

## SUMMARY

# Working for everyone?

## Enhancing employment services for mature age jobseekers

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The latest iteration of Australia's outsourced public employment services is jobactive. Commenced in July 2015, it was designed to increase the efficiency and effectiveness of employment services and reduce the administrative burden on providers. However, jobactive is not working particularly well for mature age jobseekers, employment services staff or employers.

Our research highlights several contradictions that undermine the effectiveness of assistance offered to mature age—and other—jobseekers.

The current jobactive contract ends in 2020. There is an opportunity in the short term to strengthen support for jobactive staff and mature age jobseekers, in the medium term to inform the development of the next contract, and in the longer term to contribute to a re-imagining of assistance for of unemployed workers—whatever their age.

Building on previous research about mature age workforce participation, the *Enhancing employment services for mature age jobseekers* study explored how jobactive employment services might better assist mature age jobseekers. The study entailed interviews with mature age jobseekers, jobactive staff and employers in four Victorian employment regions with high rates of mature age unemployment.

### Key points

- Mature age jobseekers face particular challenges in the labour market, which the current employment services system does not adequately recognise. They need tailored support to identify transferable skills, and training that matches job opportunities.
- In the context of a changing labour market, employment service providers are burdened by contractual compliance, high caseloads and mutual obligation requirements. These constraints affect how they engage with jobseekers and employers.

- The jobactive staff we interviewed told us that they do not have enough time or resources to effectively assist mature age jobseekers, who are more likely than other groups to become and remain long-term unemployed.
- The employers we interviewed said they wanted one point of contact with someone who understood their recruitment needs and would provide suitable candidates. Instead, they are peppered with inappropriate applications.
- Mature age jobseekers are just one group that are doing it tough. Making changes to address their challenges should not be at the expense of other groups.
- To make things work for everyone requires short and longer term changes. Tailored support, skills appraisal and staff professional development are vital. Active labour market programs have tended to focus on jobseekers rather than jobs. However, in the current labour market, more attention needs to be given to inclusive employment, local economic development and job creation.

### Background

Australia's labour market has changed considerably over the past few decades. Recent trends indicate a shift towards fewer low-skilled manual jobs, an increased demand for workers with higher skills and formal qualifications and a significant growth of casual jobs and part-time jobs. Mature age unemployment is lower than the youth unemployment rate, but mature age jobseekers tend to remain unemployed for longer. Their average duration of unemployment is nearly twice as long as for those aged 25–54 and three times as long as for the 15–24 year age group (Department of Employment 2016). The longer they remain out of work, the more difficult it is for them to get a job.

## The research

Semi-structured interviews were conducted with:

- 30 jobseekers aged over 45 years, including people from culturally and linguistically diverse (CALD) backgrounds
- 32 jobactive staff (including Employment Consultants, Business Development Officers and Site Managers)
- 21 employers and industry experts.

Our sampling framework was based on the characteristics of mature age jobseekers, jobactive staff and employers in the four employment regions considered.

## Findings

### Insights from mature age jobseekers

There is clearly a disjunction between what mature age jobseekers say they need and what they get. The interviews of jobseekers highlighted the following contradictions inherent in the jobactive system:

#### **Emphasis on compliance undermining 'real' assistance**

Interviewees reported that appointments were dominated by form-filling and paperwork often related to the conditions for income support, rather than focusing on 'real' help. As a result, appointments were considered 'a burden that has to be maintained'. Conditionality and compliance can limit the ability of employment services to provide one-on-one assistance to mature age jobseekers as time is used to meet strict contractual obligations.

#### **Short-sighted approach to long-term unemployment**

Although most interviewees were seeking full-time, ongoing work, they were frustrated with the emphasis on work-first, even if a job was unsuitable and short term. A lack of control over employment decisions left most interviewees feeling 'powerless' and 'voiceless'. Mature age jobseekers may be steered towards low-skilled and insecure employment. As a result, they are likely to cycle in and out of work, with a risk to their long-term employability and ultimately their economic security.

#### **Lack of focus on labour demand**

Interviewees reported a lack of suitable jobs, which they believed reflected a lack of engagement of providers with employers. Some attributed this to a lack of employer interest or awareness of jobactive providers.

#### **Mismatch between needs and support**

Mature age jobseekers reported a general lack of targeted and individualised support. Some noted that employment services seemed unable to address the specific employment needs of those from CALD backgrounds, and those with disabilities and mental health conditions.

#### **Insufficient job-specific training**

The general view among jobseekers was that much of the training on offer was irrelevant and not connected with jobs. They considered that there was a lack of targeted digital literacy training and inadequate funding for training or related costs such as travel.

