"You are not as localised as I need": Employability of Chinese returning graduates

Ly Thi Tran, Jill Blackmore and Mark Rahimi

School of Education, Deakin University, Victoria, Australia

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Abstract

Purpose – International student employability has been accorded increased emphasis in the internationalisation agendas, especially in major destination countries as it shapes universities’ attractiveness to prospective international students. Having insights into returning graduates’ employability in their home country has become critical given that a majority of international graduates return home after their overseas study. This study responds to this critical need by examining how foreign credentials are valued by employers in the field of accounting in China, based on in-depth interviews with employers, alumni and policymakers.

Design/methodology/approach – This study draws on a qualitative approach involving literature review and in-depth interviews with 28 key stakeholders: employers, returning graduates and policymakers in China and India. The key research question of the study is how foreign credentials are valued by employers in the field of accounting in China and India. This article focuses on the Chinese context. In-depth interviews with employers and policymakers focused on eliciting nuanced socio-cultural understandings as to perceptions and decisions associated with desirable graduate attributes and the relative value of credentials. Interviews with returning graduates aimed to understand how different capitals were mobilised to gain employment in the Chinese labour market.

Findings – The empirical findings of the study show that Chinese returning graduates could be seen to lack the localised knowledge needed to work in Chinese companies and ability to adapt to the local environment. However the possible development of a dual local and international guanxi through overseas study can be regarded as a marker of distinction in the home labour market. The associated value of such a dual guanxi signals the importance for Chinese international students to develop transnational networks while simultaneously maintaining their kinship, social and business networks locally during their overseas education.

Originality/value – The study provides fresh insights into a marked shift in China, with less of a preference for Western credentials, as compared to 10 years ago when overseas credentials were often regarded more favourably. Even though overseas study generally provides Chinese graduates with an exposure to international practices and global perspectives, whether such an overseas exposure and foreign language competency would be an advantage also depends on the business needs and sometimes the business model of organisations.

Key words: international students, returnees, international education, employability, employers, China, international student recruitment

Introduction

Graduate employability has become a key driver for higher education and a pressing issue for all key stakeholders, including students, education providers, employers and governments in the last decade (De Wit, 2010). Internationalisation has been regarded by universities,
especially in Anglophone countries, as one of the key instruments to help students enhance their graduate employability on a globalised labour market. Internationalised programs and international internships are deemed to better provide students with intercultural skills, transnational knowledge and globalised mindsets, which construe competitive advantages in global labour markets (Bennett and Kane, 2011). Universities in Anglophone countries are increasingly depending on international students to generate revenue in the context of declined government funding for higher education. Promoting their branding around graduate employability is therefore increasingly used by universities to attract international students (Blackmore et al., 2015). Employment outcomes are increasingly considered the most important form of return on investment in overseas study other than residency. However, there is still a lack of research on the employability of international students and graduates (Berquist et al., 2019; Gribble et al., 2015).

The OECD countries, including English-speaking destinations of international students, have increasingly developed policies to attract and retain talented workers by facilitating the transition from ‘student status to employment and residency’ (Berquist et al. 2019, p.2). The OECD’s (2019) Indicators of Talent Attractiveness refers to three groups of preferred migrants: highly educated workers with master and doctoral degrees, foreign entrepreneurs and university students. Given that both sending and receiving countries seek to retain, attract and lure back highly qualified graduates, how international graduates’ employability is viewed by employers and graduates themselves is significant. While employers’ perceptions of international graduate employability in the host country has been researched (e.g. Blackmore et al. 2015), less is known about how local employers from home countries view international relative to local graduate employability, especially in accounting. Gaining nuanced understandings about home employers’ perspectives is critical, especially given the current context of international education where a majority of international graduates return home. In particular, China saw an increase of 132 per cent in the number of returning students over a five-year period from 55 per cent in 2011 to almost 80 per cent in 2016 (IECF, 2018).

The study informing this article analyses the ways in which foreign credentials are valued by large, medium size and small business employers in the field of accounting in China. This article focuses on in-depth interviews with 14 key stakeholders in China: employers, returning graduates and policy makers. While previous research suggested Chinese returnees might have a competitive advantage on the local labour market thanks to their foreign language competence, capacity to learn quickly and familiarity with foreign environments (Hao et al. 2016), our study shows that this may not always be the case. Even though returnees might have better presentation and communication skills, their ability to adapt to the local workplace might not be as strong as their local counterparts. In particular, employers raise concerns about their long-term commitment to local small or medium-sized companies which are treated as stepping stones in their career trajectories. In light of the findings of the research, this article discusses significant implications for academic, career advisors and staff concerned with graduate employability and internationalisation strategies.

