The Role of Contextual Factors in Employer Recruitment Decision Making: Evidence from Regional Australia

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Abstract

Various scholars have suggested that the skills of accredited, permanent immigrants in Australia are, on average, underutilised. However, most research to date has approached this issue through a human capital perspective. Surprisingly, little is known of how the community context in which employers operate can influence their recruitment and selection behaviour towards immigrant professionals. This paper reports the findings of a study examining how regional community characteristics such as dense networks, bonding activities and trust influence employer screening of immigrant professionals in the IT and accounting industries. The paper draws on 21 in-depth, face-to-face interviews with human resource professionals and recruiters within a regional Australian town. We describe how these recruiters' reported lack of experience with newly arrived immigrant groups, and their dense community networks, based on trust, appear to shape attitudes towards the employment of minority ethnic immigrant professionals. A new conceptual framework incorporating community contextual factors is offered for further research into this area.

Key words: employment outcomes, immigrant professionals, trust, community characteristics, recruitment

Introduction

As is the case in several OECD countries, Australia has a formalised immigration program to attract highly skilled professionals (Chaloff & Lemaitre, 2009). These skilled migrant policies are aimed at institutional development and combating skill shortages (Cameron, 2011). The top five countries of origin for General Skilled Migration visas granted include: India (21 per cent), China (20 per cent), United Kingdom (14 per cent), Sri Lanka (five per cent), and Malaysia (five per cent) (Australian Bureau of Statistics, 2011). Despite the rigorous assessment of immigrants' qualifications and experiences, permanent skilled immigrants from non-English speaking backgrounds (NESBs) are less successful in finding employment that matches their skills than their English-speaking counterparts who arrive in Australia under the skilled migration program (Hawthorne, 2011; Kostenko, Harris, & Zhao, 2012).

Green, McIntosh, and Vignoles (2002) define skill underutilisation as a case of 'over education' of skilled immigrants where immigrants have excess qualifications relative to the requirements

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of a specific job. Typically, this is the result of immigrants being forced to accept work in less skilled occupations when compared with their occupation before migration (Productivity Commission Research Report, 2006). This pattern of accepting lower skill jobs through economic necessity is particularly prevalent among Non-English speaking Background (NESB) immigrants and can lead to continuing under-employment and blocked career paths (Bertone, 2008).

The research to date on skilled migration and employment outcomes has mainly identified how immigrant human capital and, to a lesser extent, other barriers such as discrimination and prejudices impact on unemployment and under-employment of immigrant professionals (Ho & Alcorso, 2004). In this article, we will provide an overview of these traditional or past approaches to the problem. Following from this, we present a conceptual model which incorporates community contextual factors (level of exposure to diversity at organisational level, social networks, bonding and trust) which appear to also influence employers' recruitment decisions towards skilled immigrants. We use the exploratory data collection undertaken in our study as a platform for developing this framework and for future theorising and research. Overall, our paper seeks to answer the question: What factors operating in a regional context potentially shape attitudes towards the employment/under-employment of immigrant professionals from (NESBs)?

Traditional approaches to the understanding of immigrant employment outcomes

Researchers have consistently postulated that immigrants' inferior employment outcomes are influenced by individual immigrant based human capital attributes. Edwards (2004: 80) describes human capital as the "stock of productive knowledge, skills and competencies such as numeracy, writing and reading". This human capital is acquired through formal education (especially post-school education), labour force experience and communication skills (Productivity Commission Research Report, 2006).

Human capital theory assumes that differences in human capital result in differing labour market outcomes. (Cobb-Clark, 2003; Ho & Alcorso, 2004). For instance, many researchers including, Chiswick and Miller (2002), and Dustmann and Fabbri (2003), have called attention to the English language skill deficits of immigrants and the tendency for these to result in lower employability and earnings. According to much of this research, immigrants from English Speaking Backgrounds (ESB) tend to have higher incomes than immigrants from Non-English Speaking Backgrounds (NESB), in part because of the inferior level of English language proficiency levels of the latter (Birrell, Hawthorne & Richardson, 2006).