#### **Mismatch of approved volunteer activities with jobseeker skills**

Several of the interviewees had volunteered in order to gain relevant experience and increase their prospects of obtaining work. However, some said that they had been asked to discontinue, as their activities (such as volunteering at a school) did not fall under Centrelink's approved community projects. These mature age jobseekers felt that the approved volunteer activities had little chance of opening up job opportunities.

#### **Frontline staff 'too young' to help**

A common observation among interviewees was that younger staff had limited skills and experience to perform their work role. Younger staff were perceived to be 'regurgitating information' or 'reading off a script' and were seen to be too young to provide real assistance. However, these comments also illustrate mature age jobseekers' own prejudices against younger staff and the assumption that age equates to experience and expertise.

## Insights from jobactive staff

jobactive staff appear to be caught between their contractual obligations, the needs of mature age jobseekers and employers, and the constraints of a competitive labour market.

### Emphasis on fast job placement

The current contract emphasises performance and swift job placement, with 60% of payments to providers based on outcomes (Jobs Australia 2016). Providers appear ill equipped to meet the needs of disadvantaged groups, including mature age jobseekers.

### Big caseloads and little time

The number of jobseekers on each staff member's case load is too high for them to provide the service mature age jobseekers need. It has considerably increased over time, to reach 18 per day (Lewis et al. 2016).

The stream in which each jobseeker is classified affects the level of funding allocated to jobactive providers and especially the outcome payment they receive when they place a jobseeker into work. Consequently, the level of attention available to mature age jobseekers can be constrained as part of providers' strategy to optimise their resources.

Many mature age jobseekers need more support to find work: nearly 70% of the jobseekers aged over 45 currently on Newstart in the employment regions in the study had been unemployed for more than 12 months. Yet jobactive staff have limited time or professional discretion to assist them.

### Help with identifying transferable skills

Identifying older jobseekers' transferable skills, supporting them in developing their information technology (IT) skills and providing real help requires time. However, in the current contract, according to one interviewee, 'they get a 30-minute session; it's not good'.

### Lack of intergenerational understanding

jobactive staff face challenges assisting mature age jobseekers. Interviewees, especially female jobactive staff, reported experiencing age and gender discrimination. They also perceived some mature age jobseekers to be lacking motivation and confidence, feeling too old to retrain and disappointed to be unemployed at this stage of their lives. Their comments point to the need to improve intergenerational understanding and better prepare mature age jobseekers for job search and interviews.

## Overcoming employers' reservations

Employers' reluctance to give older jobseekers a chance was also an obstacle reported by jobactive staff. 'Employers have the ball in their court', as one interviewee put it. jobactive staff outlined five main reasons for this:

- the increase in competition: more applicants for fewer jobs
- mismatch between the vacancies identified by jobactive providers and the characteristics of mature age jobseekers
- employers' disinclination to take on older recruits for jobs that require physical abilities or IT skills
- insufficient time and opportunity for jobactive staff to engage with employers and convince them to take on mature age applicants
- the lack of interest from employers in the wage subsidy Restart, which is designed to encourage employment of mature age workers.

## Understanding local labour markets

Jobactive staff wanted tools and strategies to build their skills in mapping local areas of employment growth, identifying job opportunities and promoting mature age jobseekers to employers.

## Barriers in use of Employment Fund

In a changing, very competitive labour market, being able to up-skill, retrain or be fully supported in finding and keeping a suitable job is crucial for mature age jobseekers. The jobactive staff interviewed underlined how the current guidelines for use of the Employment Fund were stricter and more complex than the previous contract. This jeopardised the support available for jobseekers to access suitable training or meet their transport costs.

## Insights from employers and industry experts

Interviews with individual employers, policy makers and peak body staff shed light on how they see public employment services and mature age jobseekers.

### Some employers are cautious about employing mature age workers

While most of the employers we interviewed had age-diverse workforces, some were concerned about increased risk of injury among older workers and especially were reluctant to employ previously injured workers.

A common perception was that mature age jobseekers are generally less competent and confident with IT than younger workers. Employers also highlighted the need for relevant training, including IT skills training, that directly relates to job opportunities.

Some employers expressed frustration about mature age jobseekers who applied for jobs for which they were overqualified, believing that they would use the job as a stepping stone to a more senior position.

Industry experts emphasised the importance of employment services assisting jobseekers to identify their transferable skills and tailor their CVs to different roles, for example when older candidates were moving out from declining industries into another sector.

