Assisting People Marginal to the Labour Market to Gain and Maintain Employment: A Spotlight on South Australia.

NILS Working Paper Series

Megan Moskos

National Institute of Labour Studies
Flinders University, Adelaide, Australia
Assisting People Marginal to the Labour Market to Gain and Maintain Employment: A Spotlight on South Australia.

Ms Megan Moskos
National Institute of Labour Studies
Faculty of Social and Behavioural Sciences
Flinders University
GPO Box 2100
Adelaide, SA 5001

Ph: (08) 8201 2483
Fax: (08) 8276 9060
Email: megan.moskos@flinders.edu.au
Assisting People Marginal to the Labour Market to Gain and Maintain Employment: A Spotlight on South Australia.

Abstract

Until relatively recently Australia experienced unprecedented levels of economic growth. The number of jobs available was at an all time high and unemployment at a 30 year historical low. It is an unfortunate reality however, that some groups of people did not have the chance to share in this economic prosperity. This article draws from research conducted in South Australia that aimed to understand more fully the reasons why, in the economic boom period, aspirations for employment were not being met. It details the main findings arising from in-depth interviews conducted with 106 people who were currently not participating or under-participating in paid employment. The article concludes by discussing the implications of these findings for the development of strategies to help such groups to gain employment and remain in employment.

Keywords: Social Inclusion, Qualitative, Evidence-based Practice
The Importance of Increasing Workforce Participation

Lower fertility rates, the ageing of the ‘baby boomer’ generation, improvements in health-care and increased life expectancy are leading to population ageing. That is, the proportion of the Australian population being accounted for by older age groups is increasing relative to the younger age groups. Currently, 1 in 7 South Australians is aged 65 years or over. By 2021, the ratio will be about 1 in 5 and, by 2051, 1 in 3 South Australians are expected to be aged 65 years and over (Government of South Australia 2006)\(^1\).

This shifting age profile of the Australian population will have profound economic and fiscal impacts that pose significant policy challenges.

This is because a major feature of labour market participation is that different age groups have different likelihoods of participating, with low participation rates of the young (primarily reflecting their involvement in education) and for older Australians (reflecting retirement preferences and disability). With the increase in the proportion of people in older age cohorts, population ageing will significantly reduce aggregate participation rates.

The Productivity Commission (PC) (2005) has projected that labour force participation rates in South Australia will fall by 9 percentage points in the next 40 years because of population ageing, from around 61.6 percent in 2003-04 to around 52.6 percent by 2044-45. Moreover, compared to its mainland cousins, South

---

\(^1\) South Australia population ageing, future labour shortages and recent labour market trends and projections do not differ substantially from those evident at the aggregate Australian level. South Australian data are used in this research to complement the location in which interview data were obtained.
Australia is expected to experience the most significant decline in labour force participation rates.

The shifting demographic profile of the South Australian population will also result in a decline in labour force growth, as the supply of young entrants into the workforce will not match the loss of older workers exiting from the workforce because of retirement or ill health. As the growth rate of labour supply declines, South Australia’s rate of economic growth is also expected to fall. One key implication of slowed economic growth is the reduction in the future ability of both State and Federal Governments to generate revenue to finance social security, health and education. Ultimately, this has negative implications for standards of living currently enjoyed by South Australians.

Compounding the fiscal impacts of the ageing of the population is the projection that of all states and territories, South Australia will have the greatest share of the oldest old (those aged 85 years or more) among their aged (PC 2005). Given that health and care costs are the highest amongst this age cohort, this demographic shift represents a further challenge to the South Australian Government’s capacity to pay for the costs of ageing.

The declining rate of growth of labour supply also gives rise to increasing concerns that the ageing of the population will result in future labour shortages, with employers experiencing difficulties in filling vacancies with workers who have the appropriate skills.

Modeling undertaken by the South Australian Department of Further Education, Employment, Science and Technology (DFEEST), to explore a Workforce Development Strategy for South Australia, indicates that labour shortages could
emerge as early as 2016-17 as a result of the ageing of the population and the decline in the number of South Australians of workforce age (Figure 1).

