



A Joint Australian Government /
Chandler Macleod Initiative

Submission to the Minister for Employment Participation

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1. Executive Summary

Independent research indicates that Job Network offices using ESP place 33% more job seekers

Since ESP's introduction, 73 out of 110 Job Network members have used ESP, an online assessment tool that has helped them achieve real success, particularly in helping many who have been disengaged from the workforce for sometime to re-enter the labour market. To date, greater than 10,000 assessments have been undertaken throughout Australia.

ESP is an online skills assessment tool created as a joint initiative of the Commonwealth Department of Education, Employment and Workplace Relations (DEEWR, previously DEWR) and ASX-listed HR outsourcing and recruitment company, Chandler Macleod.

Going forward ESP is offering a real solution for Job Network organisation to help the remaining 456,000 unemployed back into work. If the 33% increase in placements by the researched offices was achieved by the rest of the Job Network providers then over 150,000 more people could be placed into sustainable employment.

The issue of placing unemployed people into the workforce is obviously not this simplistic; however it has been proven that putting someone into a job they like increases the likelihood of them staying.

This paper highlights our findings from working with the Job Network since 2005, the issues we found, and how these could be resolved through further utilisation of ESP, in particular:

- seeking to reduce the costs of welfare payments by getting more people into work
- tailoring services to individual needs, providing structure and process while maintaining a customized service that takes into account a person's Employability Skills and interests.
- used in the preparatory phase of Job Search Training to ensure the most appropriate and fastest path to employment by providing an accurate and objective way of job search and matching.
- helping the Australian Government to make the Job Ready Certificate available to education establishments by making it part of its Trades Training Centres in Schools Plan.
- deployment of national skills assessment enhancing standardization and incorporating real employer needs



2. ESP, a joint Australian Government, Chandler Macleod Initiative

The development of the Employability Skills Profiler (ESP) was commissioned by DEEWR (then DEWR) and developed by Chandler Macleod to address Australia's skills shortage. ESP is online and provides immediate and comprehensive reports. The reports present an individual's employability skills profile showing their suitability for over 1,200 jobs, based on ANZSCO (Australian and New Zealand Standard Classification of Occupations).

The system produces an extensive list of job opportunities, including jobs that may not have been previously considered. ESP will also indicate areas where an employer or job seeker could enhance their job fit through training.

2.1 ACCI and BCA research the needs of employers

ESP was developed from the Employability Skills Framework (ESF). The ESF reflects the findings of a research project funded by the Department of Education Science and Training (DEST) and the Australian National Training Authority.

Conducted by the Business Council of Australia with the Australian Chamber of Commerce and Industry across over 200 enterprises and employer groups, the research identified a number of measurable employability skills. These employability skills are defined as those required, not only to gain employment, but also to progress within an enterprise.

2.2 ESP helps create job-ready students

ESP is not only used in the Job Network. Educators see it's applications as a powerful career guidance tool. The system was successfully tested in TAFE NSW in a proof of concept program. Groups of students were assessed using ESP, and measured against the skills that employers indicated they would look for in future staff.

Head teachers reported that the research was of great value in helping them design courses to ensure graduating students would be employable. Participating employers felt the approach addressed their long-held concerns that students frequently lack the right employability skills.

ESP's has since been implemented in other schools and universities. ESP could help the Australian Government to make the Job Ready Certificate widely available to education establishments as part of its Trades Training Centres in Schools Plan



3. Results : 33% increase in job placements

Since ESP's introduction in 2005, Chandler Macleod has worked with 73 out of 110 Job Network members to understand the challenges facing the competitive industry of employment services. We have reviewed the processes of Job Network members through an intensive consulting process to elicit the issues and identify a better process by which to place Job Seekers into sustainable employment.

Our 45 years of experience within the Human Resource industry and our work in partnership with DEEWR has provided us with insight in the employment services processes and allows us to recognise strategies that may increase the effectiveness of the current employment services contract.

In addition to our joint development of ESP, Chandler Macleod has also partnered with DEEWR on Australia's Job Placement program. Chandler Macleod is one of Australia's largest Job Placement Organisations (JPOs) providing the opportunity for eligible job seekers to gain employment through access to a large and diverse number of vacancies. Every week, Chandler Macleod places approximately 100 job seekers into work, or over 5,000 annually.

