



2001 Employer Survey Papers

Topic 3: Service Quality: Best Practice Ideas for Job Network



INTRODUCTION

The introduction of Job Network in 1998 represented the most wide ranging change in the way in which government employment services were delivered since the introduction of the Commonwealth Employment Service (CES) over 50 years prior and involved the largest single human services contracting exercise ever undertaken in Australia. One of the key objectives of these changes was to improve the quality of the services delivered through increasing the customer focus in the provision and design of the services, leading to a more effective employment service better able to meet the needs of both job seekers and employers.

The success of these changes is largely dependent on the attitude and engagement of employers with the system. Employer support for a high quality service which shows an understanding of their business needs will lead to repeat business, a higher number of available vacancies and greater opportunity for unemployed people to find work through Job Network. An employment service system which fails to understand the commercial environment employers operate in and is unable to provide a service employers are satisfied with, will not be effective.

In implementing the employment services market, the Government established a formal evaluation strategy including a service quality monitoring program to measure customer satisfaction levels and provide direction on how services could better meet customer needs. The 2001 Employer Survey is part of this monitoring program providing information for continuous improvement in the provision of services to employers.

This paper presents an outline of Job Network performance as perceived by employers in the 2001 survey and pre-survey focus groups. It explores the issues of importance to employers including overall satisfaction as well as specific components of services identified by employers through the research.

The paper concludes with discussion of what drives employer satisfaction and highlights areas for improved servicing and for developing best practice in the industry. Each Job Network member will approach employer servicing in their own way but these research findings provide additional ideas that Job Network members might consider in their efforts to continuously improve their performance.

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 2001 EMPLOYER 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.

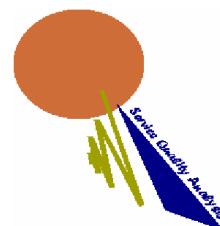
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JOB NETWORK PERFORMANCE: EMPLOYER PERCEPTIONS

The 2001 Employer Survey found positive results for service quality components and perceptions of Job Network in general. This section provides information on general perceptions of the system. Service quality components are outlined in more detail in the sections to follow.

SUMMARY OF PERFORMANCE MEASURES

- ✓ Job Network perceived favourably by employers
- 60% rate Job Network as Good or Very Good overall
- ✓ Satisfaction with Job Network has increased
- up from 84% to 90% in 2001
- High ratings of service quality maintained
- ratings on par with private agency performance
- Timely service is meeting employer expectations
- 87% satisfied with time taken
- ✓ Employers recognise Job Network as improving
- 36% rate the service as better over time

Employers who are satisfied with the service will bring repeat business and continue to provide labour market opportunities for the unemployed. How employers perceive the system as a whole is important as an indicator of overall acceptance and support for the Job Network. In general, Job Network is viewed as a good system which employers generally view positively as well as recognising that Job Network is constantly improving services.

Figure 2: Perception of Job Network Service

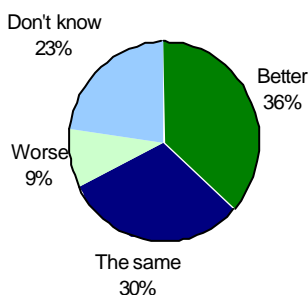
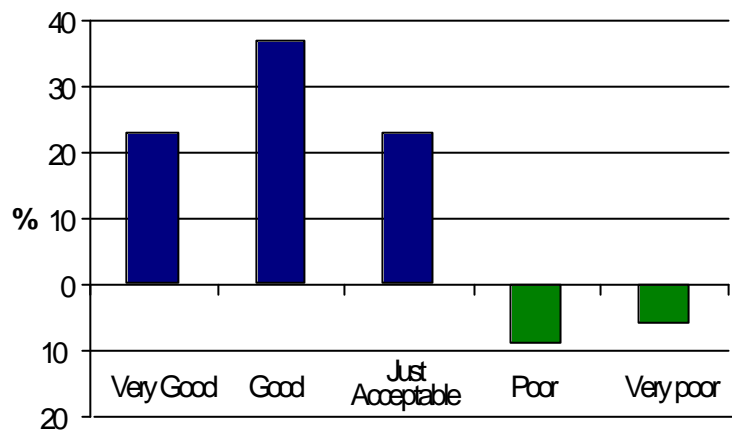


Figure 1: Overall Rating of Job Network



General perceptions are positive with 60% of employers rating Job Network as *Good* or *Very Good* overall. Two thirds of employers felt that Job Network services had either improved or stayed the same over time. Large, medium and small businesses rated the services equally favourably with 59% of large businesses rating good/very good compared to 61% for medium and 60% for small. Larger firms were more likely to report that the services had improved over time (45% felt service was better compared 34% of small businesses).

