



2001 Employer Survey Papers

Topic 5: Employer Attitudes about Job Seekers



INTRODUCTION

One key indicator of the success of Job Network in servicing employers is how well job applicants referred to them by Job Network meet their requirements for the position. Previous analysis (see Topic Paper 3) showed that this was a key driver of customer satisfaction and also the area in which Job Network could most improve.

Much of the assessment employers make about an applicant's suitability relies on the skills and experience of the person as these relate to the position being filled. There are, however, other very influential factors which affect an employer's hiring decision, including the other qualities of the job applicant and the employer's attitude towards the job seeker.

The attitude of employers towards job seekers and in particular long term unemployed people, is of vital importance to the success of Job Network. As Job Network members work to place job seekers in sustainable employment, they are constantly competing for employer vacancies. Understanding employers attitudes is the first step in formulating strategies to best meet their needs.

This paper explores the diverse views of employers, outlining their expectations for the 'ideal' applicant and discussing their sometimes negative perceptions and subjective views of particular groups of job seekers. The paper draws on the 2001 Employer Survey results as well as several qualitative studies (focus groups and in-depth interviews) conducted throughout 2001. More information on these information sources can be obtained from the Departmental contact officer.

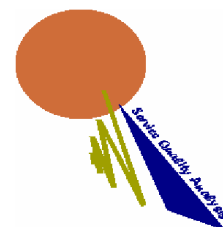
In addition to this paper, the department has commissioned a separate study to examine the various attitudes of employers towards using recruitment agencies and towards hiring unemployed people. The dedicated study aims to segment employers into groups with like attitudes and motivations with a view to identifying the way in which Job Network members can best approach servicing each segment of clients. This paper provides only a general discussion of issues relating to employer attitudes and does not attempt to quantify the number of employers who hold certain views. The dedicated employer segmentation study will serve this purpose and will be published under a separate cover.

ABOUT THE EMPLOYER SURVEY TOPIC PAPER SERIES

The Employer Survey Topic Paper Series is a collection of research reports on issues of interest arising from the *2001 Survey of Employer Use and Perceptions of Job Network* conducted by NFO Donovan Research on behalf of the Department of Employment and Workplace Relations (DEWR).

NOTES ON THE SURVEY:

- The survey was preceded by a series of focus groups with employers to highlight relevant issues.
- The survey consisted of 7089 telephone interviews with the most senior person in charge of recruitment in workplaces across Australia.
- The sample was drawn from commercial business lists together with lists provided by the Department.
- The survey responses were weighted using ABS business register data to ensure the survey was representative of all businesses.
- More detail on survey methodology is available from the Service Quality Analysis Section, DEWR.



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THE 'IDEAL' JOB APPLICANT

Employers have high expectations about the type of job applicants they can select from to fill their vacancies. Whilst employers will have different processes and levels of involvement in recruitment at their workplace, many employers in focus groups spoke in detail about the recruitment process and in particular about the lengths some go to in attempting to get the right person for the job.

