

- Many companies agreed with the concept of hiring and training LA graduates in Australia and then offering them a full time position in LA.
- Most companies did not have a long term capacity building strategy to address skill shortages in mining.
- Positions in regard to internships / graduate employment varied by company size.
  - Small to medium companies do not have such programs per se.
  - All companies expressed an interest in developing a mechanism for accessing LA student’s backgrounds.
- Over 50% of companies were unaware of the increasing number of LA students studying at Australian universities.
  - Or that international students had work rights.
- The companies expressed value in engaging with P/G students in particular.
Australian Companies (and others) in Latin America

• Around 75% of companies interviewed were medium enterprises

• All companies expressed awareness of the skills shortage - however the majority were looking for 5-10 years experience

• Large companies have HR capacity building programs for employees - focused more on their Head Office rather than their other Australian or overseas branches

• The main markets where Australian companies are doing business are Chile, followed by Peru, Brazil, Colombia, Mexico, and Argentina

• Some of the companies expressed the following: “Latin America is a key region for the company, however language and culture have been a challenge and we need a different strategic approach.”

• About 80% of companies commence their operations in Chile and contract local professionals

• All companies agreed on the following important employee traits: - English language
  - Overseas work experience (knowledge of the Australian business culture)
  - Experience living overseas

• Companies in Latin America are more positive about the value of hiring LA Australian educated graduates and the value of internships than their Australian counterparts - in order to provide training in business and culture

• A high attrition rate for graduates employed from within LA as they leave for international experience.
Conclusions, Opportunities & Challenges

- At present there is a lack of connectivity between Latin American students studying degrees in Australia and the human capital development strategies of Australian/international companies with operations in Latin America.

- Australian companies with a presence in Latin America is already relatively significant and growing.

- Latin American degree students in Australia have strong aspirations for internship/professional experience and employment in Australia before returning home, which is consistent with the preferred employer hiring priorities for staff in Latin America.

- Latin American graduates in Australia with work experience and/or graduate employment makes for 5 star alumni - with consequential multipliers in third party referrals of LA students to Australia.

Satisfaction index for Latin American Students Studying in Australia:

- Transferred by Australian company to Latin America: Satisfaction X X X X X
- Work in Australia: Satisfaction X X X X
- Professional Internship: Satisfaction XXX
- Degree Studies: Satisfaction X X
- English Communications: Satisfaction X X
• Win, Win, Win situation
  - The graduate
  - The company
  - Australia
• The challenge is to find mechanisms for building on the outcomes of the research and bridging the ‘connect’ between students/graduates and industry
• Report will address this and will be delivered to COALAR
  - to be finalised in October