

# Logan Jobs Ecosystem Mapping Project

**Part 2 - Observations and Recommendations**  
**March 2017**

*City of  
Choice*

 **Ingersoll**  
Consulting

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# Background

*Logan: City of Choice* is a unique cross-government and cross-sector partnership that is delivering positive change for the City of Logan. It is an initiative of Logan City Council and supported by its partners in the Queensland Government, Australian Government and the broader community. A key area of focus for the *Logan: City of Choice Leadership Team* is looking at how to strengthen the local labour market.

To support its work, the *Logan: City of Choice Leadership Team* engaged Ingersoll Consulting to undertake primary research designed to better understand how the local 'Logan Jobs Ecosystem' operates. That is – how employers find their staff, and how job seekers and new employees found their roles.

To build this understanding, Ingersoll Consulting conducted a series of interviews with employers, employees and other stakeholders who make up this Ecosystem.

Targeting six industries of retail, construction, transport and logistics, health care and social assistance, education and training and manufacturing, these interviews provide an insight into the experiences of employers in hiring

employees and techniques they use to find those employees.

It also offers a view on the experiences of recently hired employees on their job search.

A Market Research report on the findings of employer and employee interviews is available as a part of this project. It outlines the direct results of employer and employee interviews, and presents analysis on the results of these interviews.

This Logan Jobs Ecosystem – Opportunities and Recommendations Report utilises that information, combined with feedback from other stakeholder and desktop research to add detail to the current 'map' of the Logan Jobs Ecosystem. It has been used to adapt the model, developed by Future of Work summit held in July 2016. Recommendations on how to improve or enhance connections in this Ecosystem have then been provided.

# Observations on the Market Research

The Logan Job Mapping Market Research offers an insight into how employers and those looking for work are connecting. The market research exercise brings together the results of 101 interviews across employers (51) and recently recruited staff in the Logan City Council region (50).

Based on this information, Ingersoll Consulting can offer the following observations about the Logan Jobs Ecosystem:

## **Observation 1 – Demand is being met**

The market research notes that for employers, their demand side needs are being met through the recruitment processes currently being used. This is particularly true for low skilled positions.

An applicant rich market has meant that all employers interviewed could fill vacancies through their chosen recruitment methods. Employers noted short recruitment times (in general), particularly for lower skilled roles. The majority indicated they were happy with the methods they were using, and showed only moderate interest in adapting their recruitment methods.

While demand is being met, employers did however note concern with the quality of applicants presented in terms of non-vocational skills such as presentation, reliability and communication. They also raised some issues about the level of turnover in new roles, though we note on average turnover across the sample sits at 16 percent, which is consistent with workplace turnover levels of 16 percent as presented by the Australian Human Resources Institute – Turnover and Retention Report.

*Australian Human Resources Institute – Turnover and Retention Report 2015. Available at:  
[https://www.ahri.com.au/\\_data/assets/pdf\\_file/0018/52344/PULSE\\_retention-and-turnover-2015.pdf](https://www.ahri.com.au/_data/assets/pdf_file/0018/52344/PULSE_retention-and-turnover-2015.pdf) [Accessed 02 Feb. 2017].*

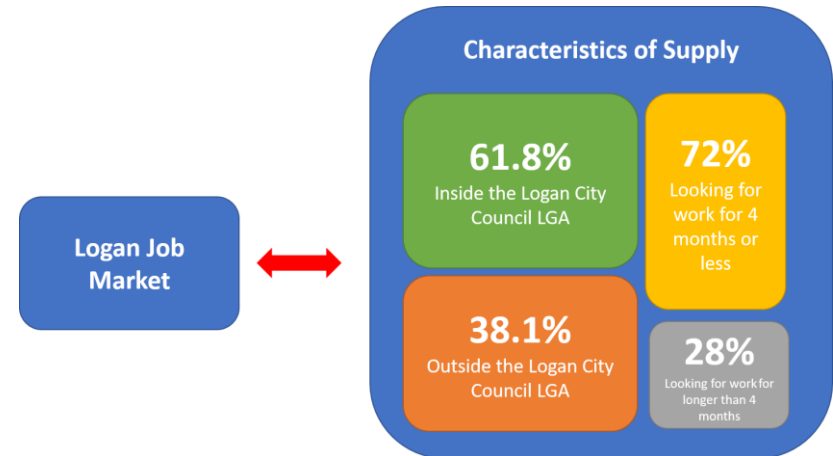
# Observations on Market Research

## Observation 2 – Supply is being met by those already in the workforce, and includes a significant proportion of people from outside the Local Government Area

In noting that employer need is being met, to develop a full understanding of how the Logan Jobs Ecosystem is operating, it is necessary to also understand who is making up the supply of employees engaged. To this end, we offer two observations:

- Firstly, supply is being met predominately through the employment of individuals who are either already employed, or have only had limited periods of unemployment. 72 percent of those interviewed were already employed, or had been unemployed for less than four months before taking on the role. This is supported by employer feedback that the number one factor influencing employment decisions was recent work experience.
- Further, while job seekers appointed to roles are largely from the 'already employed' market, there is also a significant proportion of job seekers who do not reside in the local region. The Australian

Bureau of Statistics note that that 38.1 percent of workers in the Logan City Council region do not reside within the region. This correlates with information provided by interviewees with employers estimating that around half of their workforce were residents, and employees noting 58 percent lived within the region. Employers were open to increasing their levels of local recruitment, however it was not a priority in their employment decisions.