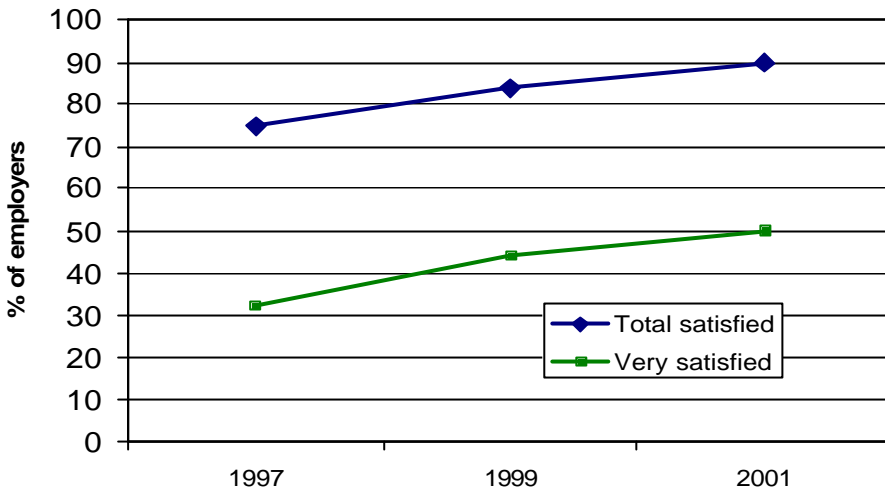
Business size
Small business
employs between 1 to 19 people

Medium business
employs between 20 and 99 people

Large business
employs 100 or more people

Overall satisfaction

Figure 3: Employer satisfaction with Job Network/CES services



Customer satisfaction is a key indicator of the quality of the system and in particular employer approval. The 2001 survey shows a continuation in the increase of satisfaction with government employment services as provided by Job Network. As Figure 3 shows, Job Network has increased employer satisfaction with services (90% satisfied) and in particular the *Very Satisfied* proportion of customers is growing larger as the market develops (50% in 2001).

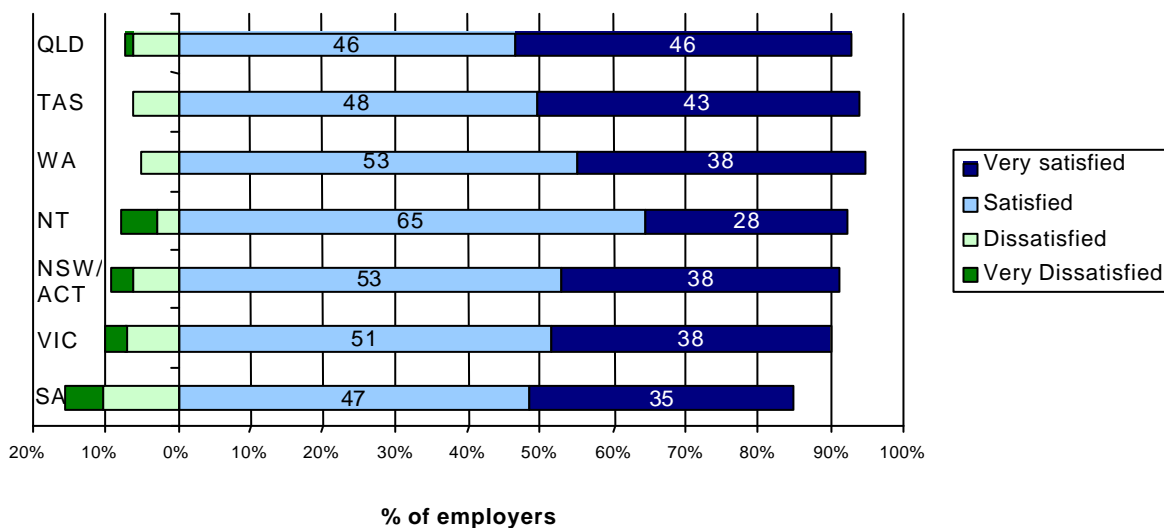
WHO IS MOST SATISFIED?