3.1 ESP contributes to placements

Organisations, including one of the three largest Job Network organisations, achieved impressive placement outcomes.

Independent researchⁱ has revealed that Job Network offices with high ESP usage placed an average of 33% more job seekers than offices which do not utilise the simple-to-use online assessment tool. Importantly, it was found that 61% of job seekers placed would not have found employment without using ESP. In addition, ESP proved to be very effective among the highly disadvantaged job seeker group, where it more than doubled the job seekers likelihood to remain employed.

The research also showed that the use of ESP significantly increased self esteem, with 67% of job seekers having positive and lasting effects on motivation and confidence after completing ESP. Around 60% of job seekers profiled by ESP believed they had had an improved direction for which job types to apply.

Mr Kittos - CEO of Jobfind Centres Australia – said: "In addition to doubling the placement rates of the long-term unemployed and extending continuous employment periods, ESP has had a positive impact on the job seekers themselves. ESP is providing job seekers with the knowledge, direction and self-confidence they need to pursue suitable and rewarding employment," One of the other large Job Network providers has also piloted the program and is in the process of a national rollout.



4. Opportunities for improvements

The ESP solution is scalable and results can be expanded across the entire Job Network. We have encountered a number of areas in the employment services process that require improvements in order to enhance performance.

4.1 *The untapped potential to reduce the costs of unemployed*

Currently, there are approximately 456,000 unemployed in Australia of who under-skilled youth, older workers and people with a disability are disproportionately represented. In order to address the ongoing skills shortage, and continue to support our nation's future economic growth, we are working hard to better support the unemployed, and provide real opportunities to help them get back into the workforce.

ESP is able to provide quantifiable solutions to help achieve this and if implemented across the Job Network's highly disadvantaged clients alone could save the Federal Government's contributions to welfare payments.

Chandler Macleod is of the view that through the assessment, training and placement of the unemployed, the Australian Government can significantly reduce unemployment rates. If the 33% increase in placements achieved by the researched offices was achieved by the rest of the Job Network providers then over 150,000 more people could be placed into work. In order to achieve these results we recommend ESP be implemented as a standard national assessment across the Employment Services contract.

4.2 *Opportunities to tailor services to individual circumstances and needs*

In the normal course of events, Job Seekers are directed to jobs or training programs in the hope of reaching an employment outcome. In the absence of an assessment prior to this decision, a consultant is none the wiser as to how likely the Job Seeker is to succeed in the role beyond their subjective assessment of the individual. The introduction of an assessment prior to any training programs or employment referral would ensure that the Job Seeker is suitable for the intended training/job and more likely to succeed.

A recent article in the AFR (6 March 2008) highlighted the consequence of a subjective and often inaccurate skills assessment. Often job seekers are unemployed for over 12 months before being "paid closer attention". Even then it takes long to find a suitable employment as the job seeker's skills may be outdated or irrelevant. There is a real need to identify a person's transferable skills as some. An ESP assessment conducted prior to any job application would increase the likelihood of success for the Job Seeker.

The problem is that the process orientation of the current employment services contract steers staff to follow a procedure rather than to determine an individual's needs and then create a plan to close the gaps between the individual's skills and the skills required for a job. Although the need for process is recognized, the lack of customization of services to cater for individual's need and employability skills is problematic and leads to issues as highlighted in the Financial Review article.

In a recent 7:30 report, economists and social welfare providers criticise the Job Network for its quick fix approach to putting people into work, which they say ignores the needs of those who are unskilled or need other help to make it into the workforce. Indeed, in our experience we have seen that the job matching approach within the Job Network tends to be arbitrary and identifying Job Seekers needs is a much more sophisticated process.

The Hon. Dr Sharman Stone noted in a recent 7:30 report, "We certainly don't expect someone to be put up to an employer who doesn't have the prerequisites, the aptitude, the understanding of a work ethic so that they're destined to fail." Yet so often we have seen Job Seekers sent for jobs that they would simply struggle to meet the demands of their new job.



Frank Quinlan, Executive Director of Catholic Schools Services, has stated that, “Job Networks need to look at the needs of job seekers first and to create solutions that will sustain them over a long period of time rather than to have a simple one-size-fits-all model.”