### Some employers have limited awareness of jobactive

The employers we interviewed had little awareness or understanding of jobactive as a particular version of public employment services. To some degree, this might reflect the newness of the name, and confusion about the difference between Centrelink and employment services. The limited awareness is also consistent with the low use of employment services, and especially public employment services, by employers generally.

According to Department of Employment surveys, in 2015 just under 13% of employers used public employment services or a recruitment agency, compared with 20.3% in 2011; indeed, only 4.7% of employers reported using public employment services in 2015 (KPMG 2016, p. 19). This highlights an inherent challenge in jobactive's intermediated job placement method for low-skilled positions.

### Employers are cautious about candidates referred by public employment services – especially mature age jobseekers

Few of the employers we interviewed currently used jobactive. Some said they were reluctant to use the service (if they knew about it at all) because of concern 'about the type of candidate they're going to get'. These employers were cautious about recruiting people who are currently unemployed, whatever their age.

### Employers want well-matched candidates for vacancies

Employers emphasised the need for an efficient service that requires relatively little effort on their part. The few who used jobactive said that they appreciated having a jobactive consultant who took time to understand their business needs and recommend well-matched candidates. Others reported being inundated with irrelevant applications and poor quality applicants referred by jobactive.

### Risk of over-promising and under-delivering

Some key informants suggested there is a mismatch between what the system promises—to both employers and jobseekers—and what it can feasibly deliver. They argued that web and TV promotion of employment services risks being counterproductive: if employers do not find the kind of service they need they will be even less likely to use it in future.

## Policy implications – making things work for everyone

Our research suggests that jobactive is not working particularly well for mature age jobseekers, jobactive staff or employers.

Creating positive change for mature age jobseekers requires an understanding of the broader structural conditions that affect unemployment—including local labour market characteristics, labour market regulation, macroeconomic conditions and the policy environment (Baum, Bill & Mitchell 2008)—as well as the needs of both employers and jobseekers. Bidwell and co-authors (2013, p.99) describe this approach as a ‘systems perspective’ that ‘draws attention to the multiple levels of action and actors involved in the employment relationship’.

Change is required in the short, medium and longer term. Below we first consider key issues and possible changes within the current employment services contract and the new contract from 2020. We then flag the broader structural change that is required to foster workplace diversity, local economic development and economic security.

### **In the short term flexibility could be increased**

Our research highlighted the systemic constraints under the current employment services contract.

In the short term, it is important that there is more clarity and flexibility about the conditions to access the Employment Fund. Small changes can have big impacts, for example, jobseekers should be able to fulfil their mutual obligation requirements through volunteering that is relevant to their experience and training.

### ***Provision of integrated support rather than add-on special programs***

A strong message from our research is that flexible, tailored support is required to help mature age jobseekers into sustainable employment. This need not involve add-on, special programs. Instead, it will be important to build on the insights from Pathway to Work pilots, National Work Experience Programme, Career Transition Assistance Pilot and integrate these features into the next contract.

### ***Prompt and detailed assessment of needs***

Mature age workers need early intervention and access to support, preferably before they become unemployed. This is especially important for those likely to lose their jobs through automation or offshoring. Also the weightings

in the Job Seeker Classification Instrument (JSCI) should be revised to better recognise the particular disadvantages or age discrimination faced by mature age jobseekers. At present most of this group are classified as Stream A and are entitled to very little assistance until they become long-term unemployed.

### ***Smaller caseloads and more flexibility***

The next Employment Services contract should allow for more flexible and tailored responses to particular cohorts such as mature age jobseekers by providing smaller caseloads, more time to work with jobseekers and less onerous compliance requirements.

Staff should also have sufficient discretion in accessing training to respond to jobseeker skills and interests, while ensuring clear links to local job opportunities.

### ***Skills assessment and careful matching with training and job opportunities***

A skills assessment should be undertaken with all mature age jobseekers to identify transferable skills and enable better matching with available vacancies and with suitable training. The assessment of computer skills is particularly important for mature age jobseekers.

### ***Professional development and support for jobactive staff***

Staff also need access to professional development, especially in identification of transferable skills and career guidance. Also, employment service providers should be required to have diverse workforces to ensure that there is a better match with the people they serve.

Employment services require up-to-date, accessible information about local labour markets. Within the Labour Market Information Portal, the federal Department of Jobs and Small Business could provide quarterly local labour market overviews with trends in occupations and industries by employment regions to assist providers to better match their services with local labour market conditions and trends. The department could also provide lists of mature age-friendly employers by region (building on the now-defunct Corporate Champions program).