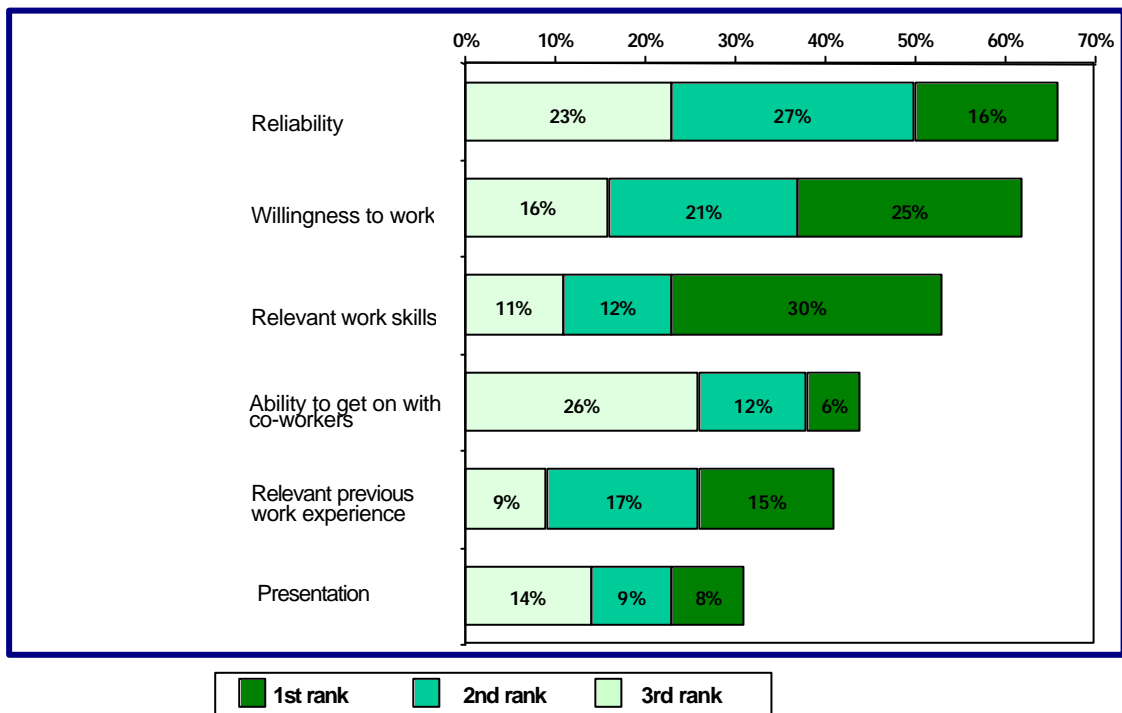
The rise in the number of recruitment methods used by employers, including the increase in the number of methods used at any one time, may be an indication of the importance of finding the best person and the employers' desire to maximise their chances of filling their vacancy. Employers will select different recruitment methods to fill different types of vacancies and may choose different methods based on the time and cost associated with each method. Overriding all of this is the need to get the right person for the job – the 'ideal' person.

Employers were able to articulate and rank the attributes which were of greatest importance to them when hiring new staff. Results from the survey are shown in Figure 1.

The **top three attributes** rated by employers overall as the most important were:

1. reliability (66%);
2. willingness to work (62%); and
3. relevant work skills (53%).

Figure 1: Valued attributes in job applicants



Employers in focus groups often spoke about 'personality' and 'attitude' – intangible qualities often not described on resumes or evident in a person's work history or qualifications. The job interview and personal recommendations/referees are the most obvious ways of assessing these types of attributes.

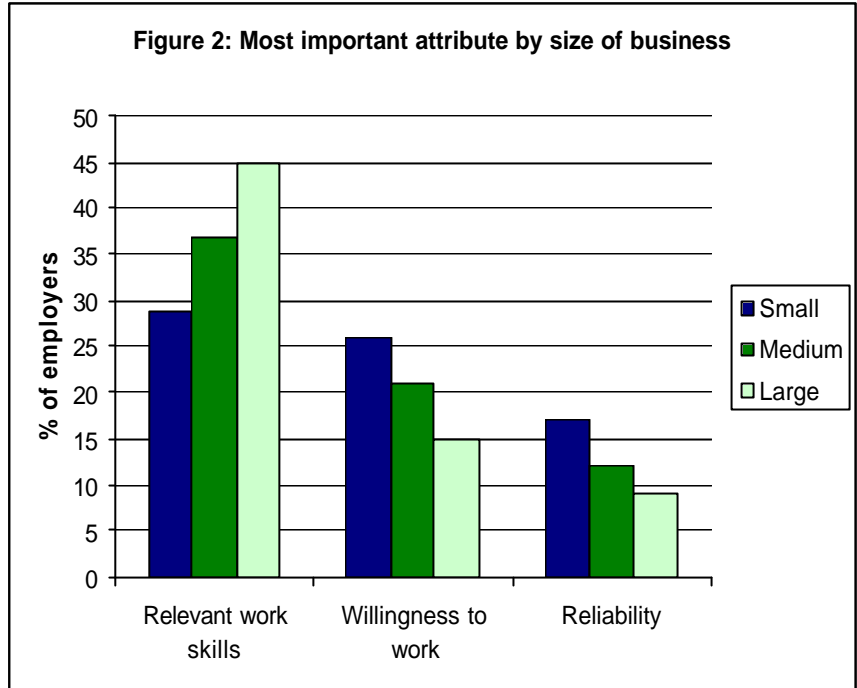
"I don't really care if they've got the experience, because if they've got the right attitude and they're willing to have a go... then they're home and hosed, basically"

Word of mouth and personal recommendations are the most widely used recruitment methods adopted by industry groups, demonstrating how employers value opinions and recommendations of people they know and trust when it comes to hiring new employees.