ABS 2011 Census Data – as sourced from  
"Journey To Work| Logan City | Economy.Id".  
Economy.id.com.au. N.p., 2017. Web. 16 Feb  
2017

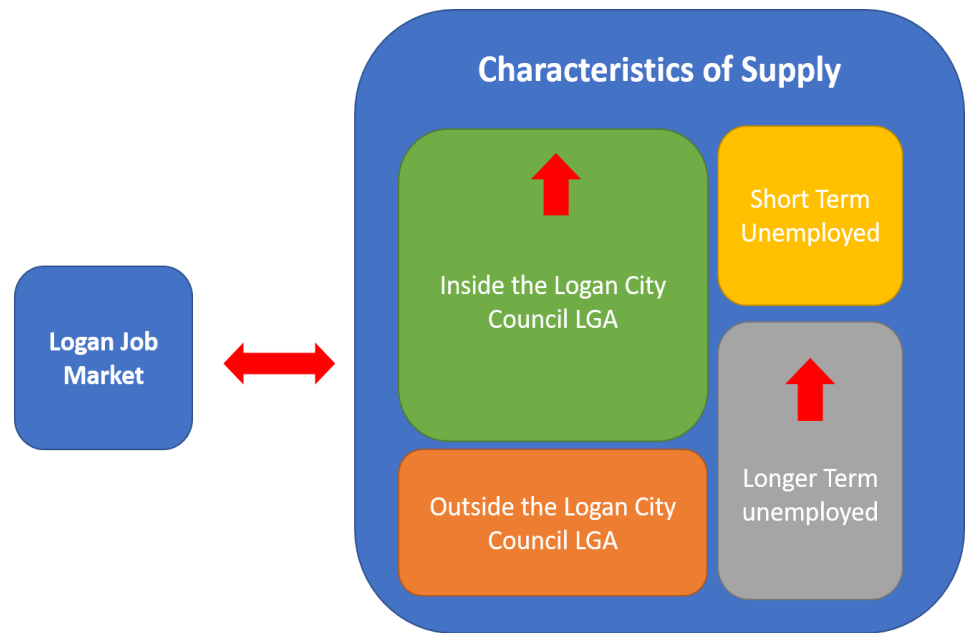
# Observations on the Market Research

**Observation 3 - Strategies are needed to increase the proportion of supply met by individuals within the Logan City Council boundary, particularly those individuals who are long term unemployed**

Noting the mix present in who employers are engaging in roles, the opportunity exists to put in place strategies to shift the mix of this supply.

To achieve the Logan City of Choice's objective to both ensure employer need is met, and that opportunities are extended to local people, strategies are needed to:

- Increase the competitiveness of local applicants, particularly those who are considered longer term unemployed by ensuring job seeker support is targeted to meeting employer need;
- Encourage employers to re-look at their recruitment practices, and to engage more with services that can meet their needs; and
- Strengthen connections and relationships in the Ecosystem.



# Findings

Observations presented are informed by the following findings from market research:

## ***1. Employers and Employees are connecting directly***

Recruitment in the sample noted that employers are finding their staff directly in the clear majority of cases, with labour market intermediaries being utilised by employers and employees in only 16 percent of cases.

Roles were filled through online vacancies and Word of Mouth in most instances. Online recruitment represented 40 percent of all interviews, which is comparable to national data from the Department of Employment that suggests over 48 percent of roles advertised online. Word of Mouth placements however, sat at 29 percent of vacancies which is much higher than the 15 percent nationally noted in the same report.

This means that to influence an employment outcome, candidates need to have strong networks to draw on in finding work, combined with practical job search skills which allow them to present successfully online. Employers also need to be

incentivised to consider alternative methods of recruitment.

## ***2. The Labour Market is Highly Competitive***

The labour market is highly competitive in the region, with employers receiving significantly more applications than vacancies available/advertised.

Across the full sample, organisations received up to 13 applications for every vacancy advertised. This is consistent with feedback in the broader Brisbane region which places applications at 15 per vacancy advertised.

This environment means that local job seekers with higher barriers to employment are subject to high levels of competition in their job search. Strategies must respond to this to build the competitiveness of local job seekers.

# Findings

## ***3. Employers are not actively seeking to change their recruitment methods***

Employers interviewed were 'happy' with their current recruitment practices, and not actively seeking alternative ways to recruit. This may be because of the current candidate rich environment.

Approximately 52 percent of employers were aware of the supports and information available to them in finding in employees, including Government support. Within this, only two employers identified using this support. Several employers noted poor experiences with service providers characterised by candidates being a poor fit for roles, or a lack of understanding of the businesses involved, as reasons for not utilising these services.

To influence employers to make changes to their recruitment processes, improvements need to be made in how employers connect to the current local labour market, and how current local services are meeting the need of employers. Incentives may also be required.

## ***4. 'Best Candidate for the Role' informs employers decision to recruit***

Employers prioritise the 'best candidate' for the role. As noted in the market research report, across all industries – the five areas considered to contribute to this were:

1. Recent work experience, ideally within the industry;
2. Qualifications in the industry;
3. Reliability and enthusiasm for a role;
4. Confidence and presentation; and
5. Transport to work.

Strategies should focus on addressing these issues for local candidates to increase the proportion of residents moving into local work opportunities.



# Findings

## ***5. Local Employment is welcomed but not a priority***

Employers were interested in, and happy to recruit locally. They indicated a willingness to support local employment and felt that staff who resided within the region were likely to be more committed and reliable. Approximately 58 percent of employees interviewed resided in the local area.

While interested in recruiting locally, this did not translate to a characteristic prioritised by employers in the recruitment decision. When discussed in this context, employers did not rate the location of staff highly, which as previously noted is supported by ABS Journey to Work data for the region.

As such, strategies need to be put in place that ensure local candidates can compete for roles with local employers, and to lift the priority of recruiting locally for employers.

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## ***6. Employers are not recruiting from the Long Term Unemployed Job Seeker pool***

Employers in this sample are hiring from within the 'already employed' pool, with only 28 percent of recent employees recruited from outside this group. While from a demand side, employers noted no issue with this, it does mean that opportunities for job seekers in the community who have been unemployed for a longer duration are limited.

Within the region there is considerable opportunity to improve connection with those who are longer term unemployed. Current income support recipient numbers note that as many as 30,400 individuals currently on *jobactive* caseloads in the Employment Region, and the participation rate sits at 57.8 percent for the local area (which is lower than the broader Queensland participation rate). Given this, there exists a pool of local labour available to draw on which could limit churn and grow the local workforce.