### ***Working more effectively with employers***

To strengthen the involvement of employers, the remit of Employer Liaison Officers should be expanded to include the promotion of mature age jobseekers—as well as young people—to employers. This could foster improved job matching based on understanding of employer needs.

### **Greater collaboration between employment services providers**

The current contract reinforces competition between jobactive providers, even though there is a collaboration bonus. However, the next employment services contract should be redesigned to foster genuine collaboration among providers and others as part of an overall local economic development strategy.

### **In the medium and longer term, broader policy change is required**

#### **Recognition of the changed labour market**

Active labour market policies need to recognise the changed nature of work and the labour market. What is needed is a renewed focus on job creation in growing and emerging sectors. Local economic development can be stimulated through local, state and federal government cooperation within an overarching national economic development strategy.

#### **Local economic development and social procurement**

Broader strategies to foster local economic development and inclusive employment include social procurement in the public sector, which can also support social policy objectives (Barraket & Weissman 2009). Building social procurement objectives into local government planning in western Sydney, for example, has contributed to local economic diversification, employment creation for people experiencing barriers to work in the mainstream labour market, and environmental benefits (Dean 2013).

#### **Tackling unemployment and discrimination**

While responding to employer needs is important, this approach alone will not effectively tackle unemployment or discrimination—especially for mature age jobseekers. Some approaches that seek positive change have focused on stakeholder collaboration and coordination.

The ‘Ticket to Work’ initiative, for example, aims to improve the post-school outcomes of young people with disability. A ‘Lead Agent’ or ‘Intermediator’ sources potential partners in a local network, and aligns their contributions according to evidence-based ‘good transition’ elements for the cohort: career development and workplace preparation; work experience; vocational education and training; apprenticeships and traineeships; and part-time work at school (Wakeford & Waugh 2014). By including employers and industry partners in the design of local programs, such networks help to influence labour market demand and

break down ‘negative cultural attitudes’ towards people with disabilities in workplaces (AHRI 2013). This kind of approach could be adapted for mature age jobseekers

#### **Promoting the value of workplace diversity**

Policy instruments such as the *Workplace Gender Equality Act 2012* can foster accountability for inclusive employment practices. Australian businesses with 100 or more employees must report to the Workplace Gender Equality Agency on a range of ‘gender equality indicators’, including their workforce composition and the distribution of men and women in full-time, part-time and casual work (Bowman & Maker 2015). The Act could be amended to include age, in recognition of the intersections of age and gender discrimination in workplaces, and then the reporting could include age data.

Reporting the employment characteristics of public sector organisations is also important (see, for example, the annual *State of the public sector in Victoria*, which provides data about the age and gender of employees).

Programs such as Corporate Champions also play an important role in promoting the benefits of age-diverse workforces. Other mechanisms such as requiring public tenders to have an age diversity clause could promote the employment of mature age workers. However, such measures should highlight age diversity, rather than pit one age group against another. Furthermore, promoting of mature age workers is likely to be counterproductive unless employers’ concerns about mature age jobseekers’ low IT competency, ‘over-qualification’ and poor physical fitness or previous injury are addressed.

#### **Review and reform of the social security system**

Unfortunately, an increasing number of people in receipt of Newstart Allowance are employed, but cannot get enough work to make do. Alongside changes to employment services, in the short term the Newstart Allowance needs to be increased to a level that enables people to live decently while looking for work, or for sufficient hours.

## **Conclusion**

Clearly, tackling the challenges of mature age unemployment requires changes in the employment services contract to enable more effective engagement with employers and jobseekers, and better matching of candidates with vacancies. It also requires broader policy change to foster local economic development and inclusive employment.

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## About the project

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The research team comprised Dr Dina Bowman, Dr Helen Kimberley (to December 2016), Agathe Randrianarisoa, Seuwandi Wickramasinghe, Nicola Flook (March–June 2017) and Chabel Khan.

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## For further information

The three longer reports from this research project are:

Wickramasinghe, S & Bowman, D 2018, *Help, but not real help: mature age jobseeker perspectives on employment services in Australia*.

Randrianarisoa, A & Bowman, D 2018, *On the front line: employment services staff perspectives on working with mature age jobseekers*.

Bowman, D & Randrianarisoa, A 2018, *Missing the mark: employer perspectives on employment services and mature age jobseekers in Australia*.

These may be downloaded from the Brotherhood of St Laurence website.

Also see Working for Everyone website at <<https://www.workingforeveryone.com.au/>>. These resources aim to provide some insight into the challenges mature age jobseekers face, foster empathy and help jobseekers and job services providers identify skills and opportunities through the *Working it out* tool.

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