Demands for higher education in China and the return of Chinese international graduates

China as other Asia Pacific countries is investing heavily in higher education, science and technology. China is rapidly shifting from mass production to knowledge economy occupations to compete with Western economies by building a professional workforce which now competes against Western graduates (Rizvi et al., 2015). China’s 12th Five Year Plan (2011-2015) seeks
to capture expatriate talent, particularly those with elite international qualifications and in higher education and research, with the expatiate and student numbers returning rapidly increasing over the past decade (Welch and Cai, 2011). This expansion together with the emergence of graduate unemployment and greater stratification among universities has led to viewing education as a positional good (Wang and Lowe, 2011). Shanghai’s labour market and municipal government is particularly oriented towards building a knowledge economy, thus attracting the largest number of returnees. But prior practices exist mitigating against highly skilled returnees, impeding factors such as low salaries, children’s education, housing, work culture, political and social conditions, lack of jobs for spouses and guanxi. Guanxi is a cultural and business practice based on ‘long-term mutually reinforcing and reciprocal relations between individuals’ that favours local knowledge and networks (Qi, 2012, p.711).

The return of Chinese skilled labour is a bridge between the homeland and host countries through transnational knowledge networks. Chinese skilled migrants rose from 39.8% in 1990-1 to 46.8% in 2003-4, with over 80% of long-term Chinese immigrants to Australia were in the highest occupational categories (Welch and Hao, 2016, p.282). This Chinese knowledge diaspora or brain drain, part of the Serve the Homeland policy (2001), has reversed to focus on brain gain to fuel China’s quest to become an ‘innovation society’. Policies welcoming returnees include investment in R & D rising by 19% annually in a highly stratified university sector matched by the willingness of the knowledge diaspora to reinvest in China’s development due to a sense of cultural and identity beyond political allegiance (Welch and Hao, 2016). At the same time, while labour markets are freeing up for the latest generation of workers, there is little familial experience about how markets work as the remnants of the hukou system requiring a residential permit to access services in a region remain (Wang and Lowe, 2011). Alongside pull factors from the home country, push factors from host countries like Australia, the US and the UK, have encouraged the return of Chinese students in recent years. Push factors include tougher competition of the host labour market and limited job opportunities (Blackmore et al. 2017; Tran et al., 2020a), tightening of migration policies (Dam et al., 2018; Tran et al., 2020b) and rising inward national protectionism (Xiong and Mok, 2020).

Emerging research exploring the reconnection and impact on the returnee after an overseas sojourn indicates that there are significant challenges facing returnees in re-adjusting to their respective home countries and the processes of re-acculturation are often fraught, highly emotional and often like grieving (Hao, Wen and Welch, 2016; Presbitero, 2016; Pritchard, 2011). Central to re-entry are issues around value dissonance between host and home country which leads for some to a ‘culture’ shock’ after the initial honeymoon period. Some returnees report that they might be disadvantaged in navigating the home labour market because of the lack of local work experience, local networks, and understandings of local contexts, as well as unrealistic expectations about salary and promotion, and employers’ distrust in their skills and knowledge accumulated overseas (Bryla, 2015; Hao and Welch, 2012; Pham, 2018; Poot and Roskrug, 2013). Others cite that ‘(a) xenophobic response among bosses of returning managers functions to frustrate the returnee’s contributions to achieving company goals’ (Hammer et al., 1998, p.81). Many returnees felt that their hybridised intercultural identity was not recognised as a valuable resource of innovation, thereby depriving the employee a positive post-adaptation contribution. Bochner et al. (2001) identified the dominant challenge for returnees is around the contradictory social demands placed on returnees upon their reconnection with three main social networks – professional, peer, and family groups. Hao et
*al.* (2016) found that the key to effective relocation to Chinese culture for international Chinese graduates is their flexibility to readjust themselves to China's conventional norms of interpersonal relations, local cultures, and local workplace expectations.

**Features and demands for accounting education**

Historically, accounting education in Australia has shifted from traditional forms of apprenticeship and on-the-job training arrangements by institutional agents to university education (Poullaos and Evans, 2008). As a discipline, accounting is historically where international students have been heavily concentrated (Nelson, 2003; 2002). As a profession, accounting operates in a global labour market. For Australian universities under financial stress due to budget cut policies, the revenue generated from full-fee paying international students provided the incentive to enrol more international students in their accounting programs where there was demand (Ryan, 2010).

Accounting education reached a new milestone in 1999 when the Australian government introduced changes to its skilled migration selection policy that linked education to the labour market, with significant impact on the accounting profession. Accounting has been among the professional fields that are defined as skill shortages in Australia and listed on the occupational skills shortage list. However, in February 2010, the Australian government announced a new series of changes to the skilled migration program, breaking the international education-migration nexus (Gribble and Blackmore, 2012). The demand for accounting and business degrees has recently been volatile in the international student markets (Laswad and Tan, 2014). This can be attributed to a variety of factors including changing expectations about career prospects, currency movements, additional visa requirements, concerns about safety in some locations, and increasing competition for students stemming from other countries, such as the USA, UK, Singapore and, in more recent times, China. Many international students, on the completion of academic degrees with majors or specialisations in accounting, have struggled to secure full-time graduate accounting positions in the Australian accounting profession and within business on a timely basis (Lawrence, 2013). The result is that some graduates are working in a raft of lower paid non-accounting or non-business roles, para-accounting roles or returning to a Master-level degree in other disciplines, such as finance or marketing, to broaden or diversify their skills (Lawrence, 2013). These findings are confirmed for Australian international graduates, with few accounting international graduates gaining employment in Australia (Blackmore *et al.*, 2015).