- ◆ **Large businesses** with 93% had the highest levels of satisfaction compared to 89% for small businesses. Half of the large business using Job Network were Very Satisfied with services (50% compared to 43% for medium and 39% small businesses).
- ◆ Satisfaction levels were high across all States, with the highest levels recorded for **Queensland, Tasmania, Western Australia and the Northern Territory** (see Figure 4).

WHO IS LEAST SATISFIED?

- ◆ **Small businesses** had the highest levels of dissatisfaction (9%).
- ◆ **South Australia** had the highest proportion of dissatisfied customers and lowest satisfaction rates. Their figures remain positive, however, with over 80% satisfied.
- ◆ Employers **filling higher skilled vacancies** such as managers, administrators and professionals were the least satisfied with 80% satisfied and 18% dissatisfied.

Figure 4: Level of satisfaction by State



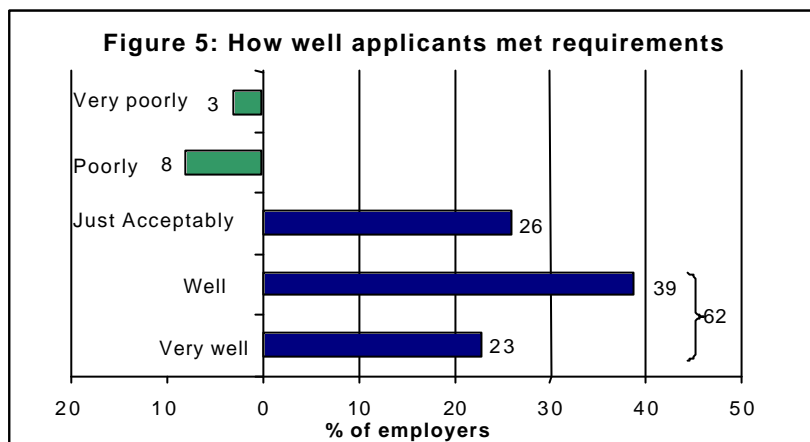
Job Matching and service quality

The essential service provided by Job Network to employers is that of Job Matching and, for employers, Job Matching is all about getting the right person for the job. In the qualitative research employers, representing a broad range of industries and business sizes, universally agreed that recruiting staff is a 'huge issue', one of the most important and most difficult things in running almost any sort of business.

Employers emphasised that making the wrong recruiting decisions, hiring the wrong type of person could have very serious, and potentially disastrous, ramifications for the business. This was perhaps most acute for smaller businesses. As one small business proprietor in one of the regional towns put it:

"Employment is a real nightmare. It can be such a disaster. You can have so much down time personally and also getting staff up to the point where they can take over where the last person left off. Then there's a person coming into your business that you really don't know a lot about and will they work out or won't they. Some of them do, but some don't. So from my point of view the employment issue is a nightmare and I will go out of my way to try and keep the staff I've got".

The quality of the Job Matching service is defined by a number of elements. The component mentioned most often by employers is the quality of applicants referred to them. As shown in Figure 5, the majority of employers rated the applicants sent to them by Job Network as meeting their requirements *Well* or *Very well* (62%). This is comparable with levels reported in 1999 (63% *Well* or *Very well*). The portion rating applicants as meeting requirements *Very Well*, however, has dropped slightly to 23% from 28% in 1999.



Another powerful indicator of Job Matching success is the sustainability of the job placement. If the employer retains the employee either in the original position or in an alternative job (many employers commented that they used casual or part time jobs to trial employees before recruiting them to a permanent position in their business) then the job match has proven effective for both parties.

Employment retention rates

Retention rates from the survey data were high, showing that the majority of employers were sufficiently satisfied to keep employing the successful applicant and the employee was also willing to stay in the job. This demonstrates some success in the job matching process.

- Of employers who filled their last vacancy through the Job Network, **82%** reported the employee was still employed with the business at the time of the survey.
- This rose to **88%** for employers who were filling a permanent position.

Employers were asked about their most recent vacancy and for some employers this was very recent (within the survey week) and for others it was up to one year prior to the survey. Not surprisingly, retention was lower for employers who had filled the position some time ago. For more recent recruits retention was very high (94% of those recruited in the last 3 months were still employed in the business).