While economic theory tends to view English language and other human capital attributes as objective 'supply side' factors, critical social researchers, such as Alcorso (2003) and Ho & Alcorso (2004) have argued how susceptible these factors are to social biases, interpretation and perceptions by labour market players, viz managers, clients and co-workers. As some researchers have noted, often it is not the level of proficiency alone which is important, but rather the *way* that English is spoken, including accent, idiom and syntax (Hosoda & Stone-Romero, 2010). Moreover, the absence or possession of other 'soft' skills (beyond accent and idiom) can become crucial in the employment process both at recruitment and beyond (Ho & Alcorso, 2004; Cook, Zhang & Wang, 2013).

This line of analysis has led to theories about the interaction of cultural identities within the employment context, given that such identities may be a powerful factor for all parties involved in the employment relationship. Some researchers (Markus, 2009) have suggested that immigrants may face discrimination and prejudices within the hiring process if their cultural identities deviate significantly from the dominant Anglo-Celtic culture prevailing in Australian workplaces. Research suggests that barriers to entering the labour market may be based on identifiable features of group identity, such as cultural background (Watson, 1996), ethnicity (Dunn, 2004), names (Booth, Leigh, & Varganova, 2011), and to a lesser extent, religion (McAllister & Moore, 1989).

This paper builds on such theory and takes the analysis further. It examines how community characteristics and social behaviour in a geographic context can shape the employment outcomes of skilled migrants. To this end, we will draw on the economic geography literature on spatiality and sociological theories of social capital.

The spatial community context that shapes employer attitudes

Labour geographers emphasise the effects of place and specificity on the labour market (Peck, 1996). Furthermore, they acknowledge that relationships happen over a particular space and thus recognise the relevance and influence of spatial context on labour market outcomes (Massey, 1994).

In this paper we examine how the "particular articulation of [social relationships].., a particular moment in those networks of social relations and understandings" (Massey, 1994: 5, as cited in Mylett, 2003: 75) shape recruiter attitudes and the employment screening process involving skilled NESB immigrants during the recruitment and selection phase. To understand social relationships and how these influence recruiters' behaviour within a community context, we also examine the role of social capital in relation to skilled NESB migrants seeking employment in the host community.

Social capital is built on relationships based on shared identity, common fate or social intimacy that lead people to draw on particular people to achieve a set of goals based on obligation, track records, actions or responses (Coleman, 1988). It can be seen as the 'glue' that holds groups of individuals together in communities (Pooley, Cohen & Pike, 2005). Social capital is the combination of 1) networks: which can be defined in terms of geography, density (the proportion of people who know each other), and closure (intra versus inter community links); 2) social norms: rule, values and expectations shared by a group of people; 3) sanctions: formal and informal rewards and punishments; 4) competencies: individual's personal resources, including self-esteem and self-efficacy; and, 5) trust, reciprocity, interaction within the community (Halpern, 2005; Pooley et al., 2005).

According to Gao (2005), trust underlies successful relationships, transactions, and employment and lays the foundation for a potential relationship between the job seeker and the employer (Model & Lin, 2006). According to Lipnack and Stamps (1994: 188) "People generate trust through their interpersonal networks of relationships". However, immigrants and minority ethnic groups may have fewer interpersonal networks of relationships compared to the native-born. This can become an issue within the labour market. For example, when trust is embedded in the relationship between the jobseekers and the job informants, it benefits

jobseekers and enables them to "gain an advantage over the competitors for a targeted position" (Gao, 2005: 198).

The greater the level of personal networks and trust established by immigrants within the community they live in, the greater their potential for better employment outcomes. However, Hatton and Leigh (2011) argue that immigrants assimilate as communities, not only as individuals. This means that as an individual, an ethnic immigrant may find it difficult to establish a sense of trust between their ethnic culture and the native-born culture on their own. The longer the immigrant community has been established within the community, the more the host society comes to accept that ethnic group (Hatton & Leigh, 2011). This then leads us to the issues of bonding and bridging capital in relation to skilled immigrants.

According to Woolcock (2000), bonding is described as the strong ties developed between people of similar background and interest. These types of bonding relationships will include family and friends, where they provide material and emotional support to each other. (ibid.) They tend to be more inward-looking, protective and reflect strong 'in-group' loyalty. When community groups are too tightly bonded and not accepting of diversity, Fukuyama (1999) states that there are 'negative externalities' for the society. On the other hand, Woolcock (2000) says that bridging is a relationship people make with friends, associates and colleagues from different backgrounds (different socioeconomic status, age, generation, race or ethnicity). Putnam notes further that there is a positive link between the level of tolerance, acceptance and social participation among people (Putnam, 2000).