While accounting is the most popular subject choice by international students (IDP, 2020), the accounting field is changing. On the one hand, work is being outsourced/offshored between countries, even in accounting (Ryan, 2010). A more mobile workforce has both provided industry and individuals with a broader range of options for knowledge and skill development. On the other hand, the greater precarity of global and local professional labour markets, rising credentialism, together with universities seeking to attract domestic and international students, has led to reforms in curriculum and pedagogy focusing on employability (Stoner and Milner 2010), which is often referred to as individual ability “to find, create and sustain meaningful work across the career lifespan” (Bennett, 2018, p. 5). New positions (Pro-vice-chancellors in Global Engagement and/or Graduate Employability), divisions (student support) and curriculum (work integrated learning) have been created (Blackmore *et al*. 2014). Generic employability skills (e.g. critical thinking and analysis) are being integrated into the accounting curriculum in the UK with the aim to produce ‘argumentative accountants’ and away from
‘right’ and ‘wrong’ answers (Stoner and Milner, 2010) with students focusing on time management, modelling, and learning to learn.

**Bourdieu’s work as a conceptual frame**

The study draws on Bourdieu’s (1997) notions of capitals and social practices in social fields, the production of particular habitus of students within those fields with regard to employability and the dispositions of individuals and groups in terms of particular cultural ways of valuing, thinking and doing. The social fields in which Chinese returning graduates are situated and credentialism is developed and valued include the fields of higher education, labour markets and government policies. Credentialism can be viewed through Bourdieu’s (1997) notions of capitals: the economic, the cultural and the social. In the Bourdieuan scheme, economic capital is described as the access to material and financial resources (Bourdieu, 1986; Bourdieu and Wacquant, 1992), which can be referred to the economic investment international students and their families put in their overseas study. Social capital refers to the social resources, including social memberships, networks and relationships. Social capital can be classed, racialised and gendered in ways that impact on the value of credentials and perceptions of skill international graduates possess and how they are judged in labour markets. Cultural capital is linked to the embodied, such as language competence and style, the institutionalised, such as educational qualifications, and the objectified, such as books and artwork (Bourdieu, 1986).

Labour markets are fields in which there are different hierarchies that overlap with the fields of education (skills development) and government (policy). Using Bourdieu’s tools of social field and capitals, we examine how returnee graduate employability is construed by different social fields defined by their own structures and characteristics and how they accumulate and mobilise different capitals within these fields.

**Research Design**

A qualitative approach involving interview and literature review was used for this study. The larger study is concerned with China and India as these are the two leading sending countries of international students for Australia (AEI, 2020). Accounting is the focused field of the study because it is the most popular subject choice by international students (IDP, 2020). The key research questions addressed in this article are how foreign credentials are valued by employers in the field of accounting in China and the factors that affect the employability of returning graduates to China. In-depth interviews with employers focused on eliciting nuanced sociocultural understandings as to perceptions and decisions associated with desirable graduate attributes and the relative value of credentials. In this study, graduate attributes are referred to as work-specific knowledge and transferable skills (Goodwin, 2020). Interviews with alumni aimed to understand how different capitals were mobilised to gain employment. Similar lines of questioning were used in each interview, conducted in pairs to provide cross-site validity and consistency within and between countries.

Global professional labour markets work across networks of global cities more than between urban/provincial labour markets (Sassen, 2011). The focus of the project was on global cities given that these are key sites of knowledge economy capacity building. In China, Shanghai and Beijing and in India, Delhi and Mumbai, were the most likely sites of employment for the global worker. We focused on employers in small to large multinational companies (MNCs) and nationally-based firms.

Based on the aim of the study and its qualitative-oriented research method, in-depth semi-structured interviews with key informants were conducted to collect data that are information
rich and valid (Patton, 2015). To ensure the depth, validity and reliability of information (Creswell, 2012) and the feasibility of transnational fieldwork, a total of 28 participants were carefully selected and interviewed for the broader study. The employer sample for this study was determined through a range of professional networks and the assistance of in-country peak organisations e.g. Australian Chamber of Commerce, Austrade and CPA Australia contacts in China and India. The sample includes international corporations (MNCs), medium and large domestic companies and NGOs. We carried out interviews with representatives from peak bodies such as Austrade and CPA Australia. From those interviews, we identified employers in each site to have a sample of MNCs, SMEs, NGOs to interview, totaling 14 interviews in each country (n=28 for both countries). This article focuses primarily on analysing 14 interviews with Chinese participants and pseudonyms were used for all participants and their companies. While the sample of the study is relatively small, it offers valuable insights into returning graduates’ employability in China. It would be useful to have a further study that compares global multinational employers to local ones and returning and local graduates’ experiences across genders and different disciplines.