Table 1: Retention of employees for Job Network users

Time since position was filled	% of employers using JN for last vacancy	% still employing the employee in their business
Less than 3 months	36	94
3 months to less than 6 months	33	82
6 months to less than 12 months	31	70

The main reasons for the employee no longer being employed in the business are shown below (Table 2). These reasons relate to economic factors or the person moving on to other employment. Only a small proportion of employers (15%) did not retain the employee because of a poor skill match/under performance.

Table 2: Reasons for not continuing to employ applicant

	% of employers who no longer employ applicant
Insufficient work/business downturn/closing down	21
Found another job	16
Couldn't do the job/was under performing	15
Fluctuating workloads	13

In focus groups commissioned by the Department over past years, employers have spoken in detail about a number of important service issues when filling a vacancy using an employment agency. Figure 6 below shows a range of service quality measures collected in the 2001 survey. In the main, results are very positive with a large proportion of employers rating each aspect as *Good/Very Good*.

Employers rate Job Network members highly at providing good communication, and good follow-up, and importantly, at showing an understanding of their requirements for the position. These service aspects are related to the personal service delivered by Job Network members' staff and their ability to form an effective relationship with the employer.

Where Job Network rates lower on the service quality scale is in regard to applicant screening and preparation. Around 10% of employers rated the service as *Poor* or *Very poor* for the following elements of service:

- Sending people with relevant skills and experience
- Sending people who understood what the job was about
- Sending people who will fit into your organisation

This, together with the significant number who rated these aspects as only *Just Acceptable*, indicates some room for improvement in job matching. Where comparison figures are available from the 1999 survey, ratings have remained at similar levels to those collected in 1999.

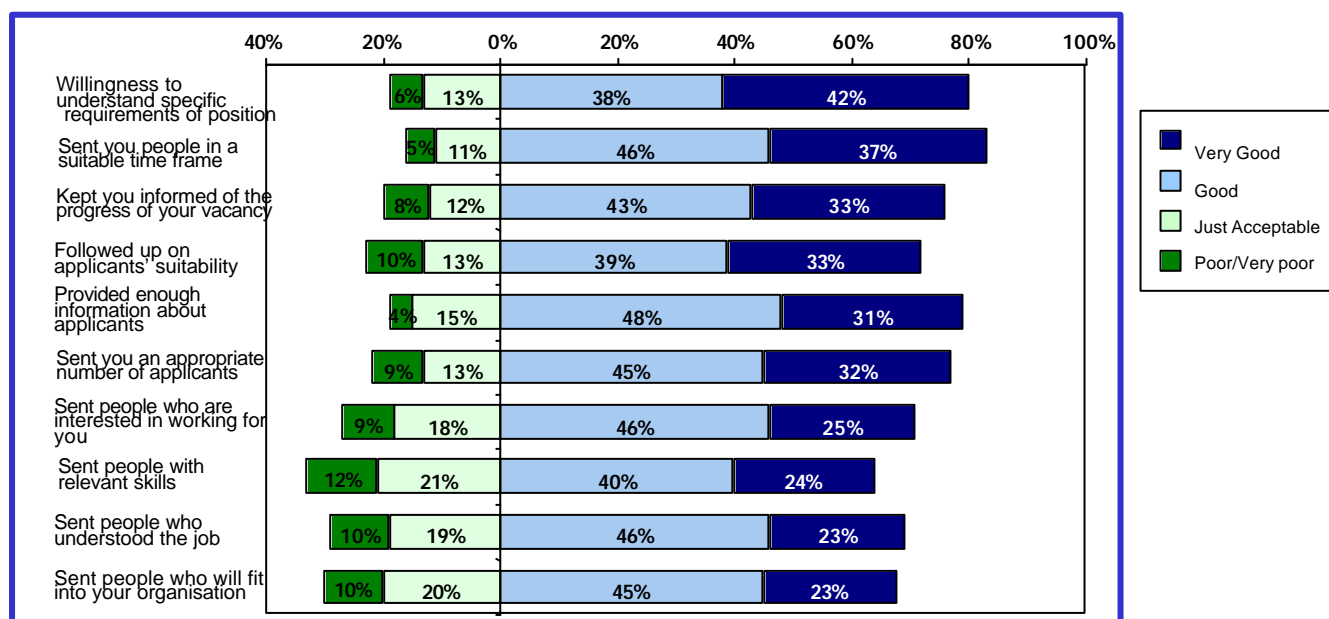
Screening: Quotes from employers

The value of agencies knowing the attributes, experience and strengths of individual job seekers was stressed by a number of employers as being important in being able to provide good Job Matching.