Requirements of Small v Large Business

Employers working in small, medium and large businesses had somewhat different views on what is the most important attribute for job applicants.

Figure 2 shows that the largest proportion of employers to rate relevant work skills as most important were large businesses (45%) and the smallest proportion small businesses (29%). This pattern was reversed for willingness to work, with 26% of small businesses rating this as important compared to 15% of large businesses. This is not surprising as large businesses are typically more technically orientated where education and relevant work skills are an important pre-requisite. For small business, willingness to work (ie having the 'right attitude') is more crucial to productivity and to business viability.

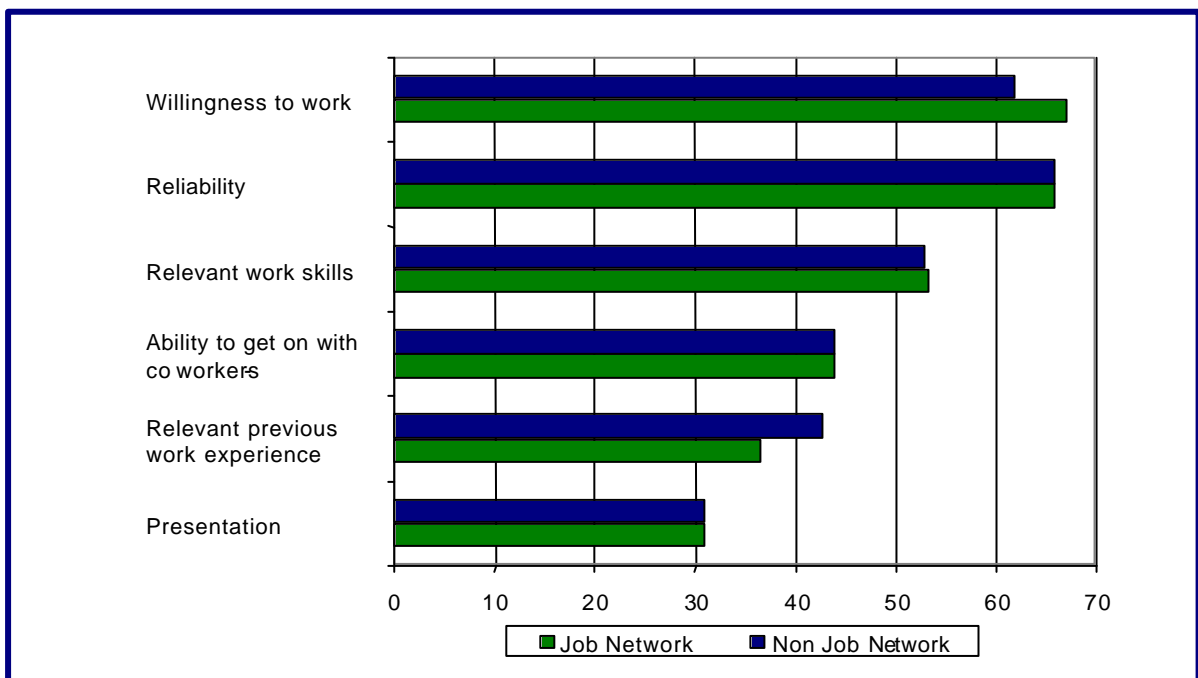


Business size	Medium business	Large business
Small business employs between 1 to 19 people	employs between 20 and 99 people	employs 100 or more people

Requirements of Job Network users

Employers using Job Network tended to be filling lower skilled occupations and were more likely to be in particular industry groups such as Wholesale trade, Retail trade and Manufacturing. Despite the differences in occupation and industry profiles, the common requirement for all employers, irrespective of their use of Job Network services, was that they wanted to fill jobs with the best people they could find.