We used NVivo version 10 for data coding and categorisation of the key themes in this article. NVivo was adopted for an open-ended categorisation of the interview data, in combination with a constant comparison approach (Lincoln and Guba, 1985) to ensure the validity and reliability of data coding. The key points discussed in the subsequent section of this article were identified through constant comparison of the interview data (Lincoln and Guba, 1985). We first did the preliminary coding of the interview transcripts and then highlighted the phrases, sentences and paragraphs in accordance with Bourdieu’s (1997) notions of capitals and social practices in social fields influencing the employability of returning graduates and what may be relevant to returnees’ competitive advantage (or the lack of it), as discussed in the literature review above. The constant comparison approach assisted us to analyse participants’ perspectives and made links to the key aspects addressed in the literature review. The constant comparison approach used in this study is a thorough purposeful process of engagement with the interview data and relevant literature as well as critical readings of the quotes. The key themes emerging from the data include the push/pull factors for returnees to China, (dis)advantages attached with local versus international graduates, concerns about the adaptability and English language competency of returning graduates, managing graduate expectations and Guanxi.

**Chinese employer, alumni and key stakeholder perspectives**

Our study indicated that the growth of multinational companies and the aspiration of local companies to expand their business to the international market created a demand for foreign professional accountancy credentials such as ACCA or CPA Australia. However, employer preferences for domestic or international credentials depends largely on their business orientation and scale, whether they are dealing with local clients and/or foreign partners and international business, the availability of qualified graduates, and their perceptions of graduate employability.

**Push/pull factors for returning graduates to China**

The rise in returnees to China results from increased difficulties to secure post-study employment in their respective field in a host country (Authors, 2019). International graduates are ‘pushed’ from the study country to return home or go to another country upon graduation, due to unemployment or under-employment, discrimination and hiring bias (Li and Yang,
2013) or changes in migration policies. In Australia the link between study and permanent residency was broken in 2010 with international graduates requiring employer sponsorship or permanent residency to be recruited (Blackmore et al., 2015). At the same time, pull factors include the rapid growth of the Chinese economy offering more employment opportunities and an increasing demand for accountants with foreign qualifications and a good command of English due to the increased foreign direct investment and the rapid growth of multinational companies (FDI) (Unni, 2016). Additionally, government incentives to return to China include the ability to live in a first-tier city, the ability to get offspring into a good school, good job offers and also family pressure to return (Thanenou, 2015). The Chinese Ministry of Education recently announced that 70-80% of Chinese students are being drawn back to the country’s attractive job market (ICEF, 2016). However, graduate returnees are facing an increasingly competitive labour market at home (Welch and Hao, 2016). An HR Director from an accounting firm observed:

In recent years, Chinese economy is growing very fast while western countries are not doing well in economy, so these people (international Chinese graduates) would come back to look for jobs. However, there are a limited number of positions for so many overseas returnees, so sometimes in the end they have to seek guanxi to get a job (Wanzy*).

In leading audit firms such as Huaxi*, Wanzy* or CNT Group*, there is however a demand for Chinese graduates with foreign credentials as a form of cultural capital because those are required by their partners who are either multinational companies or dealing with international clients.

Overseas Chinese students enter our company probably because they are recommended by our partners. Our partners will recruit according to their own needs. Generally speaking, Australian universities are popular (Huaxi*).

Employers also commented on the advantages to the individuals with an overseas qualification being recruited by big accounting firms in major cities like Shanghai and on the benefits to the company recruiting them:

Overseas Chinese students will be able to be registered as permanent residents of Shanghai if they are recruited by Shanghai companies. That’s the direct advantage for students who are not Shanghaiese. As to the advantages for the company, I think it’s in the aspect of the business. They will contribute to our auditing business because we have international business. We are a local CPA company, so the biggest advantage of recruiting overseas students is their language. (Huaxi*, HR Manager).

In addition to the incentives of salary and good working environments which support their career prospects and professional advancement, being recruited into these firms provides graduates with a pathway to permanent residency in Shanghai. Previously permanent residency had been a pull factor for selecting Australian universities and gaining international accountancy credentials (Blackmore et al., 2014). For those returnees who are not originally from major cities, their overseas accountancy credential and other employability skills might represent a form of cultural capital that can be converted to recruitment capital and then to permanent residency capital in Chinese global cities. In Bourdieu’s scheme, the economic
capital associated with access to overseas education for these returnees can be translated to positional, professional and residency investment in the home labour market (Tran, 2016).

**Employer perspectives of the differences between the local and returning graduates**

The competitiveness of local compared with international employees on the Chinese labour market depends very much on the type and orientation of a company as well as what attributes the company looks for in a potential candidate. Graduates from overseas universities are generally perceived to possess some distinctiveness in the labour market (Welch and Hao, 2016) created by their cultural and social capital in the forms of English competence, cultural exposure, global mindsets, communication skills, teamwork spirit, and independence, often referred to as 21st century ‘soft’ skillset favoured by multi-national companies.

Firstly, they have language skills because Shanghai is becoming more multinational and there are many foreign companies, multinational companies and they specially are thinking recent five to ten years. Many companies have moved their Asian headquarters from Hong Kong or Singapore to Shanghai. So having that in mind, I think for multinational companies when they look for candidates’ talents, they are looking for people who are bilingual. So I think language skills are very important. And also for people who are educated in Australia, they are more familiar with Western culture, so it’s easier for them to adapt to the multinational organisation environment (OZEDU*).