**Figure 1: Projected Demand for and Supply of Labour in South Australia**


The consequences of the significant shifts in the age profiles of all jurisdictions’ populations for both the future supply of labour and economic growth have led both state and federal governments to pursue avenues of increasing workforce participation and productivity. Indeed, the Council of Australian Governments (COAG), announcing a new National Reform Agenda aimed at boosting both workforce participation and productivity, stated that

...with an ageing population there will be relatively fewer Australians of workforce age. To avoid putting too great a burden on those already in work,
more Australians need to realize their potential by entering or rejoining the workforce (COAG 2006, p. 1).

Ensuring future economic growth and productivity, however, is not the only reason why increasing workforce participation matters. Increasing the participation in the workforce of those not currently sharing in the strong economic growth being experienced in both Australia and South Australia will serve social inclusion and equity goals, reversing many of the adverse personal and social consequences resulting from non-participation and unemployment. It will also reduce the current fiscal pressures associated with providing welfare support to those whose potential is not currently being utilised in the labour market.

The South Australian Labour Market

South Australia has recorded relatively strong labour market conditions in recent years. In January 2010 total employment in South Australia reached a record high of 814,900 in seasonally adjusted terms, before declining slightly over the following three months (ABS 2010a). These strong labour market conditions have translated into increased participation in the workforce of the South Australian population. For example, between August 1999 and August 2010, South Australia’s labour force participation rate increased from 60 per cent to 64 per cent (ABS 2010a).

Despite these indicators of a strong labour market, there is ample evidence that there continues to be a substantial proportion of the South Australian population who want work or want more work than their current employment offers. This provides evidence of the opportunity to increase workforce participation. In 2008 there were approximately 255,400 South Australians aged 15 years and over who were potentially available to take up new job opportunities or more hours of work. Of this number, 40,900 were unemployed, 111,100 were under-employed and 103,400 were
not in the labour force but wanting to work (DFEEST 2008). The ABS also produces estimates of total labour force underutilization. These indicate that in 2009, 13.5 per cent of South Australia’s available labour resources were not currently being utilised. Indeed, South Australia recorded the second highest rate of labour underutilization of Australia’s States and Territories, second only to Victoria (ABS 2010b).

Available ABS labour force survey data, however, are unable to tell us the main barriers that the above population group (i.e. the unemployed, the underemployed and persons marginally attached to the labour force) face in securing employment. It is possible to make some inferences about the types of barriers faced by this population group from the national aggregate data which the ABS collects about unemployed Australians. These data suggest that skills and experience are crucial barriers to employment, with 19 percent of people who are available and looking for a job or for work with more hours reporting that the main barriers which they faced in securing employment were lack of the necessary skills, experience and/or training (ABS 2009).

**Barriers to Workforce Participation: Existing Literature**

The ABS is not the only source of information about the factors that may be impacting on a person’s likelihood of securing employment. There is a substantial body of both national and international literature that has sought to investigate the reasons why certain population groups are under-represented in the labour market.

Commonly identified barriers to workforce participation include:

- Limited education and/or skill levels (Lamb et al. 2000; Marks and McMillan 2003; Lamb and McKenzie 2001).
• Having caring responsibilities and associated limits to access to and the affordability of market based care (NATSEM 2006, House of Representatives 2006).

• Living in areas (usually remote or regional) which lack developed labour markets and have limited availability of services (Vinson 2007).


• Employers’ perceptions (The Allen Consulting Group 2005).

• Homelessness (Ziguras and Kleidon 2005)

• Gender segregation (England 2005, Blau et al. 2006).

• Policy disincentives to workforce participation (COAG 2006)

This literature highlights the fact that decisions about whether to participate in the workforce can reflect the particular circumstances of people; the opportunities open to them and the incentives they face. It also highlights the fact that workforce participation decisions are dependent on many background economic and social forces outside those of the family or the household. These include the structure of the contemporary labour market and the corresponding job opportunities available to particular workers, as well as the availability and affordability of public and private infrastructure such as transport, education and training, health-care and community services.

The existing literature overwhelmingly focuses on providing an understanding of the barriers to workforce participation of specific population groups. These groups include: women, indigenous Australians, mature aged people, youth, CALD persons,
long term unemployed, disabled individuals or particular income support recipient
groups such as those on Newstart, DSP or PP.

Existing studies are also dominated by quantitative analysis of the impact of certain
population characteristics on labour market participation or the link between the
state of the labour market and the uptake of a certain income support payment.