Strategies need to increase the competitiveness and connectivity of this group with employers, and employers must be incentivised to consider them for roles.

# Findings

## **7. A driver's licence and access to transport is critical**

Transport and a driver's licence was identified across all industries as being important within the selection process in several ways.

Firstly, requiring candidates to have a licence was used as a screening mechanism in recruitment. This included in cases where a licence may not be a direct requirement for a role, however when presented with a significant number of applicants, was considered of benefit generally. It was also taken as a measure of 'reliability' by many employers.

Access to a licence, and access to transport was also necessary in terms of contributing to reliability. Across the industries, but particularly in the Transport and Logistics, Manufacturing, Construction and Retail industries, variable start and finish times, as well as workplaces not accessible by public transport, were challenges for some job seekers.

Employees interviewed noted that they considered having a licence and access to a vehicle to be of benefit in terms of assisting them to look more broadly for work, and to meet employer requirements in terms of both attendance and hours.

While data was not available on the extent to which unemployed individuals have licences in Logan, data from the HILDA 2012 survey analysed by the Brotherhood of St Laurence shows that individuals who are unemployed are more likely to be without a licence, with it being an issue for younger job seekers generally. This presents an opportunity in terms of targeting support for longer term unemployed individuals within the region.

	Under 25	25 -54	55+
Unemployed	61.0	19.9	1.2
Employed	27.4	4.6	3.7

### ***Proportion of people without a driver's licence – HILDA 2012***

# Findings

## ***8. Previous Experience and Qualifications sets applicants apart***

Previous work history was highly valued by employers across all industries. It was also identified across employees as a key factor in their success in being selected for roles. Experience with employers was most valued, however volunteering and other forums of 'work like' activities were also considered beneficial.

Qualifications were also valued by employers. While there was varying commentary from providers about the extent to which training was tailored to employers' needs, employers did indicate that it assisted in the shortlisting of applicants, and gave an indication of interest in the industry or position. In several roles, qualifications were also a requirement of positions (for example, in construction and early childhood education). This extended across certificate qualifications, to tickets such as forklift tickets.

Employees also felt that training made them more competitive and contributed to their success in obtaining their roles.

Strategies to support job seekers should create opportunities for work experience, and support access to industry driven training should be considered.

# Findings

## ***9. Relationships are critical across the Ecosystem***

Relationships between players in the Ecosystem are critical. All players interviewed reflected on the value of personal connections and trust based relationships between individuals and organisations in influencing recruitment decisions. The strong reliance on referrals and Word of Mouth connections shows the strong emphasis placed on the social capital within the local environment, and its influence in matching individuals with work.

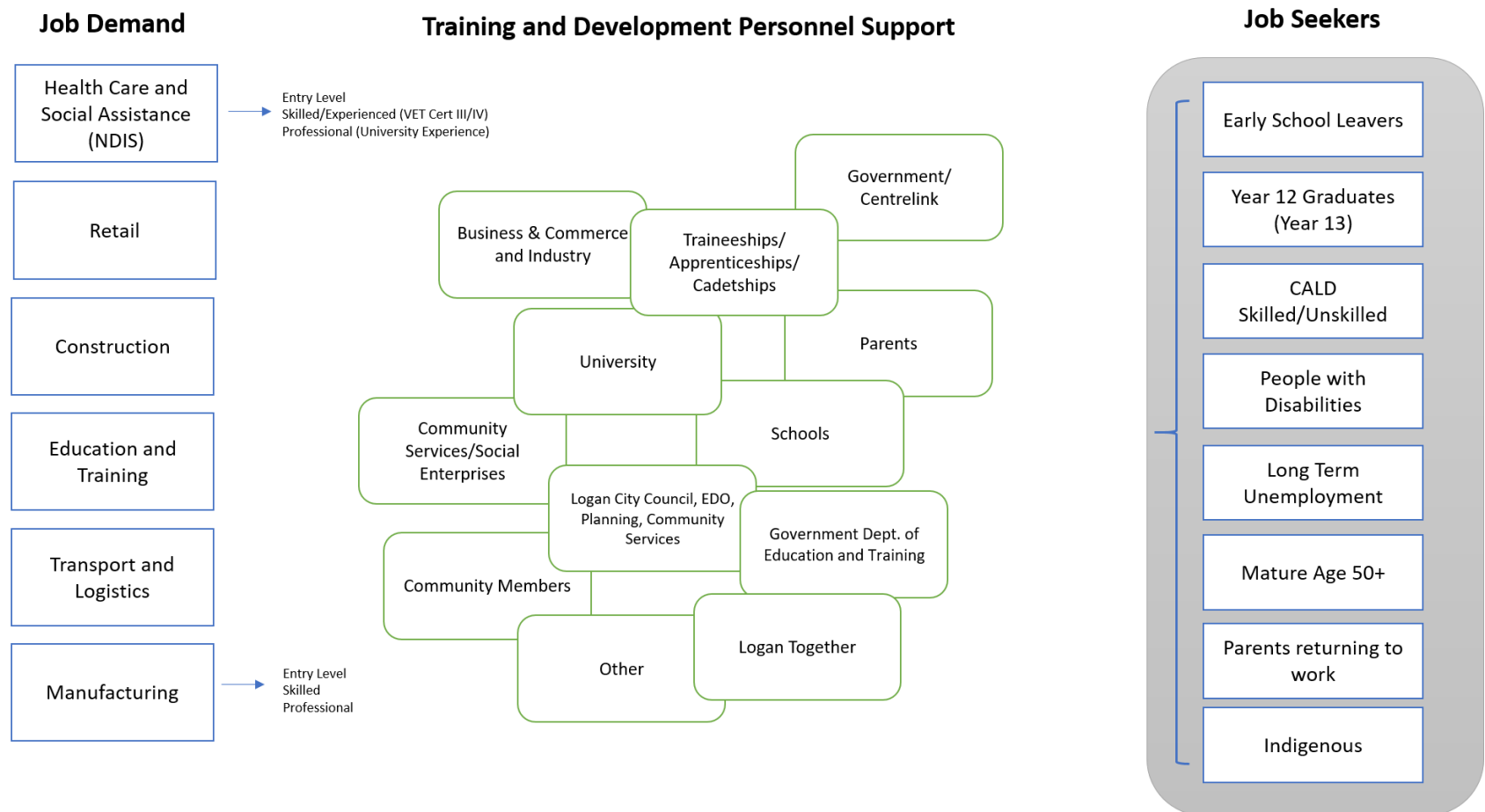
An area of risk in the Ecosystem is the connection between Government Employment Services and employers. Several employers referenced poor experiences working with Government employer service providers. Specifically, they noted issues in terms of a poor fit with referred candidates, or a lack of follow up in terms of connection around opportunities. This is impacting on the use of these services which is limiting the opportunities for those who have been out of the workforce for longer periods.

