SKILL SHORTAGES IN NSW

Name: Name Suppressed

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The IT industry in the past 30 years has grown and evolved constantly. It has been driven through almost continual growth by entrepreneurs, more than administration or operations executives. This made it largely inclusive and supportive of employees and gave freedom to contractors.

However, in 2013, employment was impacted quite suddenly. I have been working in IT since 1977 and I believe that the following significant issues may have come to the fore.

What has changed in 2013? The role of Certifications and 457 visas in recruitment:

Certification began with Project Management 20 years ago in an effort to gain credibility of PM's as professionals, much like CPA's, Surveyors, Legal professions have. The act of PM certification in itself did not immediately change the measure of professionalism, but between 2008 and 2011, it took hold as a new standard for recruitment. Other IT specialisations quickly followed: Service Management, Business Analysis and Testing, then Software Engineering, Networking and Security. The list is growing. It is becoming an exception for IT workers to be able to work on specific technologies without a certification. Certification involves attending a course then completing a rather tricky exam. The exam technique that I have seen was apparently developed in the UK for PRINCE2 Certification. It involves a course where students are subjected to questions they haven't been prepared for. Experiencing failure under pressure, seems to spur candidates to learn, so that by the time students sit the exam, a certain percentage can pass. What is the difference between this and attending a standard training course without a certification exam? Do participants have the necessary specialist skills to back up their certification? I'll leave others to answer that. But what does it mean to being awarded a job? In Australia, everything.

If any Certification exam involves a psychological element, I think that the exam itself should be independently reviewed by authorised psychology assessors for its suitability as a testing method in Australia.

Looking again at "Project Management as a profession" verses a growing range of technical certifications, it seems clear that IT is rapidly becoming cluttered with certifications at product, technique and specialisation levels. These are not professional certifications, but capability.

I think that there is an urgent need to review the application of Certifications where recruitment is concerned. I urge the government to consider what restrictions might be required, and how to ensure that only Certifications which are appropriate will be used for recruitment.

In IT for the past 30 years, most people who have been IT trained and experienced, periodically needed to transition into new areas and re-skill. There was always a practice of employers paying for their staff to retrain and for contractors to train themselves. Both with the introduction of work choices, and preference to engage contractors, employees began to bear the brunt of the costs. However**, if employees are paying for Certifications in order to get a job, there may be a moral hazard involving recruiters and trainers, because recruitment is never guaranteed.**

> **I think there may be a Moral Hazard in 2013, if employers and recruiters say that "there is an IT skills shortage" if they actually mean "there is an IT Certification shortage".**
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> In Sydney for the past 12 months I have been made aware that Australia has become a "check the boxes" country, and probably the only one in the world, where employment decisions are made on the basis of crude criteria, without necessarily making reasonable assessments of the suitability of candidates.

> **If there is anything I think requires urgent attention, it is the increasing reality of "death by certification", being applied to applicants by recruitment agents, who might not understand the nature of certifications are that they are dealing with.**

I suggest there might be a moral hazard if the recruitment industry excludes applicants from being short-listed on the strength of not having done recent, specific work required by the new job and not having references specifically for the required work. I wrote above that IT people in particular have to adapt and take up new challenges.

I think there may be a moral hazard leading to restraint of trade, if applicants with general and previous qualifications and experience are excluded from being shortlisted when they can adequately demonstrate an ability to learn on the job and develop new expertise once employed.

This is the point where recruitment lacks transparency, accountability and procedural fairness. As a service of self-regulation, an inquiry may find it wanting.

I think that Certifications need to be subject to clear definition and classification. The decision to make any certification a pre-requisite for employment, needs to be fairly evaluated.

Certifications were created as a way of offering certainty. But now they are being used as a way of culling applications. The certifications that can be used for recruitment need to be recognised by industry associations and with support by vendors and industry partners alike. Technology specific certifications created by private organisations offer no certainty and should be disqualified from consideration for recruitment.

In the matter of 457 visas for IT jobs. I work with and know a number of IT people from India. I have anecdotal information which needs to be verified:

I have been told that a large number of people in India and other countries have been educated and qualified for IT Jobs to the extent that there is an over-supply of IT people internationally. In India the large IT firms performing off-shoring are apparently finding a drop in demand. There appears to be a growing number of IT people "on the bench" which means they are still being paid, but have no paid work to do. There seems to be a growing number of unemployed IT people worldwide, because these countries did not manage the relationship between demand and supply the way that Australia does. On the basis of specific technical certifications described above, perhaps it is becoming possible for Australian employers to hand pick people with specific certifications for a limited term 457 visa, and so exclude Australian candidates who may have more general skills.

The people on 457 visas may be finding that on returning to their home country, they are not accepted back for jobs because they are considered to have walked out on their country. Others apparently try to stay in Australia and to unapproved work such as driving taxis, fruit picking and other unskilled work. There may be a growing belief amongst 457 Visa holders that Australia will sooner, or later offer an amnesty to those who overstayed and will convert their visas to permanent residency.

There appears to be a growing distortion of 457 work which undermines the original charter. Instead, blurring the boundaries of acceptability, hoping for changes to legality.

It appears that the value of IT as a career may have been irreparably damaged by international oversupply. However, Australians do not have to be dragged into that sinkhole.

Looking further at the question of discrimination and bias. How do we know whether 457 candidates are being evaluated without bias or discrimination, and are being selected according to similar criteria to fair-work?

Lastly, looking at age and seniority. There are a number of people, myself included¸ who have decided that seniority is no longer for us. However, senior people are discouraged from applying for lower level jobs because they are viewed as working against commitment, aspiration and advancement. Firstly, that they might be seeking a lower level job to buy time, and will leave as soon as they get something better. Secondly, that there must be something wrong with them if they don't want more challenging opportunities.

What if these assumptions have arisen from stereotypes and bias?   Whatever the motivation, these are a denial of rights to senior applicants.

People who have decided to seek less responsibility and accountability, are viewed as not being up front, by not wanting an even more senior role, when they may genuinely desire a less demanding job. But those words are anathema and are the kiss of death to any interview. I think this is grossly unfair and shows a lack of recruiter willingness to work with all Australian candidates, unencumbered by discrimination or bias.

IT people are not the only ones suffering. Recruiters also report that their business is tougher, leaner and more competitive than ever. In this environment, workers are no longer represented by any employer or industry body. In the past, IT workers were paid more, as a proportion of the increased value they delivered to their employers. If salaries are going to be forced down, then the value created will be appropriated by others – probably executives or shareholders. If there is a shift in remuneration away from IT workers, how will they be able to attain certainty of finances for their families? Any new formula for redistribution of wealth will be the responsibility of future governments. However without more empowered industry advocates, governments may need to consider a new type of workplace representation to ensure the viability of IT as an industry of employment for both Australian citizens and temporary visitors.

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