Figure 3: Attributes of job applicants valued by Job Network users



ATTITUDES TO HIRING THE UNEMPLOYED

The Department has undertaken a dedicated study to investigate employer attitudes and behaviours with regard to using recruitment agencies and hiring unemployed people. The dedicated study together with the focus groups conducted as part of the 2001 Employer Survey paints a very clear and not unexpected picture: employers are not a homogenous group. Each employer has very different needs, motivations, attitudes, prejudices, backgrounds and personal life experiences. In addition, the particular needs of employers will change with the individual, the organisation and the type of position they are looking to fill.

The Department's studies have concluded that employers can have both negative and positive attitudes to unemployed people. Some employers speak quite negatively about unemployed people. Other employers feel empathy and sympathy for the unemployed and for their situation which may be no fault of their own. These employers are more likely to employ people because they believe in giving people a chance.

In the employer survey, just over half (51%) of employers agreed that they felt their business should be helping unemployed people (see Figure 4). In addition to this there was another 13% of employers who *strongly* agreed that their business should be helping unemployed people. Whilst employers answered this way in the survey, those in the qualitative interviews and focus groups clarified such views with the fact that whilst they agree with the notion, they have limitations and are still looking for the right person for their job vacancy.

One key issue appears to be the amount of effort employers are prepared to make in taking on someone who may require extra support or coaching on the job. When asked about this issue, an almost identical response resulted with around half the employers (48%) being in agreement with offering support to these kinds of employees and just under 10% very strongly agreeing that they would happily give this extra support. See Figure 5.

It appears that there are many employers who are at least open to hiring an unemployed person, who have a somewhat sympathetic view and for whom Job Network services would be useful. Statistics such as these, however, need to be supplemented by employers' comments about real situations rather than the hypothetical, and placed in the context of actual hiring behaviour rather than hiring intentions.

Employer focus groups explored employers' views in some detail, investigating attitudes towards particular groups of unemployed people such as the long term unemployed, women returning to the workforce, young people, and older men. The employer survey also explored these issues and attempted to quantify the extent to which employers hire different types of job seekers. These results are discussed in the following sections.

Figure 4: I believe my business should help unemployed people to get back into the workforce. . . .

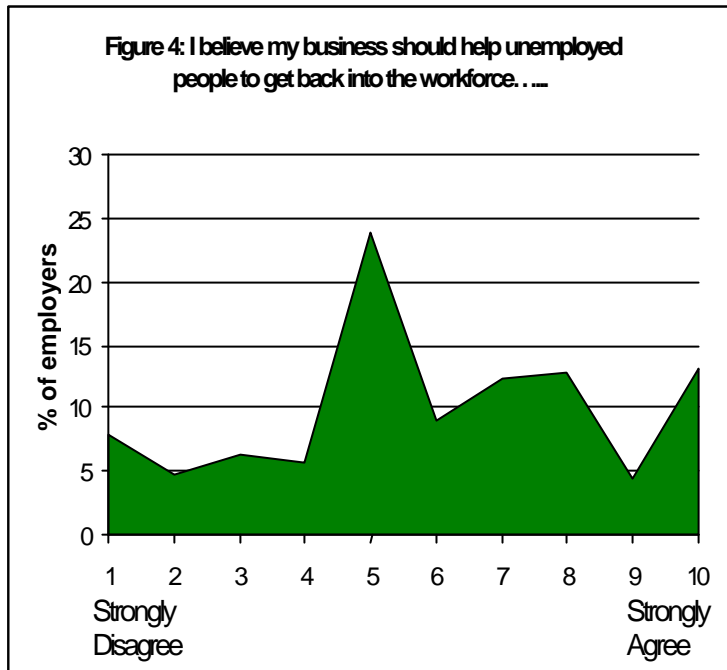
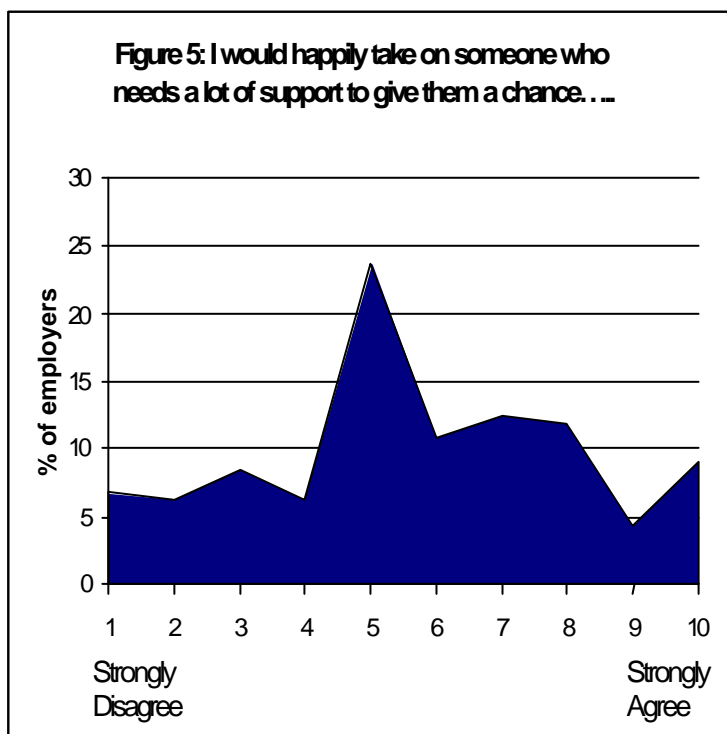