Enhancing relationships across the Ecosystem must remain a continual focus of any strategies locally.

# Mapping the Ecosystem

The findings presented across all industry groups have helped to provide considerable detail to the Logan Jobs Ecosystem Map.

Figure 1 shows the Logan Jobs Ecosystem as developed at the Future of Work forum in July 2016.



# Mapping the Ecosystem

As presented it shows that the job market within Logan is complex, but well supported by a significant number of resources able to support employers to meet their labour needs, and to assist job seekers to prepare for work. The map highlights the Logan community's focus on meeting employer demand, particularly in growth industries, and prioritises the employment of local individuals across a range of cohorts within this area.

Research undertaken as part of this project has allowed us to expand on this model. Findings mean that this model can be adapted to introduce the following factors:

- **Employer Needs:** What are Employers prioritising?
- **Recruitment Methods:** How are connections being made?
- **The Job Seeker:** Who are they – and what is assisting them in navigating the Ecosystem at present; and
- **Supports:** Which stakeholders within this market currently influence how connections are made?

## Employer Need

The Logan Job Ecosystem map has been updated to include details of those areas which are of value to employers. As noted in the report, employers are prioritising the following in recruitment across industries:

- Recent work experience, ideally within the industry;
- Qualifications in the industry;
- Reliability and enthusiasm for a role;
- Confidence and presentation; and
- Transport to work.

Despite the variation across industries, these requirements were consistent across employers engaged in the survey. The addition of this information to the Ecosystem Map provides a strong area of focus in terms of strategies and areas of focus for supporting players.

# Mapping the Ecosystem

## Recruitment Methods – the Connection

Further adapting the Logan Jobs Ecosystem, are the methods of connection. The Logan Jobs Ecosystem has been updated to include the methods used to connect employer and employees across all industries.

Those methods which we have terms 'direct connections' have been detailed in green and include:

Online recruitment, Walk-In, and Word of Mouth. Those networks reflected in the initial Logan Jobs Ecosystem map that assist in Word of Mouth appointments have been reflected within it.

Connection methods termed as 'third party intermediaries' are shown in orange and include Government Employment Services, Labour Hire, Recruitment Agencies and other recruitment methods including Community Employment Services.

While not directly to scale, the size of each part of the 'connection points' has been designed to reflect the level of influence connectors had, based on survey results.

## The Job Seeker

The Job Seeker area of the Ecosystem has been adapted to include details on those factors considered of benefit in assisting job seekers to secure employment. The make-up of this job seeker group has also been included, as indicated by the market research. Given the strong focus on work experience and recent work history, a specific 'category' for employers has been added to the mix in the job seeker supports.

## Supports

Within the Ecosystem, there remain key groups influential in providing the infrastructure and support to connect groups in the Ecosystem, and drive services. These organisations and agencies provide the relevant leadership, advice and coordination and work across the spectrum of the Ecosystem.

# Mapping the Ecosystem: The Logan Job Ecosystem

## Job Demand/Employers

### 'Best candidate for the role'

1. Recent industry based work experience
2. Qualifications in the industry
3. Reliability and enthusiasm for a role
4. Confidence and presentation
5. Transport to work.

Health Care and  
Social Assistance  
(NDIS)

Retail

Construction

Education and  
Training

Transport and  
Logistics

Manufacturing

## Recruitment Methods – the Connection

### Online

Seek.com.au and  
Gumtree

### Walk Ins

### Word of Mouth

Community Members

Parents/Family

Business & Commerce  
and Industry

Other contacts

Government  
Employment  
Service

Labour Hire

Recruitment  
Agency

Other

## The Job Seeker

- Uses multiple forms of job search
- Recent work history
- Has relevant qualifications
- Has a licence and access to transport
- Likely to be short term unemployed
- 38.1 percent from outside the Logan City Council region



Traineeships/  
Apprenticeships/  
Cadetships

Community  
Services/Social  
Enterprises

University

Schools

Community/Family/  
Parents

Training Providers

Employers

Logan City Council, EDO,  
Planning, Community  
Services

Logan Together

Commonwealth and  
State Government

Business & Commerce  
and Industry



# Recommendations

Based on the observations and findings above, Ingersoll Consulting offer the following recommendations as areas of focus in terms of strengthening the connections between employers and job seekers in the Logan City Council Region.

The following recommendations are provided as opportunities for exploration. Ingersoll Consulting note that many of these recommendations would require new or additional investment which has not been identified in this report.

## ***Recommendation 1 - Ensure Case Management Support addresses the concerns of employers (Findings 1,2,4,7 and 8)***

Case Management Support provided to job seekers needs to be employer focussed and must respond to the priority areas noted in the market research. That is – case management support needs to:

- Ensure job seekers are supported to develop their skills in multiple forms of job search;
- Support quality online applications which will ensure local candidates stand out;

- Focus on opportunities to develop a work history. This would include promoting unemployed individuals to take on all work opportunities, including those which may not meet contractual requirement of Government contracts, looking at work experience programmes and volunteering where possible;
- Support job seekers to build local networks with employers and other stakeholders to build their Word of Mouth network;
- Provide job seekers with the tools to seek employment including high quality resumes;
- Provide access to infrastructure that supports job search including IT support, printing, transport and clothing;
- Ensure job seekers are prepared for the jobs at hand including with relevant qualifications;
- Address non-vocational barriers including in areas such as presentation, communication and reliability; and
- Ensure employers are presented with candidates who show an understanding of the workforce, and enthusiasm for positions available.