Accordingly, we postulate that if a particular community displays characteristics of low exposure to diversity, and exhibits dense social networks and bonding activities that accentuate the need for trust within the community, then employers and recruiters in such communities will be unfavourably disposed towards the screening of new ethnic immigrant professionals. This approach can be utilised to explain contextual community characteristics that shape employer/recruiter attitudes and job screening which in turn can result in underemployment (skill underutilisation) or unemployment of immigrant professionals, as outlined in following figure.

Figure 1: Regional community characteristics' influence on employer screening and recruitment

Community factors shaping employer attitudes		
Level of density in networks and community bonding activities	**Level of importance placed on trust and commitment to the community**	**Level of diversity and experience with ethnic groups**

Research strategy and process of analysis

This study employed a qualitative approach to the interpretation of recruitment behaviours of a group of employers/recruiters in a regional area of New South Wales, Australia. It sought to examine the interconnections and relationships within real-life phenomena that are too complex for survey based or experimental strategies (Yin, 2003). Such a strategy enabled the

researchers to build a descriptive, multi perspective and interpretive analysis of community based contextual factors that can influence employers/recruiters in the recruitment and selection of migrant professionals. At the heart of this approach is the quest to shed light on "the social processes of interaction that individuals within a culture implicitly know but those outside the culture do not" (Bluff, 2000: 115).

The selected regional town, Wollongong, is situated in the Illawarra region and lies directly south and southwest of metropolitan Sydney and northeast of Australia's capital city, Canberra (Illawarra Regional Information Service, 2008). Situating the study within Wollongong is acceptable because it exhibits a suitable level of business activity, employer organisations and professional working population to examine the spatialised nature of social phenomena. Wollongong is the tenth largest city in Australia, is a leading coal exporter, the location of the largest integrated steel plant in the southern hemisphere (Illawarra Regional Information Service, 2008), and there were, prior to this study, approximately 110,000 persons, including 11,000 and 22,000 professionals (Australian Bureau of Statistics, 2006). According to the Australian Bureau of Statistics (2011), 73 per cent of the population living in Wollongong were born in Australia while the next largest group was from the United Kingdom. Forty-seven per cent of the population indicated that both parents were either from an Australian, English, or of Irish heritage. Thus, Wollongong offers a suitable research context, characterised by sufficient employer activity, ideally suited to meet the research objectives of this study.

The research focussed on the recruiting practices of employers and agents into two professional occupations – accountancy and information technology. Accounting and computing occupations were selected because these are the top two nominated occupations by skilled immigrants in Australia and, as such, form a large component of the skilled immigration program with its focus on occupations in demand within the Australian labour market (Department of Immigration and Citizenship, 2009).

Data collection

According to Guest, Bunce, & Johnson, (2006: 61) "research that is field oriented in nature and not concerned with statistical generalizability often uses non-probabilistic samples" and the most commonly used samples, particularly in applied research, are purposive (Miles & Huberman, 1994). The empirical data for this study were collected between 2008 and 2009. We examined published recruitment advertisements on seek.com.au and in regional newspapers over a period of six months (January to July 2008). Based on those sources, we identified key organisations that had advertised computing and accounting based employment positions. We then used word of mouth referrals to approach these organisations and their HR managers to create a purposive sample composed of recruiters from these organisations. This proved to be the most effective way of gaining access. Out of the referred participants, we were able to achieve a 90 per cent success rate (20 participants agreed out of 23 potential participants approached). In contrast, our success rate from cold calling or approaching potential participants without any referral (using the contact HR professional on the computing and accounting recruitment advertisements) was only 10 per cent (one participant agreed out of 10 potential participants approached). The characteristics of the interview sample are consistent with those of the IT and accounting industries (i.e. male dominated) and of the type of organisations that operate in a regional town.

