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Flexibility, Routinisation and a Decade of Private Employment Services in Australia

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Activating States



Devolution and Competition in the Social Services Sector

1998 Survey sample:

	Government	For-profit agency	Not-for-profit agency	Agency type unknown	Total
1998	271	118	196	38	625

Devolution and Competition in the Social Services Sector Cont.

'[the] world of large, hierarchically defined public organisations which provide their citizens with a set menu of standard, universal services, delivered by a career workforce, is nearing the end of its time of social and political dominance' (Considine, 1999:183-184).

- The de-coupling of programmes from traditional forms of bureaucratic hierarchy
- The decentralisation of key resource allocations;
- Contracting out of major programme activities
- Competition between programme providers;
- Use of client-centred techniques of co-ordination, and
- Enrolment of clients and their support network into co-produced services.

Devolution and Competition in the Social Services Sector Cont.

But:

How would the government maintain some level of control over the delivery of core social services, while harnessing the innovative potential of the private sector?

2008 Survey sample:

	For-profit agency	Not-for-profit agency	Agency type unknown	Total
2008	392	1,056	64	1,512

Changes to the Australian Employment Sector 1998 – 2008

- 1991 Keating comes to power
- 1994 Keating releases White Paper in favour of employment services privatisation
- 1994 Australia's employment system is partially privatised
- 1996 Howard comes to power
- 1997 Centrelink formed
- 1998 Job Network commences
- 2003 Australia's employment system is fully privatised

Changes to the Australian Employment Sector 1998 – 2008 cont.

‘The emphasis will move away from processing large numbers of jobseekers through relatively rigid national programs. The key elements of the new strategy are an accurate assessment of the needs of jobseekers and an intensive plan to assist disadvantaged people’ & ‘[h]ealthy competition will lead to service improvement’ (Keating, 1994:127).

‘Job Network is delivering more diversity, innovation and choice at almost seven-times the number of locations of its predecessor, the Commonwealth Employment Service [CES]’ (Commonwealth of Australia, 2002:4).

Key research question

Has the Australian employment system become more decentralised, flexible, client-focused and co-produced as it has been progressively privatised?

Entrepreneurialism in the workplace

<i>When it comes to day-to-day work I am free to decide for myself what I will do with each jobseeker</i>	Strongly agree	agree	Neither	Disagree	Strongly disagree
1998	164 (27.1%)	348 (57.5%)	50 (8.3%)	40 (6.6%)	3 (0.5%)
2008	165 (18.4%)	396 (44.1%)	133 (14.8%)	165 (18.4%)	38 (4.2%)
Chi-square = 93.613; p<0.001					
<i>My supervisor knows a lot about the work I do day-to-day</i>					
1998	67 (11.0%)	276(45.2%)	69 (11.3%)	140 (23.0%)	58 (9.5%)
2008	296 (33.3%)	430 (48.4%)	69 (7.8%)	60 (6.8%)	33 (3.7%)
Chi-square = 1.712E2; p<0.001					

Entrepreneurialism in the workplace Cont

<i>When I come across something not covered by the procedural guide, I refer it to my supervisor</i>	Strongly agree	agree	Neither	Disagree	Strongly disagree
1998	69 (11.3%)	275 (45.2%)	89 (14.6%)	127 (20.9%)	48 (7.9%)
2008	306 (34.5%)	502 (56.6%)	47 (5.3%)	28 (3.2%)	4 (0.5%)
Chi-square = 2.875E2; p<0.001					
<i>Our computer system tells me what steps to take with jobseekers and when to take them</i>					
1998	9 (1.5%)	95 (15.9%)	123 (20.6%)	261 (43.7%)	109 (18.3%)
2008	45 (5.1%)	375 (42.3%)	211 (23.8%)	204 (23.0%)	52 (5.9%)
Chi-square = 1.918E2; p<0.001					

Voices from within the Employment Sector

‘we had far more flexibility [at the start of Job Network]’

‘they’d [case managers] be accountable for that spend and they’re very cautious because they’ve got to be accountable.... So that creativity probably isn’t there today that was there six or seven years ago’

‘the pressure they’re [case managers] under today is probably five to ten times greater than what we were under back then [at the start of Job Network]. That could be a sign of the times, I couldn’t tell you the exact reasons, but part of that is that the complexity that the government has built into this contract now and the fear our frontline staff have of getting it wrong’