# Recommendations

## ***Recommendation 2 – Promote Opportunities for Work Experience for Job Seekers (Findings 4, 8 and 9)***

Given the strong influence of recent work experience in the employment decision, opportunities for real work experience should be encouraged and promoted in the region.

Employers should be encouraged to provide work experience opportunities to local job seekers. To promote this, funding in recognition of the costs involved in taking on individuals for work may be required. Employers should be supported to ensure that any work experience complies with relevant Queensland State Government and Commonwealth legislation.

Work experience can also be replicated through Government support. Current Government initiatives including Work for the Dole and Skilling Queenslanders for Work Programme provide some of these opportunities. The Commonwealth Government's Youth PATH programme may also create incentives for workplaces to provide

experience to young people. Volunteering outside of Government programmes could also address this need.

Processes to encourage employers to access these programme opportunities needs to be streamlined, and may require leadership from a central entity (such as the Logan City of Choice Leadership Team). It could also be included as a strategy under a broader 'Recruit Local' campaign (see Recommendation 8).

# Recommendations

## ***Recommendation 3 - Create opportunities for people looking for work to directly engage with Employers (Findings 1, 2 and 9)***

Employers valued a direct connection with employees in deciding on a placement within their organisation. They placed significant weight on referrals from trusted sources, or their ability to connect with job seekers in person (for example, through a Walk-Ins).

Supporting events for employers and job seekers to connect centred around for example, a location, employers or an industry, would provide job seekers and employers with the opportunity to connect in a semi-structured environment. 'Job Expo' style events could provide a mechanism for this to occur. This sort of event could also assist in building relationships between employers and service providers more generally.

## ***Recommendation 4 - Create opportunities for networking between employers and service providers (Findings 3 and 9)***

The emphasis placed by interviewees across the board on the value of local, personal relationships was considerable. To this end, opportunities for networking and engagement between employers and service providers should be regularly promoted. Facilitation of these events would best be driven by Government Departments, or other stakeholders who are considered to operate in support roles in this Ecosystem. Example opportunities noted by employers included industry events and training and networking breakfasts.

A further opportunity could be the establishment of a 'Logan' specific entity tasked with coordinating the needs of Logan employers more generally. Such an entity would be employer led, and work to coordinate linkages with other services (see also Recommendation 5).

# Recommendations

## ***Recommendation 5 - Establish a trusted Local Employment Broker to support employers in the region (Findings 1, 3 and 9)***

As noted, high trust relationships underpin successful connections between supply and demand in the Logan Ecosystem. While significant resources are in place with third party intermediates, employers are making limited use of these services, with the most common reason being given that they do not demonstrate an understanding of the requirements of employers or industry.

A Local Employment Broker could be established as an intermediary between these stakeholders and employers with a specific focus on connecting local job seekers with local employment opportunities. Subject to the demand for roles, a broker could be industry or employer specific.

To ensure the success of this strategy, the Local Employment Broker would need to replicate the high trust relationships valued through things such as Word of Mouth connections. To do this, they would need to be employer centric and connect employers with candidates who meet needs. Support would need to complement existing services, and leverage from its investment.

## ***Recommendation 6 - Support access to industry relevant qualifications (Findings 2,4 and 8)***

While views varied on the quality of training provided to employees, having qualifications in an industry increased the competitiveness of candidates in tight selection processes. Funding to assist in job seekers obtaining qualifications relevant to industry demand should be promoted. Where funding is available, it should be directed toward growth areas within the region.

Registered Training Organisations should be encouraged to develop working relationships with local employers, to ensure that delivery is tailored to workplace needs.

Consideration should be given to encouraging local employers to offer vocational places in parallel with training. This could be promoted as part of a Recruit Local campaign (Recommendation 8).

# Recommendations

## ***Recommendation 7 - Ensuring job seekers have licences (Findings 4 and 7)***

Ensuring that individuals are supported to obtain licences will enhance the competitiveness of local people in obtaining work. Programs which assist in providing relevant hours and testing should be encouraged, and expanded where they already exist. Coupled with this would be the exploration of additional transport solutions in the region which could comprise of both Government led initiative, or employer led initiatives.

To support this work, the Logan City of Choice Team may wish to undertake further research to understand the barriers to obtaining license for job seekers in the region.

## ***Recommendation 8 – Promote a ‘recruit local’ campaign (Findings 1, 3,5, 6 8 and 8)***

In addition to increasing the competitiveness of local job seekers within the supply of applicants, consideration should be given to incentives for employers to recruit locally. This could take the form of a ‘Recruit Local’ campaign. Suggested areas of focus in such a campaign could include:

- Promotion and advertising of local businesses who engage in a ‘recruit local’ campaign;
- Use of a Local Employment Broker to connect local people with local employers;
- A community led work experience programme where businesses are supported to provide real work experience to local people. This could be supported by existing Government programmes, or new funding could be considered to offset the costs to business in these areas.
- Incentive payments to employers where they recruit and retain a local person in work. This could be weighted to encourage employment of those who are longer term unemployed.

# Conclusion

Government and the community in Logan have dual objectives of ensuring that employers demand side needs are being addressed, while ensuring that local residents are supported into employment. The *Logan: City of Choice* focus on these issues recognises the fact that efforts are required on both sides of this equation to achieve strong results for the local economy and community.

Feedback from desktop and market research have assisted in providing additional detail to the Logan Jobs Ecosystem. This detail offers insights into where the market is addressing these dual requirements, as well as where the Ecosystem can be strengthened.

For employers - localised strategies focus on creating incentives, and creating relationships appear to be most required to motivate them to look at changing their recruitment practices to favour local candidates.

For potential employees – ensuring that the supports in the Ecosystem are focussed on preparing them to meet the requirements of employers is critical.