Not one study reviewed attempts to transcend specific population groups to
understand the range of barriers to workforce participation so that commonalities
can be identified and possible government interventions conceptualised. Taking a
holistic approach to investigating the reasons for non-participation can provide a
unique insight into the common barriers to workforce participation for those who are
not working or cannot secure as much work as they would like. It can also suggest
the most appropriate government interventions for addressing these barriers, which
may also transcend population groups.

**Method**

The central aim of the research was to explore more fully the reasons why people’s
aspirations for employment are not being met. The adoption of a qualitative
approach was crucial in order to access individuals’ experiences in their attempts to
secure paid employment.

In total, 106 semi-structured interviews were conducted with people who were
unemployed, underemployed or not in the labour force (because they had given up
looking for work). Respondents were recruited from a range of organisations across
both metropolitan and rural South Australia. These organisations provided
programs to assist people to enter employment. Such programs ranged from literacy
and numeracy tutoring to major training and employment placement courses.
Variation in respondents was sought on key characteristics that are evidenced in both existing research and ABS data as impacting on a person’s likelihood of securing employment (age, physical and mental health, English language proficiency, educational attainment, presence of children, etc.). Selective sampling was used to ensure that a proportion of persons who are commonly considered to be disadvantaged in the labour market were included in the interview sample (i.e. single parents, Indigenous, disabled, mature age and CALD persons).

Most interviews lasted half an hour and were conducted by using a common set of questions. These questions explored experiences of looking for work, the activities that people did as substitutes for work (or while they were looking for work) and what they thought they might be doing in the future. Additional avenues of inquiry related to participants’ perceptions of what would best help them in their attempts to secure employment and, conversely, what participants perceived as being unhelpful in their attempts to secure jobs.

These questions were used as baseline questioning only. Detailed probing to further pursue all avenues of inquiry formed a major aspect of all interviews.

The analysis of qualitative material generally involved assigning categories to units of text (Ryan and Bernard 2000). In the case of this study, qualitative responses were organized into categories around four central themes covered in each interview and as voiced by respondents. Each interview was tape-recorded (with the consent of the participant) and then transcribed. Interview transcripts were read and reread by the researcher to identify evolving patterns and themes. Sets of initial categories were developed from the emerging patterns ‘induced’ from the data. These categories were continually developed and refined throughout the coding process. Each
category was carefully examined and re-examined. Criteria covering responses that should be included and excluded from the category, as well as exemplars and closely related non-exemplars, were developed and noted. This process was repeated until no new codes were discovered. In order to gain further insight into respondents’ attitudes towards workforce participation, the data were quantified and further analysed through cross tabulations.

**Findings**

The analysis of the interview summaries yielded data around 4 main themes:

1. Barriers to workforce participation
2. Barriers to training and further education
3. Perceptions of what would best help in attempts to secure employment
4. Perceptions of what does not work in attempts to secure paid work.

These themes were continually developed and refined throughout the coding process and sub-categories of each were formed to allow for further detail to be incorporated.

In addition to these 4 main themes and related sub themes, the interview data also revealed evidence of distinct transitions which respondents experienced across the life course that resulted in them not working. Understanding how not working is negotiated across the life course is integral to the development of effective policies to enhance employment. Therefore the paper will conclude with a brief analysis of the dominant transitions into unemployment, as well as the consequential transitions resulting from unemployment, that were evident in the interview narratives.
We begin by providing a detailed analysis of respondents’ experiences of attempting to secure work and their perceptions about why their aspirations for employment had not been met.

Barriers to Workforce Participation

Figure 2 documents the barriers to employment that respondents identified and the frequency with which these barriers were reported. In total, respondents identified 25 barriers as negatively impacting on their ability to secure employment. These included factors such as the education and skill level of a person, the age of a person, having caring responsibilities, having a disability and or poor health, but also things like work experience and work history.

The identification of these types of barriers is in no way groundbreaking. They are commonly identified in existing research as impacting on a person’s likelihood of successfully securing a job.

It is important to emphasise, however, that while the barriers voiced by respondents are presented here in categorical form, their functioning is actually multidimensional, with each operating in numerous ways in restricting successful job acquisitions.