"He was given to us by the [agency name removed]. I never met the guy I dealt with there, I never met him in person. On the phone he sounded like he knew what he was talking about and identified not only with his clientele being the unemployed people, but also with us. I can't remember this guy's name at [agency name removed] but he had been trying to place this person for a long time. He really knew this person's skills back to front". (Frequent user, Brisbane).

"I think it comes back to what we said before that they have a pool of people on their books and they send you people from the pool whether or not they meet the criteria. Instead of saying "no I really don't think they meet the criteria". (Frequent user, Brisbane)

Figure 6: Service Quality Ratings*



*Includes employers who attempted to fill their last vacancy through Job Network but may have successfully filled the position via some other method.

Vacancy types

Table 3 shows that ratings given by employers varied depending on the type of vacancy being filled. The majority of jobs filled by Job Network tended to be in the lower skilled occupation groups. Job Network typically performed better at filling jobs in the category range 4 to 5 which are those vacancies requiring fewer qualifications and skills and often less experience.

Occupation Classification	Skill category
Managers & administrators	1
Professionals	1
Associate professionals	2
Tradespersons & related workers	3
Advanced clerical and service	3
Intermediate clerical and service	4
Intermediate production and transport	4
Elementary clerical, sales and service	5
Labourers & related workers	5

Australian Standard Classification of Occupations (ASCO), Australian Bureau of Statistics, 1997

Table 3: Rating of service quality by type of vacancy (% Good and Very Good ratings)

	Skill Category of Vacancy				
	1	2	3	4	5
Sent people who will fit into your organisation	62	69	69	71	66
Sent people with relevant skills and experience	62	59	66	69	62
Sent people who understood what the job is about	64	65	77	70	67
Sent an appropriate number of applicants	66	75	71	79	79
Followed up on applicants to ensure they were suitable	67	60	76	72	72
Kept you informed of the progress of your vacancy	70	67	74	75	77
Sent people who are interested in working for you	73	74	72	74	68
Sent people in a suitable timeframe	74	79	82	83	84
Willingness to understand the requirements of the position	76	69	83	82	79
Provided enough information about applicants	82	67	79	80	79

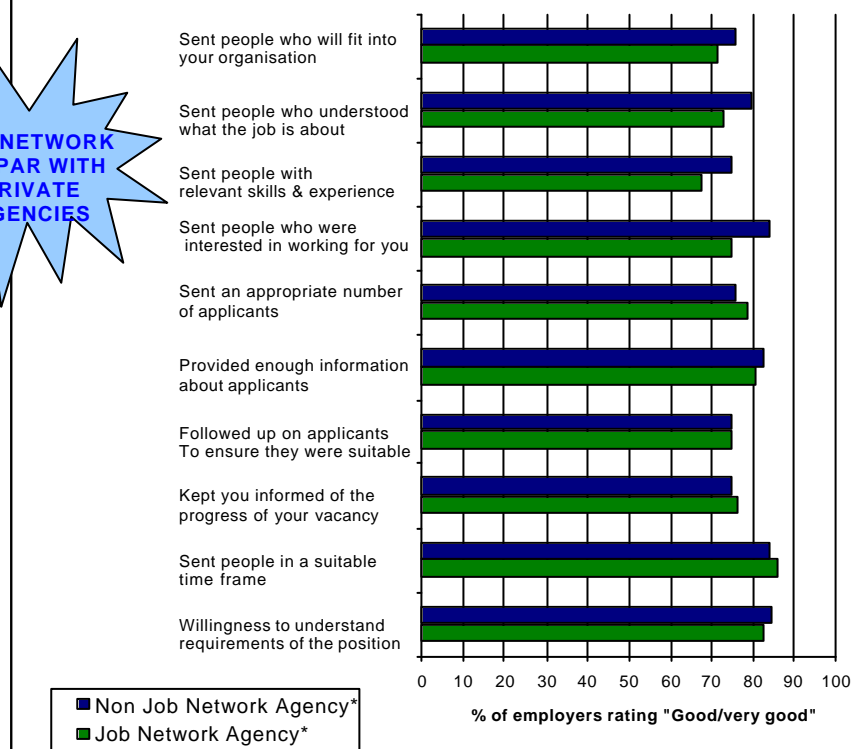
Industry comparisons

Job Network's performance compares favourably with that of private (non Job Network) employment agencies.