So too is equipping local job seekers to navigate the various points of connection with employers.

Observations and recommendations offered as part of this research provide strategies that work to address these issues.

As a region tipped for strong employment growth in the coming years, the opportunity to influence this local Ecosystem is now. Now, with a deeper understanding of how connections are being made, the *Logan: City of Choice* Leadership Team are well placed to continue this work.

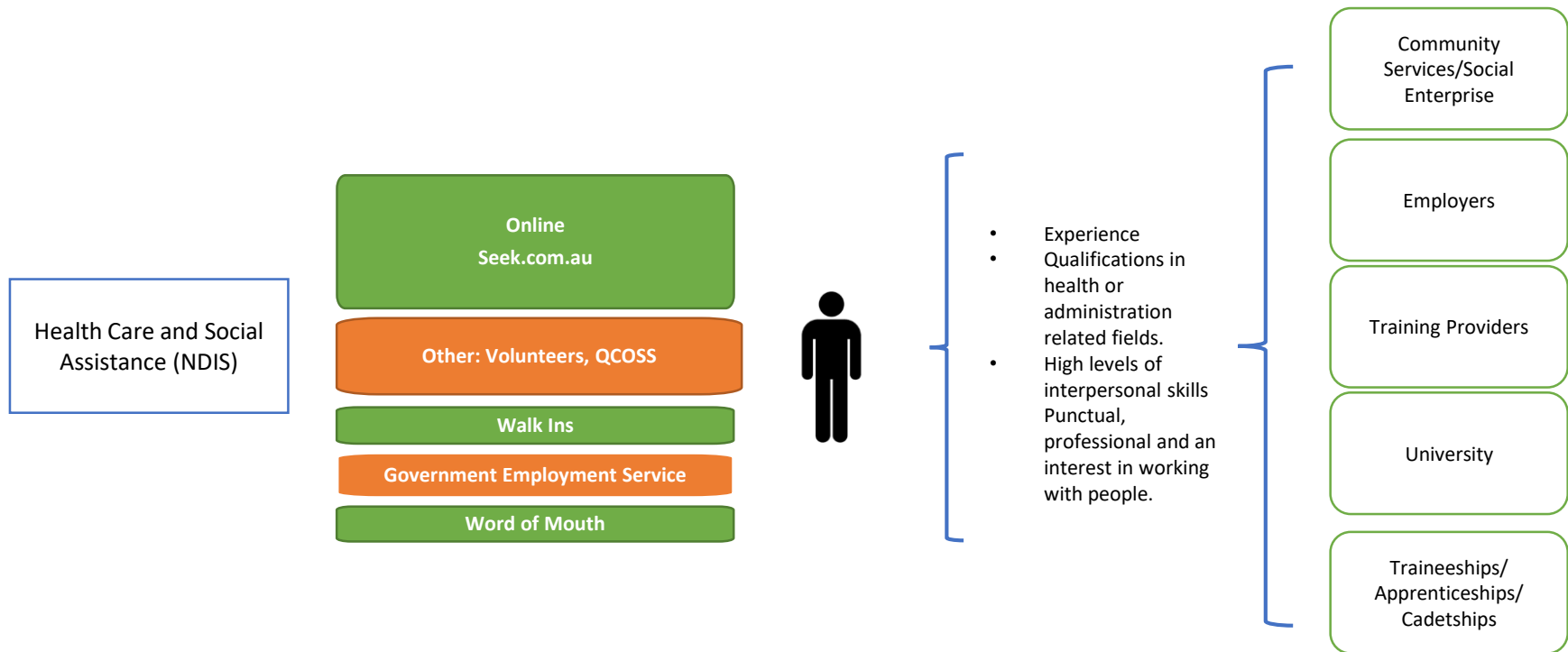
# Attachments

## Industry Pathways

*City of  
Choice*

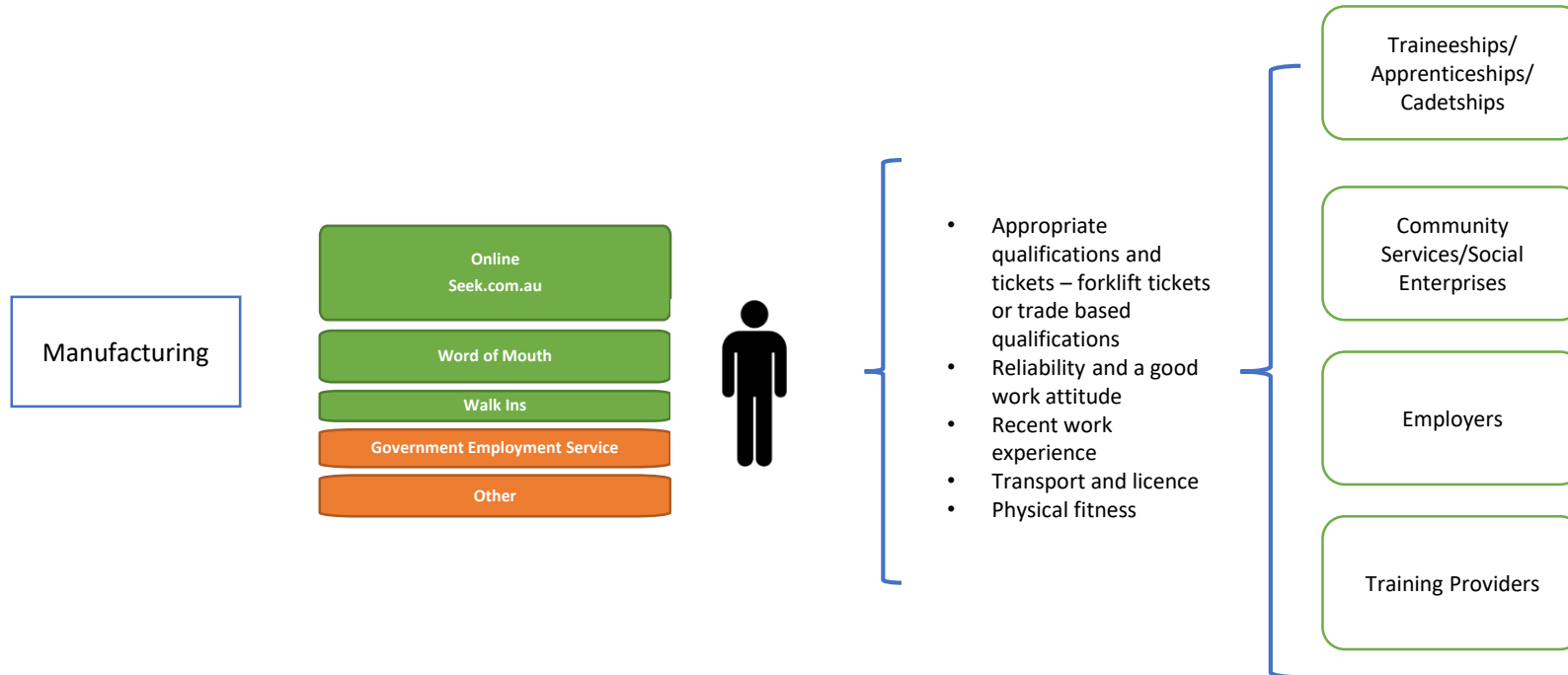