Table 1: Research organisation and interviewed participant characteristics

Type of organisations	4 (Semi-public)	17 (Private)	
Employees	11 (Less than 50)	(5) Over 100	(5) Over 1000
Gender representation of senior management	13 (All male senior management)	(2) All female senior management	6 (Combination of male and female senior management)
Age of interviewed participant	(2) Less than 30	13 (30-50 years)	6 (Over 50)

This informal process of seeking participation in the research defined the nature of the relationship, with trust an emergent outcome of the personal referrals made to gain access to participants. The element of 'trust' aided the participants' ability to be candid and open about the areas of discussion. As the research focussed on issues pertaining to immigrants and their employability at skill accredited levels, establishing a 'trusting' relationship with the participants was fundamental to this study. For instance, it was important that the research participants were comfortable about discussing issues such as discrimination and racism potentially facing NESB immigrant professionals.

Purposive sample size generally relies on the concept of saturation (Guest et al., 2006). Theoretical saturation of categories occurs when no new properties are revealed about these categories and thus there is no need for collecting more data (Hood, 2007; Guest et al., 2006). Similarly, we found that the later interviews in this study only reconfirmed the previously disclosed community based factors as potentially influencing employers' attitudes and behaviours in a recruitment context. This suggests that the interview sample size (21) was sufficient for our needs in this study.

In general, the interview length was between 70 to 90 minutes, and all interviews were recorded digitally and then transcribed. Interviews were "guided conversations rather than structured questions" (Yin, 2003: 89). We used open ended questions and ensured that the approach was conducive for the research participant to answer questions (Yin, 2003). We used different stages of the interview to verify participant feedback. For example, when inquiring about participants' views on recruiting immigrant professionals into computing and accounting roles, generally the participants did not indicate any apprehension with regard to employing immigrant professionals from diverse ethnicities. After discussing some other issues, we then went on to query their views on the immigrant professionals' communication skills. Such questions generated fine-grained detail with participants sharing their personal experiences.

In addition to the primary data gathered through in-depth interviewees, the researchers also made use of multiple secondary sources (Yin, 2003), such as participant observation and analysis of organisational documents. This enabled the research to triangulate the findings and ground theory generation in a dynamic manner (Sieber, 1973). Some of the key secondary data sources included EEO policy documents and staff origins analysis provided by participants, data provided by four representatives of relevant professional, migration and employment based organisations and associations as well as participant observation at local business networking events.

Data analysis

The study made use of codes, memo writing and integrative diagrams to analyse the data. Codes help to "capture patterns and themes and cluster them under a 'title' that evokes a constellation of impressions and analyses for the researcher" (Lempert, 2007: 253). This then facilitated the formation of categories. Categories are higher level codes that have grown in complexity and abstraction (Bryant & Charmaz, 2007: 18). See Table 2 for a sample of coding and categories developed from this study.

Table 2: Sample of coding and categories

Quotes	CODES →	THEMES →	CATEGORIES
A lot of people are born and bred here, whereas in Sydney a lot of them are transients or people who are new to Sydney.	More people born and bred in Wollongong and fewer transients	Dense networks	Regional community characteristics
Everyone knows everyone in Wollongong.	Family feel and low anonymity		
It might be on a conscious or sub conscious level. Because of the ignorance, they [Wollongong community] consider women in a Hijab in some way related to the al Qaida group. (HR Specialist)	Media influence	Importance of trust	
… it is better the devil you know. Stick with who they know rather than risking trialling with someone else. (Recruitment Consultant)	Prefer to deal with known persons and in-group loyalties		
The Macedonians, Italians, Croatians, Maltese are already in. There is a different group: Vietnamese, Chinese, Indians, Sri Lankans, Singaporeans are still new. Even in my own mind, they fall into two separate groups. (Recruitment Consultant)	In-group and out-group prejudices		
The employers are able to build relationships, and see if that person is reliable and trustworthy, has got a good work ethic, and has got sound values. When you build work experiences in a voluntary basis how many times will that person get a job versus a person who does not have that experience?	Volunteering and engaging with community	Commitment to community	
In our organisation there is a large English percentage, followed by Italians and Macedonians. According to the Census, in 2006, the English and the Italians decreased and Chinese have increased. So if you are to look at the representation of the Asians, we only got a handful. Out there [in the residential community], the Chinese population is increasing but not in here [in the organisation]. Our workforce does not represent the changes.	Low diversity at management level and Fewer Asians within the community	Lack of experience in dealing with Asians	

Such analysis was combined with continuous memo writing (Charmaz, 2006) and use of integrative diagrams (Strauss, 1987) to clarify relationships between categories and to expand the definition of the categories and to understand the data (Urquhart, 2007; Weiner, 2007). For example, coding, memo writing and diagrams made it evident that the community characteristics influencing employers were interconnected and could influence each other to negate or further shape employer behaviour in the region.