On almost all measures there is no significant difference between service quality ratings as shown in Figure 7. Areas for improvement for Job Network relative to non-Job Network performance are related to applicant screening and preparation of applicants, such as sending applicants who can demonstrate to the employer that they have relevant skills, understand what the job is about and are interested in working for that employer.

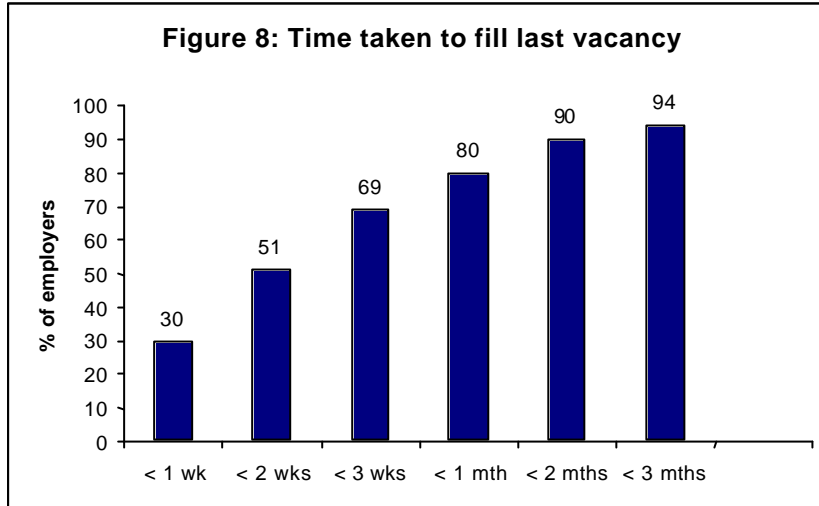


Figure 7: Job Network and Non Job Network Agencies Service Quality Ratings

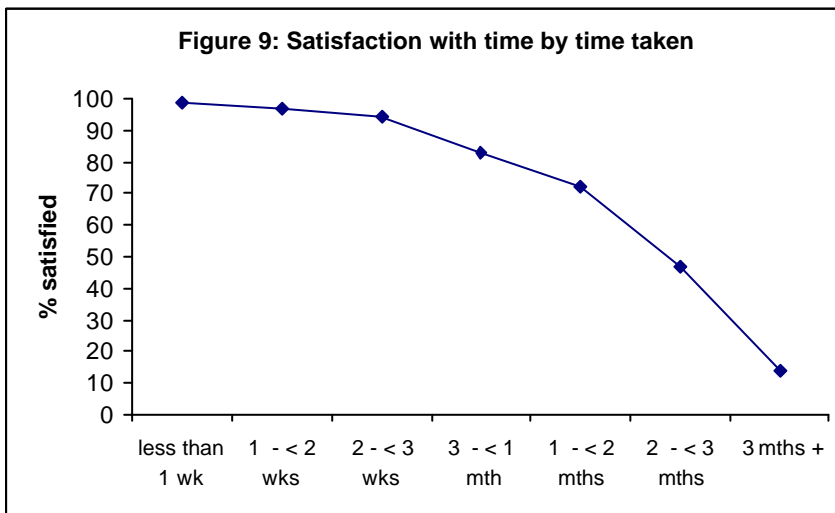


Timely servicing

The time taken to fill the position is another important aspect of service quality frequently mentioned by employers. Vacancies tend to be filled very quickly using Job Network (see Figure 8). Around a third of employers in the survey had their vacancies filled in under 1 week, half in under 2 weeks and two thirds in under 3 weeks.



This responsive service met employer expectations with 87% of employers satisfied with the time it took to fill their vacancy. Satisfaction with the time taken began to decrease when the time to fill the vacancy reached three to four weeks. The decline in satisfaction with time taken can be seen clearly from Figure 9.