# Industry Pathway - Health and Social Assistance

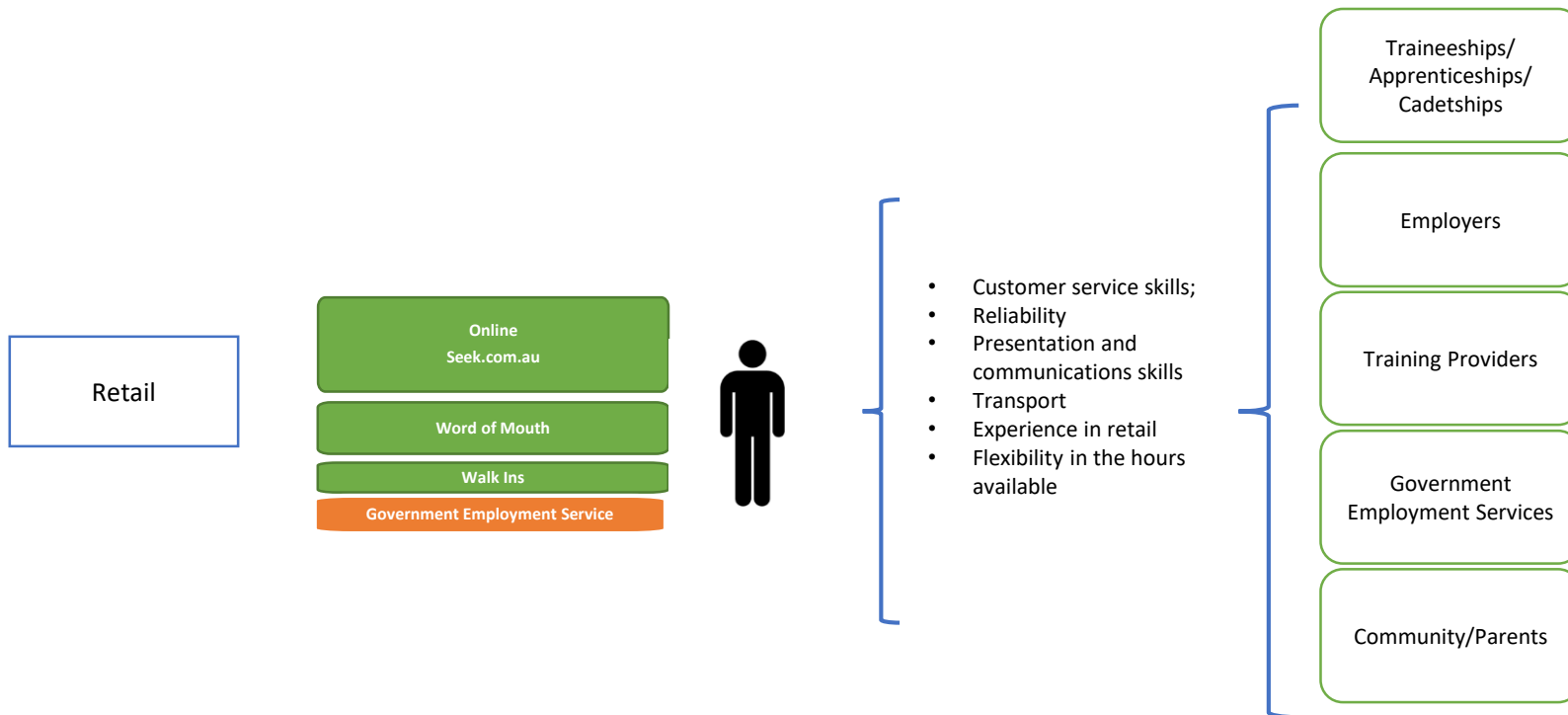




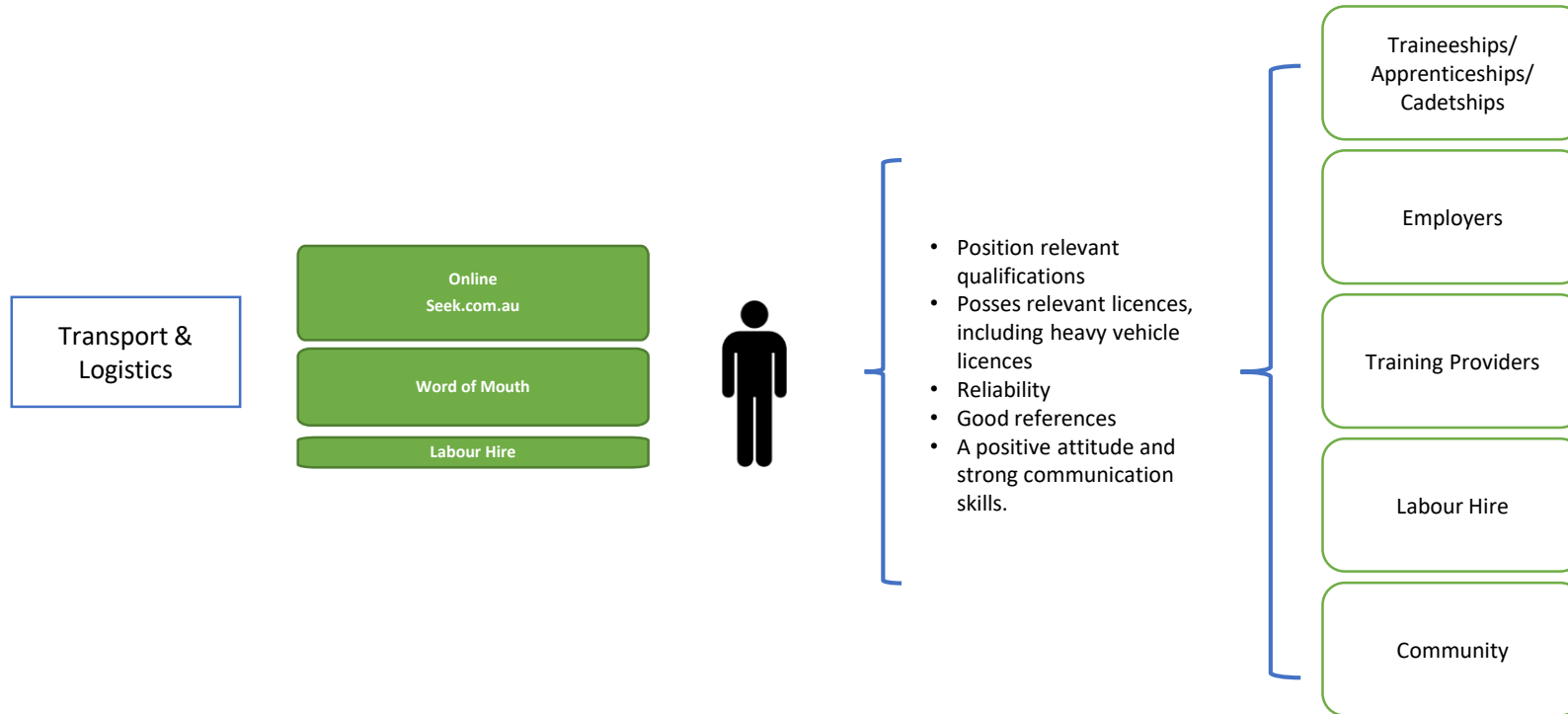
# Industry Pathway - Manufacturing



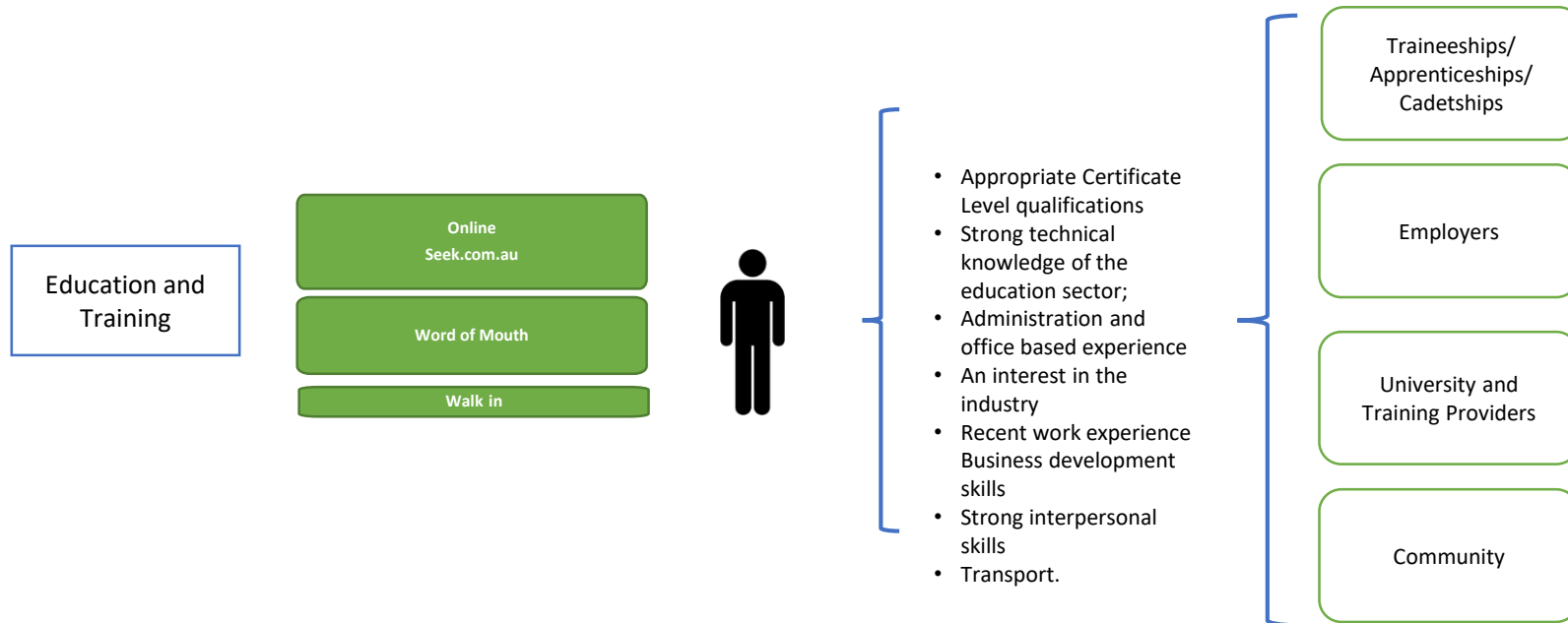
# Industry Pathway - Retail



# Industry Pathway - Transport and Logistics



# Industry Pathway - Education and Training



# Industry Pathway - Construction