Findings and Discussion

1. *Experience of dealing with non-European immigrant groups*

According to the employer/recruiter interviewees, many Wollongong employers lack experience of working with non-European ethnic immigrants in a professional capacity. Although Asian students have attended the University and Vietnamese have worked at the steelworks since the 1970s, it is only since 2003 that more immigrant professionals from Asian countries/backgrounds (Chinese and Indians) have settled in Wollongong (Australian Bureau of Statistics, 2006). The region also features small business ownership by Vietnamese and Lebanese immigrants, but this is in a community context where European and Anglo-Celtic ancestries are dominant (Australian Bureau of Statistics, 2006). As such, the Wollongong community lacks exposure to newly arrived immigrant ethnic groups such as Asian professionals.

According to the interviewees, Wollongong also exhibits fewer numbers of transients and more residents who have lived and worked all their lives in the Wollongong community.

> Most people had never left Wollongong or only ever lived and worked in Wollongong (Recruitment Consultant, private organisation).

> A lot of people are born and bred here, whereas in Sydney a lot of them are transients or people who are new to Sydney…. in Wollongong it's different. …..To a certain level, even some of our social acquaintances, they sort of –have been here for ever and ever (Senior manager private organisation).

These comments indicate a particular view (which may or may not be correct) that suggests Wollongong employers and the community generally tend to lack experience in dealing with diverse, non-European ethnic cultures. Drawing on Putnam's (2000) view that regional communities may have fewer individuals who exhibit tolerance of social differences (in comparison to metropolitan communities) we can interpret the following interviewee comments as indicating a slowness to adapt to cultural diversity in the community:

> In our organisation there is a large English percentage, followed by Italians and Macedonians. According to the Census, in 2006 the English and the Italians decreased and Chinese have increased. So if you are to look at the representation of the Asians, we only got [sic] a handful. Out there [in the residential community], the Chinese population is increasing but not in here [in the organisation]. Our workforce does not represent the changes (HR professional, semi-public organisation).

> You can see some organisations, where the majority of the staff is from Anglo Saxon background, no one from ethnic backgrounds (Senior Manager, private organisation).

This visibly low ethnic diversity at organisational and community levels together with the lower degree of integration of Wollongong businesses into the international economy (Markey, Hodgkinson, Mylett, Pomfret, Murray, & Zanko, 2001) may have contributed to interviewees' lack of experience in dealing with behavioural differences and dress attire of particular newly arriving ethnic groups, as the following comment suggests:

> There are clients who will not be able to handle, for instance if an Arabian woman came with a shawl. They would not be able to handle it culturally because they will have internal issues with their own people, because it will make their employees feel uncomfortable. I think they would not know how to act (Recruitment Consultant, private organisation).

Altogether 30 comments were made along these lines, suggesting low levels of cultural sensitivity and understanding of the ethnic behaviour and practices of newer minority groups. These findings suggest that employers would be more cautious about employing NESB immigrant professionals belonging to particular ethnic groups. These attitudes extended beyond Asians (Indians and Chinese) to other groups, such as immigrants from the Middle East, as the next section outlines.

2. *Trust and proximity*

Within the context of the Wollongong community, trust is an important aspect in establishing relationships. For example, according to the interviewees, members of the Wollongong community prefer to deal with people who are known and trusted, rather than take a risk with unknown persons. For example, a typical response was:

> Trust is an important element in Wollongong. I definitely come across that here. Here either their children go to the same school or they are on the same board or there is some kind of connection (Recruitment Consultant, private organisation).