The time taken to fill vacancies as well as employer expectations will vary depending on the nature of the position to be filled. Casual or temporary vacancies, for example, often need to be, or can be, filled faster. Employers often expect a more responsive service for these types of vacancies as their need for an employee is immediate. Satisfaction with the time taken to fill the vacancy was high for all vacancy types but highest for part-time and casual/temporary positions indicating Job Network is performing well in this aspect of service. (see Table 4.)

Table 4: Employers' satisfaction with time taken

Vacancy type	% of employers satisfied with time taken to fill vacancy
Full-time	83
Part-time	87
Permanent	83
Casual/temp	89

Fast and Hassle-Free: Quotes from employers

*"To me the best experience is when you give an agent a call and sometimes it's within ten minutes that I've got a response and it's usually before the day's out that I've got that position filled. I just love that, it's just a phone call and then I just step back."
(Frequent user of Job Network, Sydney).*

*"We recently needed some sales assistants in our Fairfield store and we had no luck with an ad. We called a local Job Network agency and they gave us six or seven quality applicants within 24 hours. They followed it up. The reason it was great for us was that it was a speedy response"
(Frequent user of Job Network, Sydney).*

Unreliable Service: Quote from Employer

*"I just found them unbelievably not reliable or helpful. I actually rang them and said 'sure I'll have this guy in for a kitchen hand, he would be fine to do that job'. They just didn't bother responding back. If they ring now I'll just tell them that I don't even want them to bother."
(Frequent user of Job Network, Sydney)*

SERVICING PATTERNS

All customers have their own way of working with Job Network and different requirements for how they want their vacancy to be filled. In general, many employers using Job Network have used more than one agency and will often list their vacancies with several agencies at a time. A large proportion (37%), though, will use a preferred supplier and list their vacancies with that one agency, perhaps an agency they trust or have a better relationship with. Around a quarter (27%) of employers using Job Network who had at least 5 vacancies in the past year reported that they filled all their vacancies through Job Network.

Large businesses appear to be exercising more choice, and are using the competitive nature of Job Network to their full advantage. They are more likely to have used more than one agency, will often use different agencies for different vacancies rather than using a preferred supplier, and are less likely to fill all their vacancies through Job Network, choosing to use them for certain vacancies only.

Table 5: How employers use the Job Network

Statement which best describes how employer uses Job Network	Size of worksite			Total
	Small	Medium	Large	
Have one preferred Job Network agency	37	41	30	37
Use different agencies for different types of vacancies	13	22	38	15
Place all vacancies with more than one JN agency (multi-list)	50	37	32	47

Some employers in focus groups explained that they tended to multi-list for jobs that they were in a hurry to fill, or for more specialised positions which they expected would be hard to fill from a single 'pool'.

Some employers also felt they received improved service and better outcomes as a result of multi-listing because the competition 'kept members on their toes'. Employers who had a preferred Job Network agency, however, had the highest levels of satisfaction with services (91%) compared to those who multi listed (86%) and those who used different agencies for different types of vacancies (83%).

Multi listing: Quotes from employers

"With me it does (work well) because we can source a lot of guys very quickly. If I phone two or three of them, and they know I'm phoning two or three of them, I'm not just using one. I'm not going to one because sometimes we've got a rush on and we've got to get some of this stuff going immediately. That's the way we do it"

"I'm happy with what's being offered so far so I don't see the point in spreading it around. The people that I talk to when I need someone know exactly the type of person that I'm looking for" (Frequent user, Brisbane).

As shown in Table 6, employers received a broad range of services from Job Network. In general, medium and large size businesses tended to use a greater variety of services provided by the Job Network agency.

Table 6: Agency services received by employers (%)

Type of service ¹	Size of worksite			Total
	Small	Medium	Large	
Screening / short-listing applicants	83	86	90	83
Setting up interviews for you	62	64	63	63
Reference checking	48	51	60	49
Advising unsuccessful applicants	39	43	62	40
Advertising vacancies	34	36	45	35
Interviewing applicants for you	35	41	48	36
Psychological or aptitude testing	8	11	24	9
Providing or arranging training for the new employee	10	7	9	9

¹Type of services received are not mutually exclusive.

Only around one in ten (11%) of employers paid a fee for the services they received from Job Network, a decrease from 15% in 1999. Large businesses were far more likely to have paid a fee (30%) than small businesses (10%) and the majority of those who did (80%) thought that the services were value for money.