Figure 5: I would happily take on someone who needs a lot of support to give them a chance. . . .



Long term unemployed

Attitudes towards employing long term unemployed people were generally negative and pessimistic. Most employers acknowledged that rightly or wrongly, there was a 'stigma' that exists around the long term unemployed and this influenced their bias against employing such people.

"Unfortunately I think, I personally have seen a stigma associated with the long term unemployed because people don't necessarily bother with an interview. We just think they must have been a drug addict or must have been a compo case and they're not coming to work for us because we don't want them suing us next week."

"Then you get the long term unemployed people who have done time or are a reformed drug addict or what ever and I would be very wary putting those people on. I know that's incorrect and discriminative and all the rest".

There were other employers who brought less prejudice to their decision making and made an assessment at the point of interview as to why the candidate was unemployed and whether those reasons were acceptable. A few employers (1 or 2 in some of the groups) had a favourable or successful experience employing someone who had been out of work for some time. The more prevalent view, however, was that *"the long term unemployed generally either don't want to work or are unemployable... that is, don't have the skills to stay employed"*. There was a definite 'bias' against filling a vacancy with an unemployed person, and a preference to employ people who were already employed.

Many employers said the first thing they do is determine the reasons an applicant has been out of work for an extended period. 'Legitimate' reasons include having children, or to a lesser extent, travel. A number of employers feel that if someone's been seriously looking for work for an extended period (ie several years), then there are no 'legitimate reason' for lack of success. *"Something's definitely wrong, because there's work out there"*. For others again, it would depend on the job, and the amount of experience required for the position, compared to whether the employer intended to train someone with little or no experience.

Despite the prevalence of predominantly negative comments in focus groups, the survey showed that 1 in 5 employers (22%) had hired a long term unemployed person in the previous 12 months. This figure was higher (29%) amongst users of Job Network.

The main reasons that employers claim not to have hired a long term unemployed person is that they are unsuitable for their types of vacancies or simply that no unemployed people applied for their positions. Only a very small proportion reported that the job seekers' attitude (not wanting to work) was the reason they did not hire unemployed people (6%).

Table 1: Reasons for not hiring the unemployed

	% of employers
None applied	38
Not suitable for our vacancies	30
Lack appropriate skills	9
They don't really want to work	6
Lack recent work experience	4

WHO IS MOST LIKELY TO HIRE THE LONG TERM UNEMPLOYED?

◆ **Users of Job Network** – 29% of Job Network users had hired a long term unemployed person in the last year, compared to only 19% for non Job Network users.

◆ **Large businesses** – 28% of employers with over 100 employees had hired at least one job seeker who had been unemployed for 12 months or more. Large business are more likely to have capacity for support and training for new recruits who have been out of the workforce for some time.

◆ **Employers in the Health and community services sector** – whilst hiring of long term unemployed was uniform across industry groups at around 21%, it was slightly higher for this group at 24%.