Members of the Wollongong community display strong relationships that encompass networks and interactions across both professional and personal spheres. Similar findings were observed in a study conducted in a regional town (Armidale, NSW), where the respondents (women entrepreneurs) "used a range of formal and informal sources of support for their businesses" (Conway & Sheridan, 2005: 72). The inter-connections between personal and professional spheres result in relationships that exhibit high levels of trust and mutual obligation. This is supported by the work of Edwards (2004) who says that when people in a network actively and regularly interact, they are more likely to have high quality personal relationships, high levels of trustworthiness, and a strong sense of obligation to and expectations of each other.

As a consequence of this strong affinity, familiarity and mutual obligations between the community members living in Wollongong, interviewees noted that there was a prevailing requirement to abide by community based values:

> We have got that familiarity in Wollongong. We are small enough that if you do the small thing wrong, you can't be anonymous. Anonymity comes with large cities. Say we had an argument or something and then I go drop the kids we can be at the canteen

together working… You have to live by your values more. And you know more people and more related to more people (Senior manager private organisation).

Within such a close-knit community, newly arriving non-European immigrant professionals may find it difficult to establish trusting relationships. Evidence of this is found in the caution expressed by Wollongong community members toward newcomers:

And I think it's probably because for years and years they [Wollongong community] had bands of different cultures coming in. and I think they [Wollongong community] have become more cautious than before (Recruitment Consultant, private organisation).

This is supported by Pretty, Bishop, Fisher, & Sonn (2006) who note that a local community may find it hard to trust new ethnic groups because Australians want familiarity, and act as a community to exclude people and things that are different. This lack of trust can be augmented by perceptions created by the media about certain ethnic and cultural groups, as one interviewee explained:

It might be on a conscious or sub conscious level. Because of the ignorance, they [Wollongong community] consider women in a Hijab in some way related to the al Qaeda group sic (HR professional, semi-public organisation).

You paint everyone with the same brush. People who look similar to people who do the wrong things, or dressed similar [al Qaeda terrorists] are thought to be the same. Subconsciously it happens (HR professional, semi-public organisation).

The threat of terrorism has made Australian society adopt a protective approach (McKay, 2005). Consequently, if and when an immigrant professional looks similar to those who are associated with terrorism, such persons may be associated with this undesirable element. According to Fevre (1992: 73-74), although "employers want to select the best person for the job", their lack of access to reliable information may lead them to take shortcuts and apply categories. Fevre cites Banton's (1983) study on highly qualified black professionals in the United Kingdom and the United States to illustrate how employers mistakenly exclude members of a category they regard as unsuitable for the job. Similarly, another interviewee explained:

My sister-in-law was born in Sri Lanka, but lived in Sydney and speaks like an Australian and when she moved into Wollongong she felt she was not accepted. People go and look and say you look new. I really don't think Wollongong is as multicultural as Sydney is, as accepting, as diverse or assimilated (Recruitment Consultant, private organisation).

As did another:

Even for myself, I come from XXX and I lived [sic] here for years, I sometimes feel like an outsider. People coming from overseas are going to feel a little bit left out. And I think it's probably because for years and years they had bands of different cultures coming in and I think they have become more cautious than before (Recruitment Consultant, private organisation).

This attitude of 'mistrust and exclusion' results in what one recruiter referred to as a level of cultural immaturity among particular Wollongong employers. Cultural immaturity can be characterised by the employer's cautious attitude towards demographic changes and their inability to promote the recruitment and selection of immigrant professionals who are culturally distant from their own origin:

> The media has instilled in us that anyone wearing a Hijab – they are Muslims and then they are highly religious and they are different. Some of the organisations [clients] would say, you know, 'get us someone else'. We are just not culturally mature or ready for that. They are used to the Italians, the Macedonian. Wollongong is still a bit backwards, still a bit young culturally, to take more changes (Recruitment Consultant, private organisation).

Such community behaviour and attitudes potentially undermines the employability of new immigrants, particularly in professional positions which they have not traditionally occupied, and as a corollary impacts on the transfer of their human capital to the new host country (Man, 2004). Further, the community based trust and proximity of 'insiders' can augment the exclusion of some ethnic groups and congeal existing in-groups in Wollongong.

3. Dense networks: community affiliation and lack of anonymity

> Wollongong is a regional city (or as community members describe a 'country town'), with fewer transients and more people who are born and bred in the region. You will find that it is not uncommon to talk to someone and find out that they are somehow connected to you – six degrees of separation from everyone. Everyone knows everyone in Wollongong (HR professional, semi-public organisation).