Take the example of education and skill.

---

2 Figures in the table represent the proportion of respondents who mentioned a particular barrier to employment amongst those that mentioned at least one barrier. The figures do not add up to 100 per cent because many respondents mentioned, and therefore were assigned to, more than one category.
Figure 2: Barriers to Employment

Some people who identified education and skill as a barrier suggested that the difficulties which they had with reading and writing not only prevented them from securing work, but more fundamentally restricted their job search efforts as they could not read the advertisements or confidently reply to job vacancies in writing.

There is a big problem going for interviews when you can’t read the literature that comes out to you. (Interview 33)

Others identified lacking formal certification of the skills that they had acquired from past work experiences as preventing them from obtaining jobs in the areas where they had previously worked.

One thing that got me is that when you go for a job, is that they want paperwork to show you can do something, but I haven’t got any paperwork... all of my job training was learned on the job. (Interview 98)
On the flip side to this, some people experienced being overqualified for the jobs that were on offer.

I've had over 50 applications and only 5 interviews... The first few I did get feedback, they thought I was overqualified for the position... It's stressful. I've been working for a long time so it's something I'm not used to. I know I can do housework and gardening but that's not what I want to do...there is one girl who said she is not able to tell people she has a doctor’s degree because they will get scared and not hire her. She has taken them off of her C.V...I did the same, I took off my master degree. (Interview 62)

The research highlights the multiple ways in which each of these individual factors operates to impede employment. This is something that is often overlooked in more quantitative studies.

We also found that individual barriers were not independent from one another but actually reflected and interacted with each other in ways that compounded their negative impact on chances for employment. Consider the story of one interview participant:

My sister was diagnosed with terminal cancer she was going to die. They gave her three months so we wanted to go down to Adelaide and care for her during the last months. I wanted time off work. They were not going to give three months off so I gave up my job. It is probably the biggest mistake I made to watch my sister die. By the time it was all finished I didn’t want to do anything. I sort of lost my way. I turned pretty heavily into marijuana to get away from it all. I was offered jobs at hotels but I didn’t want to work. I was into the drugs scene I only smoked marijuana and didn’t take any other shit but I sold it as well and I was good at that. I got a very good income but the police caught up with me and I got 8 months. Employers won’t look at me now. (Interview 73)
It is clear in the respondent’s narrative above that caring responsibilities triggered substance abuse and involvement in criminal activity which further acted to restrict his ability to gain work.

**Barriers to training and further education**

Respondents’ comments about lack of education and skills and the related discussion yielded additional information about the barriers which they experienced, both in the past and at present, in obtaining the necessary qualifications.

Figure 3 shows the barriers to participation in further education and training identified by the respondents and the frequency at which these barriers were reported. Three main barriers were identified as impeding participation in further education and training: cost associated with undertaking the training, the lack of support from family and friends, the location at which desired training was being offered and learning difficulties.

Overwhelmingly it was the cost associated with further education and training that restricted people from undertaking them. This barrier made up 71 percent of responses.

The one barrier is that I haven’t got the certificate. That costs over $2000 to get it and at the moment it’s impossible for me to get that organised. Then my scope would widen because I could say I had it... well I got knocked back on one job already because of not having them (qualifications). (Interview 8)

I would like to go further with childcare. I’ve done 3 modules in Cert 3, but I can’t afford to keep doing it. The money situation makes it hard. I need the qualifications and I would go further but need help financially to get there. (Interview 28)

---

3 See footnote 2.
Perceptions of what would best help in attempts to secure employment

Any intervention aimed at reducing these barriers to employment needs to also take into account this group’s perceptions of what would help, or what has helped, in getting a job.

Figure 4 shows the types of things respondents identified as helping to secure employment and the frequency at which these were reported. ⁴ Further training and or skill development were most frequently perceived and experienced as being helpful in ensuring successful job acquisition.

⁴ See footnote 2.
For many people, it was simply the provision of more training that would help them get work.

We need more skills training. Get the job network mob out of here, it’s not working. Put more money into training and skills. People need those skills to get the jobs. Put more money into skills training and a lot more jobs will be created to train the people, then those skilled workers then have a better chance to get a job. The way it’s going, the private schools are getting all the money and the public schools and TAFEs are getting hardly anything. (Interview 59)

Others thought that getting help with the cost associated with undertaking training was the most useful thing.