Not having unemployed people apply for vacancies could be a reflection of the type of vacancy. The positions advertised may be inappropriate for lower skilled workers or those with limited experience and qualifications, hence the unemployed do not apply. It may also be a matter of unemployed people not tapping into the networks or mechanisms that employers use to source employees. Word of mouth and recommendations are key methods used by employers to fill vacancies. The unemployed may not be connected to these networks or contacts to even hear about the job vacancy, let alone be considered for the position.

Mature age job seekers

Mature women returning to the workforce

There was almost universal support and positive attitudes towards employing women who were returning to the workforce after raising children.

Women in this category were generally seen as an asset, having many desirable skills and attributes acquired whilst raising a family, such as patience, tenacity and the ability to deal with the unexpected and to do many things at once.

"Tolerance and patience, juggling two things at once. Otherwise known as multi-skilling."

"Women returning to the workforce have been some of my success stories. You look at what a store manager does in [store name]. It's full on, it's responsibility, it's managing 600 tasks at once. What better to prepare you than having been a mother."

Mature men

Whereas mature women were viewed very favourably, reactions towards hiring mature aged men were less positive.

There appeared to be a stigma attached to older men, with some employers admitting that they would probably question why older men were applying for the position, and be much more quick to judge them as having something wrong with them than a mature woman applying for the same position.

Older unemployed men were seen to have:

- More baggage, often having been through a 'rough time' and having 'emotional problems';
- Lacking in confidence; and/or
- Sometimes resistant to change or new methods of doing something.

Not all employers felt this way. Some reported having deliberately hired a mature man for the desirable characteristics that come with maturity and experience, particularly to balance an otherwise young staff.

"We seem to be employing more of the older people. I employed somebody not so long ago and he was 65. His experience hopefully will rub off on some of the younger ones. We find that the older employees are more consistent and reliable. They lead by example."

"A young kid wrote off one of my trucks last week and I replaced him with a 54 year old guy who drove school buses for years and I sent him out on a delivery run yesterday and today he did it on his own."

Indigenous unemployed

A separate qualitative study undertaken by the Department in 2001 investigated a wealth of issues concerning Indigenous employment including employer attitudes and perceptions. The study found that employer views were quite diverse. Some employers, either through their own experience or that of a friend/colleague, felt that Indigenous people were unreliable and did not 'stick at the job'. Others could see the benefit in having Indigenous people on their workforce and had Indigenous employees they held in high regard.

The prominent view appeared to one of indifference - employers had 'no problem' hiring Indigenous people, it was 'not an issue' as long as they were the best person for the job and competed with other applicants where 'everyone has an equal chance'. These employers whilst open to idea of employing Indigenous people, either had no understanding of the issues facing Indigenous people competing in the labour market or were not prepared to make any additional efforts to accommodate Indigenous employees who might require extra support or training.

The 2001 employer survey investigated the hiring of Indigenous employees and attempted to measure the awareness and take-up of government labour market programmes for Indigenous people. Whilst some interviewers commented on a feeling of respondents providing socially acceptable answers, the survey does give some useful indicators of the awareness and use of these programmes.

A total of 10% of employers reported that they employed an Indigenous person. Although many employers (52%) only employed one Indigenous person, a significant proportion employed more than one, (Table 2). The presence of other Indigenous people in the workplace was cited in the qualitative studies as a strategy for providing support and understanding in the workplace, leading to more sustainable job placements.

Table 2: Number of Indigenous employees

	% of employers
1 person	52
2 to 5 people	33
6 to 10 people	5
More than 10 people	5
Don't know	5

The majority of employers (79%) who had Indigenous employees were not receiving any government subsidy or wage assistance although the majority of these employers (58%) were aware of such subsidies. Of those who were aware that they had taken up a government wage subsidy for at least one of their Indigenous employees, the main means by which they found out about the subsidy was through a Job Network or employment agency (26%) or from the job seekers themselves (17%).

WHO IS MOST LIKELY TO EMPLOY INDIGENOUS PEOPLE?

◆ **Users of Job Network** – 13% of Job Network users employed an Indigenous person compared to only 9% for non Job Network users.

◆ **Large businesses** – 50% of employers with over 100 employees employed at least Indigenous person compared to small businesses, 8% and medium size businesses, 21%.