‘staff tend to now, rather than being creative, they’re safe. So we know that solution was okay and approved by the Department [of Education, Employment and Workplace Relations] but whether that’s the right solution, that’s the one we’ll use because it’s safe. That’s a really bad way to approach it because you’re never going to get that uniqueness and the creativity in the industry’

Voices from within the Employment Sector Cont

'the government just wasn't as... as structured I suppose, I don't know if that's the word. But the parameters they put on us were a lot more flexible then [at the start of Job Network], than what they are now'

'I think people are very concerned now of doing something wrong and being pulled up from that point of view, I think the rules in that sense have become much more stringent'

'the processes now in place have taken away maybe the ability to just deal with people a little bit... I think now there are so many, there is only so much leeway you've got now, there are so many rules involved that you really, it's become a much more administrative task I think now, almost like a process rather than an individual'

Using your own Judgement

	1989	2008
Yes I use a standard client classification or checklist when deciding how to work with jobseekers	170 (29.5%)	746 (79.8%)
No I do not use a standard client classification or checklist when deciding how to work with jobseekers	407 (70.5%)	189 (20.2%)
Chi-square = 3.784E2; p<0.001		
My own judgement is <i>not influential at all</i>	8 (1.4%)	21 (1.8%)
My own judgement is <i>somewhat influential</i>	45 (7.9%)	290 (25.1%)
My own judgement is <i>quite influential</i>	204 (35.7%)	541 (46.8%)
My own judgement is <i>very influential</i>	315 (55.1%)	304 (26.3%)
Chi-square = 1.584E2; p<0.001		

Standardisation across the Sector

Special responsibility for a particular group	X
Caseload size	
Number of clients seen per day	X
Use of assessment results in determining how to work with jobseekers	
The influence of special funds	
Emphasis on getting a quick outcome	
Time spent in direct contact with jobseekers	
Time spent working with other service providers	
Time spent working with employers	X
Time working on contract compliance and administration	X
Level of contact with other offices in the same organisation	
Level of contact with government departments	
Level of contact with local government	
Level of contact with welfare agencies	
Level of contact with employers	X
Level of contact with training providers	
Level of contact with another employment agency	
Level of contact with local service clubs	
Level of contact with schools and universities	
Level of contact with the local media	
Information sources: own organisation	
Information sources: government departments	X
Information sources: own experience	
Information sources: newspapers	
Information sources: employers	
Information sources: another organisation	
The best service goes to the most capable jobseekers	
Agency goal: to help jobseekers get a job quickly OR raise education levels	X
Use of standard program rules and regulations	
Leeway in deciding on programs for jobseekers	
Case management is about following the rules	
My job is routine	

Causes of Standardisation in the Australian Employment Sector

1. DEEWR required contracted providers to enter into more detailed contracts which had the dual effect of reducing flexibility and eroding diversity between agencies
2. It is also possible that employment agency managers chose to encourage standardisation among their frontline staff because it suited their own objectives

The Choice to Standardise

‘because DEEWR would say one thing and then six months later do another thing, or ask them to justify it, organisations became a little bit more scared and they put too much administration in place, so it wasn’t actually the contract asking for such administration, it was more the organisation. So there was paperwork, paperwork for everything that you needed to do’

‘I worked for three different organisations, and the administration from DEEWR’s perspective never changed. It changed from organisation to organisation, and really to be honest it is more about how compliance focused they are. So I saw an administration rise in my current organisation because the people that were running the policy section were more compliance focused, rather than performance focused. So I didn’t see a rise in administrative burdens from DEEWR’s perspective, I saw it from an organisational perspective’

The Choice to Standardise cont.

'I'd normally notice the change or the increase [in admin] when there had been an issue or a concern picked up or raised by DEEWR, that then there would be, from the organisation that you're working for, an increase in, structure in place to prevent the risk, the risk management of the things happening again'

'To some degree, yes, but I think as a safeguard, and coming from working for government organisations, I think it's necessary when it comes to auditing purposes and compliance and policies and procedures. So to some degree, yes, the company does expect to a certain degree of a double up when it comes to the admin but it's also been beneficial for us as a company to do that as well'

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