> From a social point of view, Wollongong has got a long standing family kind of a feel about it. … Everybody knows bits and pieces about everybody (Senior manager private organisation).

This establishes stronger connections between people, a family oriented community culture and low levels of anonymity between community members. According to the interviewees, many people living and working in Wollongong have either been employees at one of the larger organisations in the region or are acquainted with persons working within these large employer organisations. This further accentuates the density of professional networks within Wollongong. The following comments illustrate these tendencies:

> It's just strange the degree of separation. There doesn't happen to be any. Really, really close. There is always someone who has some connection to Company x, or someone consulting there (HR professional, private organisation).

> Wollongong is a big country town and people know people. It's not like Sydney – a little bit anonymous in Sydney, whereas here it's not the case (Recruitment Consultant, private organisation).

Establishing strong formal and informal relationships and networks within the community becomes central to the success of individuals and business organisations:

> Networks are important in Wollongong. Business is relationship oriented. In some ways, in Wollongong, you need to work at the relationships a bit more (HR professional, semi-public organisation).

As discussed, the Wollongong community is reported by interviewees as displaying high levels of affiliation, strong relationships, and a strong sense of trust between community members. Such characteristics indicate that the Wollongong community is characterised by dense networks, as discussed in Edwards (2004).

3.1. Bonding activities

Edwards (2004) cautions against the development of intense levels of bonding relationships within a community. According to the interview data, Wollongong community members tend to establish relationships with people who they have known for many years.

> … it is better the devil you know. Stick with who they know rather than risking trialling with someone else (Recruitment Consultant, private organisation).

A further characteristic of the bonding activities within Wollongong is the way that Wollongong employers seem to categorise community members into two groups: the in-group and the out-group. The in-group consists mainly of persons originating from an Anglo-Australian ancestry. However, persons originating from Italian, Greek, Macedonian, Lebanese, Croatian and Maltese backgrounds (groups which have been residing in the region for decades) are also considered as part of the 'in-group'. These latter groups have lived in Wollongong since the early days of the steel works and the coal mines and includes second and generation community members. The out-groups are those ethnic groups that are new to the community s (e.g. Asians from India and China). As such, in-group members have not yet generated a trusting relationship with these new ethnic group members:

> The Macedonians, Italians, Croatians, Maltese are already in. There is a different group: Vietnamese, Chinese, Indians, Sri Lankans, Singaporeans are still new. Even in my own mind, they fall into two separate groups (Recruitment Consultant, private organisation).

These new Asian ethnic groups are considered the most dissimilar culturally and in appearance to the local residents of Wollongong, part of a broader phenomenon described as social distance (Portes & Rumbaut, 2001). Similarly, Wong's (2010: 198) research on recruiters demonstrates how recruiters viewed "Asian ICT professionals as 'them' and 'they' and as people unable to fit into 'our' way of life or share and/or enjoy our sense of humour".

The manifestation of an in-group/out-group mindset can "cause positive and negative discrimination, such as better jobs offered to members of the in-group, refusal of employment to a member of the out group, or lower wages paid to out-group members" (Tubergen, Mass, & Flap, 2004: 709). As one interviewee noted:

> Although Wollongong is multicultural, I still think there is a bit of discrimination. You can see, some organisations, where majority of the staff are Anglo-Saxon background but no one from ethnic backgrounds (Senior Manager, private organisation).

> Sometimes, employers will tell us, I don't want these types of immigrants etc, because they had some bad experience with some for example an Indian professional (Recruitment Consultant, private organisation).

This form of in-group loyalty has been noted previously within industrialised regional towns in Australia. Ellem (2008), noted that the town of Broken Hill exhibited similar in-group formations as Wollongong. During the early 1930s, the local union Barrier Industrial Council (BIC) created spatial eligibility conditions for admittance to union membership and jobs based on birth, residence or marrying within the Broken Hill community. This literature, though historical, suggests that the in-group loyalties observed in Wollongong may not be atypical in modern regional Australia. These subtle in-group/out-group behaviours may create a social barrier reinforcing and reproducing prejudices and preferences and increased distance between the locals and the newly arriving immigrant groups.