4.3 The opportunity to select appropriate training

The assessment of a Job Seeker prior to commencing a training program would highlight the areas of improvement and determine the likelihood that the Job Seeker would succeed in the event of receiving the training. Other development needs could be considered prior to engaging in a training program that could be delivered in house first and then outsource the training to seek the Job Seekers fastest path to success. Tests and assessment play a major role in the preparatory phase and provide a more accurate, objective way of job matching and can provide a more tailored approach to training.

Skills assessments can be particularly useful across low skilled Job Seekers and Job Seekers with no work history to identify transferable abilities that can be marketed to employers.

There is a public perception that Job Seekers from the Job Network do not possess the skills required for jobs and are not selected to fill vacancies. Given that the unemployed are the most disadvantaged who require special assistance, the needs for a skills assessment tool has never been more obvious.

Employers such as Robin Wood (CEO, Rays outdoors) comments that, “Job Networks haven’t been satisfactory...as the calibre of people they have put forward haven’t met our needs. We tended probably not to use them”. Mr. Wood further outlines that, “Job Networks are not putting forward the people that probably suit what we need; they’re putting through the people that they believe need to be in the work force other than meeting necessarily the criteria we’re looking for.” This further demonstrated the need to communicate Job Networks the skills required across different industries.

According to Bill Mitchells, general manager of the Centre of Full Employment and Equity from University of Newcastle, job seekers are identified as having higher levels of disadvantage, and are even more likely to benefit from a skills assessment.

Focussing on the skills that these job seekers do possess and matching them to jobs that require these skills in integral to their success. Further, intensive support programs that include skills assessment allow the job seeker to update their resume with their actual, rather than perceived skills. In fact, by assessing a disadvantaged job seeker and addressing their training needs, their ability to gain employment is increased, but also a tangible report or succession plan would demonstrate to an employer the job seekers employability.

4.4 Deployment of national skills assessment will address many of the Job Network issues

Mr. Mitchells suggested that the development of national skills framework would address the issues such as identifying training needs, job matching and reverse marketing. A skills assessment at the commencement of programs to aid as a decisions support tool for consultants would alleviate the reliance on chance when placing Job Seekers. Each Job Seeker should undergo an independent skills assessment to challenge staffs preconceived perceptions of the Job Seeker and align the Job Seekers self perceived skills. The assessment process promotes the application of a tailored action plan and ensures that a Job Seekers needs are addressed.

Communicating the fit and ability of job seekers to employers and recruitment brokers, shows that the Job Network can deliver quality candidates, alleviating some of the prevailing perceptions of the Job Network referring potentially unsuitable people.

An independent analysis was conducted on employment services globally and ESP was recommended to be employed “as a national standard”. (Seeking and Finding p51). This research also noted that: When a government (such as Australia or New Zealand) has the power to make a particular assessment a compulsory standard for all job seekers in the



country, its doing so will do, much to promote standardization, comparability of data and the creation of historical data on the labour market's requirements and changes in the demand for and supply of labour.

It is beyond debate that the need for a skills assessment tool has never been more obvious. For example, as noted in a report in the Australian Financial Review (AFR), despite a general skills shortage across the country, there is "still a substantial pool of untapped labour among the underemployed" and this was boosted further in July 2007 when the Commonwealth Government's new welfare recipient work obligations took effect. In another recent AFR article was reported that "up to 80,000 people who have been unemployed for more than 2 years and completed two rounds of government-assisted job help could be directed automatically into the full-time Work for the Dole scheme".

Furthermore, with unfilled job vacancies at record highs, there has never been a better time to implement a strategy that educated a consultant on the skills required for a job and the skills that Job Seekers possess.

5. Chandler Macleod

Chandler Macleod is one of Australasia's largest and most diverse HR outsourcing and recruitment companies. Chandler Macleod focuses on the provision of outstanding assessment, selection, recruitment and retention solutions across the blue-collar, office support, health, graduate, technical, IT, professional and executive sectors. Additionally, the company offers comprehensive consulting services encompassing HR Consulting; online solutions; outplacement; psychometric testing; development and vocational assessment and training; and recruitment process outsourcing.

The company's brand portfolio includes Chandler Macleod, ESP, Recruitment Solutions, Ready Workforce, Forstaff Aviation, Diversiti, Entec, JML Australia and Mettle Group.

5.1 Enquiries

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ⁱ Independent research by one of Australia's largest Job Network organisations, March to August 2007, measuring the effectiveness of ESP across centres in NT, NSW, WA & Tasmania, to ensure representative cross section of job seekers and labour markets.