WHAT EMPLOYERS WANT: DRIVERS OF SATISFACTION

Participants in focus groups who were asked to think back over their use of Job Network and focus on the best experience they have had in filling a job vacancy, wrote down the things that made it a good experience. They also ranked the top three factors that had the most, second most and third greatest contribution to that experience or outcome. Based on this quasi-quantitative data, the factors that contributed most to a good Job Network recruitment experience were:

Factors contributing most to best job network experience (focus groups):

- ◆ The agency's interest and efforts towards understanding the employer's business and meeting the employer's recruitment needs;
- ◆ Being able to deal with the same person in an agency each time;
- ◆ Efficient, prompt service and quick turn-around between listing and filling positions; *and*
- ◆ Having applicants sent who are suitable for the job, as well as the agency having screened applicants properly before referring them to the employer.

The above results point to the critical importance of the **relationship** developed between the employer and the Job Network agency, which in turn has a large impact on other factors which contribute to an employer's opinion of the recruitment outcome and process.

Most employers agreed that a 'good experience' could not be put down to one single factor. For first time and infrequent users, **smooth and quick navigation** through Job Network is as important as the final outcome.

Amongst employers who have used Job Network more than once or twice, the importance of a **good employer/agency relationship** emerged early in the discussion. A genuine interest and ability of the agency to understand an employer's needs and thereby match suitable applicants was stressed repeatedly by employers as being linked to good recruitment outcomes. Some employers attribute the existence and quality of this relationship, or absence of any such rapport, almost exclusively to the agency's interest and effort. Other employers, however, recognise and take ownership of their own role as well.

Whereas good experiences predominantly appear to be explained by '**process**' factors (understanding my needs, dealing with just one person), bad experiences are primarily related by **outcomes** (unsuitable applicants, no response from agency).

Good Service Experience: Quotes from employers

"... I just think that over a period of time we're starting to build a relationship with them and they know the type of people that we're looking for." (Frequent user, Brisbane)

"... the only way you're going to get success out of these is to develop a relationship. I follow the same one all the time. The same one interviews the people, knows the people and does the job". (Employer, Toowoomba)

"The best experience was the person who was assigned for my role. He came out and visited the site, understood what I wanted, knew how to screen people. I had a very limited pool of applicants but they all fitted the criteria. It all worked out very well. It was like a professional employment agency." (Frequent user, Brisbane)

Factors contributing most to worst Job Network experience (focus groups):

- ◆ Applicants / resumes sent not suitable for the position;
- ◆ Applicants not pre-screened adequately;
- ◆ Poor response from agency / agency did not understand employer's needs;
- ◆ Inefficient administration / incorrect correspondence / incorrect appointments set up; *and*
- ◆ Agency did not return calls / keep employer informed

The focus groups and survey data show that many things are important to employers in getting their vacancies filled through Job Network. Clearly a service which attempts to take these issues into account in developing employer servicing strategies will reap benefits of greater employer satisfaction and more repeat business. Some of the issues for better service include:

- Understanding the employers' business and what sort of person they want to fill their vacancy;
- Building a good relationship with the employer;
- Providing one point of contact, the same person for the employer to deal with;
- Being responsive to requests and providing a timely service; and
- Providing applicants who are well screened for the position.

Priority areas for improving services can be identified by analysing the relationship between particular components of service and employer satisfaction with services overall. Multivariate analysis indicated that whilst many variables were associated with satisfaction some key components provide a larger contribution to employer satisfaction and hence may be priority areas for maintaining high satisfaction.

KEY CONTRIBUTORS TO SATISFACTION

1. How well the applicants meet the **employers requirements**
2. Willingness of the employment agency to **really understand** the specific requirements of the position

SECONDARY CONTRIBUTORS TO SATISFACTION

1. Sending an appropriate **number** of applicants to the employee
2. Keeping the employer informed of the **progress** of the vacancy
3. Sending applicants in a suitable **time frame**

PRIORITY IMPROVEMENT AREA:

How well applicants meet requirements is the largest contributor to overall satisfaction (key contributor number 1) but only 62% of employers reported that applicants met requirements well or very well.

This is a **key area for service improvement** – understanding employer requirements fully and working to match job seekers to these requirements.

Higher performance on this measure will bring higher satisfaction

This paper has outlined the performance of Job Network as rated by employers in the Department's research program. It is hoped that some of the information will be useful to Job Network members in continuing to tailor services to employers in their local area and to build good business relationships.