The first is independence. When studying abroad, these students must try all means to solve problems by themselves. They may turn to parents for help when they are in China, but when they are abroad, they are forced to solve problems about the language and the environment on their own. Even if they use certain guanxi, it’s still they own ways of solving problems. This is a great training and practice for them. Another point is the vision. They may have global vision, wider vision than domestic students. They have experience in China and knowledge about China, at the same time they see the outside world (Lochu*).

Chinese companies with a vision to expand their business to overseas markets or develop partnerships with foreign companies to do business in China also have the inclination to hire returning graduates due to their global outlook, cross-cultural understandings and international experience as distinctive forms of capital, compared to their local counterparts. Below are the explanations for this practice provided by the Australia China Connect Beijing* and OZEDU*:

Because in China, Chinese companies have to target international markets. It’s not a Chinese market any longer here in China. It was pretty much a Chinese market, but every Chinese company who wants to compete has to look beyond China, and for that, they need people with an international mindset. (OZEDU*).

Those guys who have studied in Australia didn’t just learn everything in English and graduated in English. They also learned on a daily basis just by going to the supermarket, that this culture works differently. Managers in China, have to be global managers in the future. They have to understand cross-cultural backgrounds. This is an extra advantage to bring with them (Australia China Connect Beijing*).

These quotes indicate not only the mere possession of a foreign qualification as a form of symbolic capital but importantly how graduates strategically develop the attributes and experiences during the overseas study including English language proficiency and global outlooks play an important role in providing returning students with an advantage in the professional field. As China’s economy is becoming more internationalised and dynamic, the possession and development of global outlooks, international experiences and English language proficiency as valuable capitals
associated with overseas study can constitute a marker of distinction across different types of organizations in the labour market.

There is however a preference for local over international graduates in certain circumstances when English language competency was less of an issue and as local applicants English language skills are improving. This is also a preference because local recruitments cost less.

For local companies, they tend to hire local students because language is not a barrier, and also they perceive that for students who are graduated from overseas, will cost higher than just to hire a local student (OZEDU*).

Indeed, the advantage of an international education experience is becoming less evident due to both the rapid increase in Chinese graduates as well as China competing for international students in the wider Asian market (Author, 2011). According to Sea Viet*, ten years ago it was very easy for graduate returnees to find a good job and ‘their starting point will be much higher than a local graduate’s.’ He/she added, ‘nowadays, these are all intro level jobs. If the local graduates can speak good English, even though you have overseas degree, you are still coming back to compete with those people. (...) now I think we will treat them more equally with the local graduates.’ In the opinion of Huaxi*, there is ‘no big difference’ between local and international graduates. The HR Manager at Huaxi* explains:

Because many students still stay in a circle of Chinese people even if they are studying abroad. The cultural competency depends on the students themselves. As to professional knowledge, both international students and local students study book knowledge, just they use different textbooks, one in Chinese language and the other in English language. One advantage of international students is that they are required to write a lot of essays during their overseas study, and they will do research by themselves and search for information and data. But, Chinese university students are now learning in a similar way.

Therefore, it is important for the higher education curriculum to support international students with the development of the ‘soft’ capabilities and experiences to enhance their employability and for career services to assist them with articulating and translating these attributes into employability terms.

Doubts about the adaptability and English language competency of returning graduates

Both the employer and alumni interviewed raised several concerns about the adaptability and capacity of international graduates raised by. Below are two related examples.

We have found that overseas students have global visions and better overall qualities, but they may not necessarily have better adaptability to the local environment or have better professional knowledge than the local students. It’s just a polarised situation: top students are really excellent, and many students are in a low level. (XIMUN*)

The second problem is their adaptability to the domestic environment. They have stayed abroad for many years, and may not be used to the ways of working in China (Lochu*).

Communication wise, they perhaps are expecting a bit too much. What I mean is that, you know, just because you studied overseas doesn’t mean you’re better than anybody who studied in China. There have been some comments (made on occasion) between those who studied overseas and those who studied at a very good university in China... I think there's sometimes an assumption that going overseas is better. But that's not necessarily true (Luke James*: Australia China Connect Beijing*).

This perspective is echoed by a representative from the RCH*:
Interesting to find out that most employers wouldn’t think the graduate from a foreign country is a plus... Some companies find that the advantage for Chinese students – Chinese graduates – is that they – if the students graduated from some top university in China, they are more adapt to the local environment, because they may be from – let’s say – they may be from Suzhou, but they studied in Shanghai, so they know what’s people like in Shanghai, they know the working environment, they know the way to communicate with people in Shanghai.

Within the Bourdieu’s scheme, adaptability to the local environment is an attribute of graduates from the expanding and modernized Chinese higher education sector and represents a form of symbolic capital that adds value to the local credential (cultural capital) in the Chinese accountancy job market. Adaptability is enhanced by local knowledge, and understandings of ‘the way around’ or ‘learning the rules of the game’ of the local labour market, which are forms of employability capital. Adaptability is thus regarded as a distinctive advantage of local graduates in what has now become a “more competitive and more progressive in job-hunting in a job-hunting process” (RCH*).

A further factor contributing to the advantage of local applicants was the stated belief that international Chinese graduates had higher and somewhat unrealistic expectations, as in Vietnam, (Pham, 2018), which made their integration into Chinese work culture potentially more difficult.