They need to have in place that they will send you out and pay for the training. Couldn‘t afford the upfront fees…. Way the govt is going… I don’t think it’s going to improve. Got to do something to get people off the dole. Not just take away benefits. Help pay for training – at least pay for half. (Interview 30)
For the majority however, it was the nature of the training that was identified as relevant to future employment prospects. Effective training went beyond formal skill acquisition and incorporated self-development modules that allowed individuals to overcome personal problems additional to the issue of unemployment.

Training programs that were directly linked to employment opportunities were also identified as being very useful. Participants thought this was beneficial not only because they had the prospect of a job at the end of it, but because they understood why they were undertaking the training – they were not just training for the sake of training.

You get more out of this course because it’s more than just training people to get work, it’s more of a personal building program as well, building their confidence as well. A lot of the times like, you know, with like things like drugs and alcohol and, like, not having worked since school and, like, whether it be CDEP or on the dole or anything like that or just you know people with welfare payments um that’s where this IMAD and the Goal 100 ah works so well together because it’s not just giving people skills to find work it’s also rebuilding confidence and um esteem things, um issues rather that um people lose when they’re unemployed for so long. (Interview 95)

Volunteering was also perceived and experienced as being particularly useful as both an avenue into employment and a way of acquiring relevant work experience in areas where employment was sought.

Volunteer work will give me some opportunities. At least now I have current references, which has been a problem. (Interview 34)

Mentioned just as frequently as volunteering was the significance of having supportive and caring support workers. Such workers were important not only in
assisting in job search, but also in assisting with other aspects of their life where there were problems, such as finding transport.

Everybody needs someone that they can speak to and get direction; being out of the workforce makes you lose confidence so speaking to someone first helps pick you up. (Interview 37)

Having strong social networks that allowed communication about job opportunities was also identified as being important to successful job acquisition.

I have always got jobs through friends of mine they have been the most useful. (Interview 16)

Finally, 13 percent of respondents thought that the most useful thing for them to be able to get a job successfully was for someone just to give them a go.

You just have to be willing test yourself and have an employer willing to give you a go. Sometimes just being given a chance is all you need to clean up your act and get motivated to work. (Interview 77)

Perceptions of what does not work in attempts to secure paid work

The people in this study articulated very clearly that certain things have not been useful in their attempts to get a job. Figure 5 shows the types of things that respondents identified as not being helpful and the frequency which they were reported.  

Some of the things that respondents thought not to be useful were the reverse of those things that they identified as being useful. For example, having insensitive support workers who treated them ‘like they choose to be unemployed’ (one person’s words) was unhelpful to their attempts to secure work. Also, while social networks can facilitate employment (Grannovetta 1973), they can also be detrimental

5 See footnote 2.
to the employment prospects of people, particularly if networks are formed via association with non-employment.

Also, I reckon, least of all help is if your friends, like around ya, um if they don’t have a job and they’re, like, on Centrelink benefits and everything you think why do I need to get a job. (Interview 69)

More commonly however, it was the interaction with Job Network that was experienced as unhelpful to securing. Job Network was seen by 64 per cent of respondents as not being useful in attempts to secure employment. Respondents expressed different views about why Job Network providers had not been helpful. At the most basic level, many respondents simply reported that their Job Network provider had never been successful in gaining them employment or identifying potential employment opportunities.

Job network agencies – you sign up with them and they make you do all the work. Never had an agency actually ring me up and say they had a job. Every job I’ve got through an agency, I’ve actually looked them up and done it myself. Never had them approach me. (Interview 29)

At a more fundamental level, the inadequacies which participants experienced with Job Network related to the provider’s refusal to consider the employment preferences of job seekers. This resulted in their being provided with employment opportunities that were either outside their skill bases or incompatible with other aspects of their lives such as health limitations or caring responsibilities.

Instead of taking peoples choices into consideration most places just put people into any job. It’s a waste of everybody’s time if it’s not something you want to do, or if the conditions don’t match health needs, you need something to give you satisfaction in your job. (Interview 37)
It is important to emphasise that not having their employment preferences considered was experienced very negatively by respondents and contributed to feelings of inadequacy and depression – which themselves then posed additional barriers to employment.