◆ Not surprisingly, **non metro** employers were more likely (13%) to have Indigenous employees than metro employers (8%).

◆ **Employers in the industries:**

Transport & storage	16%
Agriculture, forestry & fishing	13%
Health & community services	12%
Cultural & recreational services	11%

Youth

The predominant attitude towards younger job seekers was quite **negative**. The main complaints / criticisms included:

- ◆ Lack of work ethic or poor attitude;
- ◆ Lack of desire to work;
- ◆ Lack of responsibility;
- ◆ Unrealistic sense of self-worth;
- ◆ Impact of social life on work attendance and priorities; and/or
- ◆ Low self-esteem.

"They're all sick on a Monday morning, which is a real problem from a productivity point of view".

Many employers expressed a strong preference for more mature employees who were likely to be far more reliable.

In contrast, some employers were quite **favourable** towards young job seekers, although they tended to be in the minority. There were exceptions in certain industry sectors (eg computing / information technology; fruit harvesting), wherein the most suitable applicants were invariably younger people.

Positive attitudes expressed about employing younger people included:

- ◆ Helps maintain a balance in your company (ie a mix of older and younger people);
- ◆ Don't have the baggage older people bring to the job (eg physical conditions; health problems; previous bad experiences); and/or
- ◆ A good feeling from supporting youth and giving Australia's young people a start.

One of the main reason young people are requested or employed is because they are cheaper to hire; because it is a junior position; because the position requires no experience; or because the employer would rather train someone themselves.

"At least with a young person it's a fresh start."

One or two more thoughtful employers also felt that young people were disadvantaged by the 'system' of employment services which doesn't help them to work out what they want to do or what they are suited to.

"I think they're pushing these kids. I think they get paid some sort of remuneration for pushing them into jobs and getting them off their unemployed list into their employed list. I've had discussions with them in the past and I feel they push them into these positions without giving them enough information, just to get them off their lists".

THE ROLE OF JOB NETWORK MEMBERS

Job Network members play an important part in both challenging the views of employers and in working with job seekers to ensure that employers' negative perceptions are not realised. The research findings indicate that by promoting job seekers to employers and providing continued support to job seekers, Job Network members are presented with an important opportunity to counter the negative attitudes and stereotypes of job seekers that are perpetuated by some employers.

Whilst active job search is a responsibility of those receiving unemployment allowances, it is important that Job Network members undertake effective screening to ensure that suitable job applicants are sent to employers. Sending motivated and interested job seekers who have been well matched to the position will help to break down stereotypical views held by employers.

Job Network members also have the opportunity to counter negative attitudes and provide a better result for all by better preparing job seekers for the recruitment process and being more selective about which job seekers are sent to employers. Strategies could include:

- ◆ working with job seekers to identify work opportunities that will suit them;
- ◆ ensuring job seekers understand attributes that employers value in prospective employees such as a willingness to work, reliability and an ability to get on with others; and
- ◆ educating job seekers about jobs that can be used as stepping stones to better jobs or careers.

The research also clearly indicates that there are employers who are more empathetic to the situation of unemployed people, more socially conscious and more community minded. These employers are prime customers for Job Network services. Identifying these employers and then targeting services to them is an obvious strategy already being used by some Job Network members. Using these employers and their testimonies of success in hiring unemployed people may also be useful in appealing to the less willing employers by providing case studies as evidence in challenging their perceptions.

A more benevolent view held by some employers in the research was that a more practical approach was needed – ie a focus on teaching unemployed people practical skills that would help them obtain, and keep jobs. Suggestions from employers included:

- ◆ Ensuring that the training provided to the unemployed by Job Network agencies is practical and relevant.
- ◆ Establishing channels for employers to have some input in the types of training being provided, and the way it is provided.
- ◆ Involving employers in assisting job seekers to be better prepared for employment. Many employers had specific ideas of the type of preparation / training that would be most useful. It may be beneficial to consider installing a formal mechanism for employers to help shape the training programs / approaches used by Job Network members.
- ◆ Informing employers about the training and preparation of job seekers that does occur within the Job Network system, and ensuring that employers are fully aware of Job Network members' efforts in this regard.