So this is also one gap that employers will think, then, “You are not as localised as I need. So I need a person – I need a staff to – you know, they don’t have any issue to adapting to the work environment, to adapt to the city environment, and they can perform well.” ... some employers say that some graduates, their expectations are higher than local graduates (RCH*).

The HR Manager for Green Group Aviation* adds,

They are not competitive enough. They are not, I would say, aggressive enough. We say if a company wants to survive in the business world in China or in the worldwide, they have to be very aggressive and competitive. Australian students, I would say in general, most of them because they haven’t experienced the competitiveness.

Other shifts are occurring, with regard to the English language competency of international graduates

sometimes you will find their English level is not worse than students graduate from Western countries... People would think that if you’re studying in Australia for two or four years, you should have a better English proficiency level than students study in China. But most the cases, no. No difference. No big difference (RCH*).

In the past, one of the distinctive advantages of international graduates compared with local graduates is the level of English proficiency, giving them better employability on both the local and transnational labour markets (Hao et al., 2016). However English language competency might no longer a “global linguistic capital” attached with international graduates only. In reality, local graduates are catching up with international peers in this regard through their investment and commitment to improving their English language skills and thanks to the exponential growth of twinning programs, transnational or jointly collaborated programs with foreign universities in China. Furthermore, a proportion of students are not active in developing their English proficiency during their overseas study as many socialise mainly with their co-nationals and the Chinese community while in the host country, thereby their English is not better than local graduates (Blackmore et al., 2015). International students therefore need greater support with English
language development during their overseas study and it is critical for Australian universities to provide more targeted English language programs to enhance their proficiency.

**Concerns about returning graduates’ expectations**

A further factor disadvantaging international Chinese graduate recruitment is that employers consider returnees tend to hold too high or unrealistic expectations of their potential employment/appointment while they might have low work ability, weak commitment and adaptation problems.

Candidates with international education usually expect high salary because they often “think highly of themselves” and that “they are underpaid compared with their abilities and their workload” (CPAs Huaxi*). This unfortunately can have a negative impact on their employment prospect. According to Wanzy CPA*s, “the salary cost is the first barrier” to recruitment. Seconding this, an Australian university alumnus comments:

> We have met some overseas students. I think the first problem is the salary. For example, US students may ask for salary according to the US standard, which is much higher than the salary in China. It will cause the imbalance in the company. It will be a problem if the cost of recruiting an overseas graduate is even higher than recruiting a local person with three years’ experience (Pudong, Mylinch Ltd.*).

Issues of socioeconomic status emerge from the data and how that impacts on many international graduates’ attitudes. Huaxi CPAs* observes that “those students who go abroad for study usually come from well-off families. They may feel they are doing jobs far beneath them and their potential is not fully used.” As a result, they have unrealistic expectations of the entry-level jobs they are likely to be recruited for, as explained by Sea Viet*:

> Because the intro level job, they're not required very high skills and competency level, but many people working in HR we're considering that those overseas returnees have higher expectations than same job, same pay, same level of skills and competency, but the local students they don't have higher expectations, but the overseas returnees have higher expectations and why (we) will give you job.

Many medium size Chinese companies are reluctant to recruit returning Chinese candidates because of their Western mindset, the cultural attributes that were expected to make them more employable in a global labour market, which does not ‘fit’ the Chinese work culture and therefore creates tensions and not harmonious relationships. Furthermore, there is a mismatch between expectations and technical competency.

> It's not only the high requirement for salary. Some of my HR peers complain that these international students expect high returns but actually lack work ability. They are used to the ways of working and ways of dealing with people in western countries, which makes it difficult for them to blend into the local Chinese company (Wanzy CPA*s).

These high expectations held by returning graduates means that they are not trusted to have long-term commitment and devotion to the small-sized, less prestigious companies, as elaborated by Wanzy CPA*s and Huaxi CPAs* below.

> Maybe, graduates from overseas lack some commitment and devotion to their work. Probably most people who can afford overseas education come from well-off families, so they don't have the financial pressure that forces them to work hard. If a person loves his job very much, he may commit himself to the job. I don't mean they don't commit themselves to work, just they don't commit that much compared with others (Wanzy CPA*s).
Besides, it’s difficult for the company to keep them here. They use our company as a bridge – after working for one or two years, they may hop to the Big Four accounting/auditing companies, or go to foreign companies and stock exchange companies to be accountants. So it’s very difficult to keep overseas graduates in the company (Huaxi CPAs*).

RCH* compares international and local Chinese graduates as follows:

(... these kind of graduates – they refuse to work late, and they just focus on the responsibilities that we set. They would not want to take any more responsibilities. And some staff even say that’s too much. I can’t finish all the tasks today. I will work tomorrow. So that sort of signals – that means to employers that, you know, is not like local graduates. They are – at the first few years, they are more passionate and willing to work late, willing to take more responsibilities, willing to work under high pressure, to squash their time to finish as much tasks as required and even more. Yes, Saturday afternoon. Even Friday afternoon. So for some – you know, some people – some graduates who are used to working in Australia said, “Oh, it’s Friday afternoon. We need to take a break and should take an early off”, and that things like – but for some local graduates, there’s no difference whether it’s a Friday or it’s Monday.