When immigrant professionals live or work within communities that display in-group and out-group behaviours, they may need to work harder to establish their credibility and become a part of the existing community relationships and networks. Accessing the existing community networks and relationships is important as the Illawarra regional labour market tends to be relatively closed and relies on "word of mouth" as a recruitment method (Markey et al., 2001). This is confirmed by HR professionals in Wollongong.

> …only few jobs are advertised. The rest are filled through people you know (Recruitment Consultant, private organisation).

Word of mouth recruitment is considered by employers to be cost effective and useful for a range of reasons (Jenkins, 1986). However, such recruitment practices tend to reduce the level of diversity by limiting the chances of persons from under represented community groups and encourages a 'like me' employment outcome (Iles & Auluck, 1991).

Implications for employer screening of immigrant professionals during pre-employment

The existing literature confirms that both overt and covert employer prejudices impact on the labour market outcomes of immigrants to Australia (Productivity Commission Research Report, 2006). However, so far, very little in-depth empirical research has been conducted to understand how community based contextual factors influence employer evaluation of immigrant professionals' candidate criteria during the pre-employment or recruitment phase. The findings of this research identified some key contextual community characteristics and processes that potentially influence employers in their assessment and willingness to recruit immigrant professionals.

One of the key contextual community factors identified was the dense social networks within the regional community. Drawing on Edwards (2004), and Stone and Hughes' (2001) description of dense networks, this regional community displayed network arrangements built on similarities in terms of background, age, level of education, social status, or shared attitudes and interests.

The next contextual based community characteristic that potentially influenced the employer evaluation was the level of importance the regional community members placed on dealing

with people they 'trust'. The community's experiences with previous waves of ethnic migrant groups together with media generated fears created an apprehensive approach towards newcomers resulting in an in-group and out-group mentality.

The findings also give insight into how employer policies and preferences on recruitment and selection reinforce the potential to "contribute to the creation of disadvantaged labour market groups…" (Rubery, 1994: 53). For instance, the Wollongong employer preferences expressed by the 21 recruiters interviewed for this study seem to influence their level of tolerance, stereotypes, and comfort levels, resulting in the reported short listing and selection of persons who are closely matched to the existing profiles of professionals within their organisations. As illustrated by Massey (1994) and Peck (1996), the webs of interconnecting relationships between community based factors (level of density and bonding in the community networks, level of exposure at work to new ethnic migrant groups, importance of trust) interact with each other to create the conditions for inferior employment outcomes for NESB immigrant professionals, including under-employment and unemployment.

To ensure fairer employment outcomes in the future for skilled immigrant professionals, HR practitioners could become more externally focussed and build new alliances beyond the workplace with the new migrant community groups. Such actions would then enable HR practitioners to be engaged more strategically (Lansbury & Baird, 2004) and manage the future sourcing of candidates into their organisations.

Conclusion

A significant proportion of permanent skilled immigrants in Australia remain underemployed in the labour market relative to their skill sets. Scholarly work attempting to identify the causes of this underemployment of immigrant professionals has tended to focus on immigrants' human capital deficits. Yet, other literature suggests that skill utilisation of immigrant professionals can depend on employers – on their values, social conventions, information exchange and awareness in relation to new immigrant skills and on the operation of social networks that may facilitate and impede immigrant access to employment. Our study recognises the need for more focussed research that examines the complex mechanisms by which group identity, including discrimination and prejudice, influence employer behaviour within the screening process of immigrant professionals. In this paper, we have focussed on the ways that trust, familiarity and community norms operate for and against immigrant professionals within a regional recruitment context and in turn potentially contribute to discrimination and prejudice.

The findings illustrate how contextual based community factors may operate to exert an unfavourable influence on the employer's screening process of NESB immigrant professionals. However, it is possible that the webs of interconnecting relationships between contextual community based characteristics can result in a favourable evaluation of skilled NESB immigrant professionals during the pre-employment phase, depending on local circumstances.

The paper has put forward a new conceptual framework for understanding how such community contextual factors interact and the results they may lead to. More research is required across a range of regional locations and for different occupations and incoming groups to test the usefulness and validity of the framework.

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