You are pushed through the job agencies, pushed into things you don’t like and don’t want to do and then you start to feel depressed. You get depressed because they just push you into something you don’t want to do. (Interview 75)

**Transitions**

In addition to the four main themes discussed above, the interview data also revealed additional information about transitions into and resulting from unemployment or not working. Understanding how not working is negotiated across the life course is integral to the development of effective policies that will enhance employment.
The most common transition into unemployment experienced by respondents was in the period of leaving study. Twenty-eight percent of respondents indicated that their experience of their current unemployment followed their completion or at least involvement in study.

More interesting however are the transitions experienced as a result of unemployment. Over half of respondents indicated that they moved from unemployment into unpaid volunteer work. The prevalence of volunteering is not inconsequential. As suggested above, many believed, and indeed experienced, that volunteering increased their future employment prospects.

**Implications for Future Program Development**

The accounts of interview participants about their past and current experiences of securing work have offered us an extraordinary insight into the obstacles which they face. The stories have provided us with a unique understanding of the experiences of a population group that are not generally heard. It is only by taking into account the experiences and perceptions of those at the margins of the contemporary labour market that truly effective programs and policies to improve employment outcomes of this population group can be developed.

So what do these findings tell us about supporting individual who are marginal to the labour market to secure and maintain employment in the contemporary labour market?

First, the significance of education and skill as both a barrier and an aid to employment means that any effective initiative aimed to increase workforce participation needs to include the (affordable) opportunity for further training and or
skill development. Such training and skill development should also be directly tied to either opportunities for work experience or to formal employment.

This means that an important step in the development of effective strategies is building collaborations between employers, labour market programs and training providers so that opportunities for employment for marginal groups can be fostered.

The current tight labour market provides a unique opportunity to pilot such a program. Within reason, any initiatives should take into account the employment hopes and preferences of job seekers to ensure that employment in lasting.

The presence of multiple barriers, however, suggests that providing jobs and or training will not on its own be enough to improve the labour market outcomes of this population group. Policy responses that go well beyond the conventional welfare-to-work model based on rapid labour market re-attachment and minimum cost intervention are required. They necessitate an understanding of the range of factors influencing current outcomes, as well as the options available for addressing them.

Thus, any strategy aimed at improving labour market outcomes should incorporate a case management approach to ensure that the personal issues, commonly experienced as being additional to unemployment, are recognised. Ideally such case management should also continue after job acquisition to ensure that people are able to deal with problems that may arise or continue once they are in jobs. Programs must be appropriately funded to allow services to invest time in people.

Finally, the engagement of many respondents in voluntary work leads us to also recommend that channels be developed that link work undertaken on a voluntary basis with formal ongoing paid work opportunities. Importantly, volunteering must provide useful training to participants and build job experience relevant to
mainstream employment opportunities if it is to succeed in this transitional labour market role.

Interestingly, these same principles for improving the effectiveness of strategies to increase workforce participation have more recently been found to be integral components of successful employment programs in South Australia (O'Neil and Kosturjak 2008). At a federal level, these same principles are found to be at the core of the new employment services system to be rolled out in Australia (DEEWR 2008).
Acknowledgments:

The research reported here was a component part of a larger program of research that was a joint initiative of the National Institute of Labour Studies and members of the Workforce Development Directorate at DFEEST. Funding for this larger program of research was provided through the Australian Government Department of Education, Science and Training in conjunction with DFEEST.

The author thanks the participants in this research. The stories which they shared provided a unique insight into the experiences of a population group that does not generally have a role in policy formulation. The accounts narrated about past and current experiences offer an extraordinary insight and understanding of contemporary labour market exclusion. Secondly, the author extends her gratitude to the organisations that facilitated the recruitment of participants for this research and members of the DFEEST team that provided generous assistance with the organisation of interviews. Finally, the author thanks Professor Sue Richardson and Emeritus Professor Keith Hancock for comments made on early drafts of this paper.
References:

ABS (2010a) cat. no. 6202.0, Labour Force, Table 07 Labour Force Status by Sex - South Australia.

ABS (2010b) cat. no. 6105.0, Australian Labour Market Statistics, Table 1. Measures of Underutilised Labour: Rates by States and Territories, April.