The economic and cultural capitals associated with those able to afford to go overseas could become a negative factor impacting on their re-entry possibilities in medium sized firms. This is contrary to what could be expected in terms of the perceived benefits of accumulating further cultural and social capitals while overseas. But modifying graduate returnee expectations counters what university’s promise as a possible outcome of international education.

**Guanxi as a valuable form of capital**

A key factor in the Chinese context was guanxi, the networks of relationships between family, friends and associates based on emotional attachments and reciprocal benefits (Chua and Wellman 2015, p.903). Even though guanxi traditionally had a negative connotation in Chinese recruitment practice, several employers in this study view it as an interpersonal skill gained through social networks needed for the job, which could be described as a form of social capital. For these employers, guanxi is considered to be a candidates’ ability to engage and make connections and to draw on/use those connections for work-related purposes and therefore those with guanxi should be considered positively.

While “guanxi is everywhere and it’s the core of Chinese culture” (CNT Group*), employers are divided about the presence and acceptability of this culture in their companies due to different perceptions of guanxi. Employers (CNT Group*, Green Group Aviation* and XIMUN*) maintain that guanxi does not exist in their internationally-funded and managed companies.

*It’s difficult to comment on “guanxi”. Many foreign companies in China are virtually managed by Chinese people, so the practice of guanxi exists to some extent. But, in western companies like us, CNT*is a wholly foreign-funded Dutch company, we don’t have the practice of guanxi (CNT Group*).*

Guanxi has no room in internet company because I think it’s because of our corporate culture and company rules. XIMUN* is a company developing rapidly, and the employees need to go through a series of selections before they join our company. Most of our employees are hard-working, otherwise XIMUN* would not have developed so rapidly (XIMUN*).
Even though the HR Director from Green Group Aviation* confirms that guanxi is currently not a part of in his/her company’s recruitment culture, he/she thinks that might be considered in the future because this practice can help bring in for the company some candidates who “own some resources or connections some fresh graduates do not have.” However, he/she highlights that such candidates still need to undergo conventional recruitment procedures. Not only the recruiters but also job seekers might have to rely on guanxi to get connected, especially in this time of oversupply of candidates returning from overseas. The HR Manager for Wanzy CPA*s provided such an example:

According to my observation, it’s very difficult for people coming back from abroad to find good jobs, unless this person is exceptionally excellent, especially when there are a lot of overseas returnees now. In recent years, Chinese economy is growing very fast while western countries are not doing well in economy, so these people would come back to look for jobs. However, there are a limited number of positions for so many overseas returnees, so sometimes in the end they have to seek guanxi to get a job.

Guanxi is generally quoted by the interviewees as comparable to the referral practice in western cultures. As in the West, when there is oversupply of graduates or unemployment, social connections and internal referrals are more frequently mobilized in recruitment as this preferable to dealing with multiple applicants (Ref). However, the HR Manager from CNT Group* argues that guanxi is different from referral. She explained:

Because internal referral means people will send our job description to their connections, to who they know. Also we provide referral bonus, so we encourage them to find people for the company. But for the guanxi, I think sometimes we feel it’s mandatory to hire this person because of client pressure. This is called guanxi (CNT Group*).

However, most interviewees are in the opinion that referral, which is common in most countries, is a kind of guanxi and thus guanxi is not one recruitment practice that is Chinese-specific (Qi, 2012). Rather, it is a universal process that is observed in many companies and is supported as long as the recruitment is transparent, fair and based on candidates’ competence, as illustrated below.

So, this is definitely it's a company's process - internal referral process. This is a global practice, not only in China, so I didn't see this as not only guanxi, but that seemed to me in Chinese perspective this got us through guanxi, because guanxi is more like your connection, how many people you can connect at base. So, through your connections, if you can find someone, then that is guanxi. In Chinese perspective, Facebook is guanxi, LinkedIn is guanxi. So, that's why I said I think it will become more normal rather than unique (Huaxi CPAs*).

Guanxi is still important, but I will say that guanxi - ...from many person's perspectives, they treat China differently... they also think it's very unique in China, but actually it's not. When we are talking about people's skills or competency, that is a part of their interpersonal skills. Whether or not they can engage with people, easily they can engage with people, they can quickly set up the communication, good listening skills, they're all part of the guanxi, so guanxi is nothing unique or special. So, nowadays, I believe that China becomes more globalised, internationalised, so I think that guanxi will become more common in both Chinese and Western perspective (Sea Viet*).

Some interviewees observed that the Big Four companies in Beijing and Shanghai also leave some positions for people who possess strong guanxi, mainly because a component of their clients are from the VIP class. An HR Director commented “From some of the angle we could say they
(people with guanxi) are best because they own some resources or connections some fresh graduates do not have” that could benefit the company.

Many international graduates are considered to possess dual guanxi or dual social capitals associated with their local and transnational experiences: the established guanxi associated with their family and home context and at the same time, the new business-related guanxi they may build up through transnational networks, both accruing social capital advantaging them in their work. An interviewee from the Australian China Alumni Association provides an interesting example of what guanxi means in relation to networking among the alumni:

There is actually because overseas graduates are more kind of driven to keep their relationships going with other alumni also from overseas. So there is a kind of a new guanxi building up. Like in ACAA they love to catch up with other overseas graduates. And they are going to connect to each other for the long term and it has a long-term impact because you build your business guanxi. And someone who has studied overseas has a bigger business related guanxi with a bigger variety of people he can deal with, and this is how we are. (Australia China Alumni)

Such dualism of local and international guanxi built via transnational mobility and overseas study is seen to provide them with a distinctive advantage or a marker of distinction (Bourdieu, 1997; Tran, 2016) in the increasingly internationalised labour market. Universities therefore could enhance this potential through developing more enabling alumni connectedness.

Conclusion
This study shows that there have been shifts in what employers value with regard to domestic and international credentials due to the increased pool of potential recruits of both local and international returnee graduates with similar English language competency and work experience. The competitiveness of local compared with international graduates also depends on the scale and local or global orientation of the company and employee attributes but with less of a preference for Western credentials other than from the globally elite universities (Harvard, Stanford, Cambridge and Oxford). Ten years ago, overseas credentials were considered to provide a distinctive advantage (Blackmore et al., 2014; Author, 2015). This study found that while Chinese employers regard Australian higher education as high quality and overseas graduates appear to have good communication and presentation skills, there was not a strong imperative to recruit Australian graduates unless there was a project requiring Australian knowledge and background, usually in a multinational firm. In that context, international graduates with a dual local and international guanxi via transnational mobility and overseas study provides international graduates with a distinctive advantage in multinational firms. Overseas study generally provides Chinese graduates with an exposure to international practices and they often have the bigger picture, broader perspectives and better professional knowledge base. However, the findings of the study indicated that the extent to which overseas exposure and language skills would be an advantage also depends on the business needs and sometimes the business model of organisations.

For smaller and mid-sized domestic firms, international graduates were considered to lack local knowledge (context and regulations of accounting). The specific environment of accountancy in China and the impact of accounting regulations on the demands for graduate employability in the accounting field tend to add to the lack of the competitive advantage of Chinese returning graduates, compared to their peers graduating from local universities. In addition, because international graduates place a higher value on the international credential than local employers and expect higher salaries, returnees were considered not a ‘good fit’ with the workplace culture of some Chinese companies. Employers comment on how international graduates were
slow to adapt, lack the ability and willingness to work under pressure, their English is not much better than locals, they work slower than their local counterparts and lack the ‘competitive’ spirit needed to operate in dynamic Chinese workplaces and labour markets like Shanghai. Graduates from Australian universities in particular are seen as not being competitive and ‘tough’ enough as candidates need to be ‘aggressive’ and ‘competitive’. This echoes Welch and Hao’s (2016) observation that graduate returnees are facing an increasingly competitive labour market at home and need to develop graduate attributes that align more closely with the demands of the home context.

The gap between international and local graduates is getting smaller as local graduates are becoming more proficient in English and many universities in China have partnerships with foreign universities and offer courses in English and foreign programs. Systemic factors preventing employers from recruiting international graduates include how to find them and how to retain them due to the lack of a bridge connecting employers and prospective international graduates as at present, their main recruitment channels do not reach out for this cohort. Employers also noted that local graduates from top universities in China are becoming more demanding and asking for salary nearly as high as international graduates. Local graduates could now be advantaged as they are considered to possess local knowledge, skills and capabilities to overcome the difficulties, the dedication to the job and the persistence and ability to work under pressure. While guanxi does exist in Chinese companies, it is comparable to the referral practices elsewhere.

But generally, possessing an overseas qualification is becoming less distinctive and does not give international graduates a strong competitive advantage as before, which is a significant issue for university providers in the Global North. The study underscores the importance of having targeted support for international student employability earlier in their study program. It is critical to raise international students’ awareness and provide them with the opportunities to gain work experiences, develop global competence, improve English language and nurture both international and local networks during their overseas study. Building a capstone program that focuses on enhancing work readiness and connections with the professional field would add value to graduate employability. It is also essential to tailor career support services for international students, to keep them updated with the nature and trends of their respective home labour market, and of employer expectations, opportunities and challenges. This would allow them to be better prepared to re-adjust to their home context and manage their employment expectations upon return.

This study also provides some significant implications for universities, especially in major destination countries like Australia, in terms of international recruitment and internationalisation strategies. First, the findings of the research point to the need for universities to brand Australian higher education as a high-quality sector and reduce competition with each other in order to be able to make significant inroads into the providing countries like China and India. Second, to create more destination attraction to international students, it is critical for universities as well as other providers of accounting education to offer more opportunities of internship, work experience and professional networks. Third, there should be greater co-operation between universities and providers and other organisations e.g. IDP to provide platform for graduate pathways into employment and in particular, to look after the employability for international students from recruitment to employment (the entire spectrum). Fourth, it is crucial to establish better connections between job seekers and recruiters through alumni associations based in China and India, encouraging alumni to nurture employment networks in home country and globally. It is ultimately important for universities
in key destination countries to internationalise the curriculum and strengthen the relevance of accounting education to international students’ home countries.

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