



# Accessing hidden talent to improve organisational outcomes

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## Summary

This Insights Briefing summarises findings from the initial phase of a three-year project funded by the Australian Research Council and industry partners - Asuria, Jobsbank, Jobs Victoria and Social Ventures Australia. It outlines the findings from seven Masterclasses conducted to understand employers' motivations for, and experiences in, hiring hidden talent groups (including First Nations, mature age and those with disabilities) and creating good work opportunities.

Findings revealed employers' strong motivations to tap into hidden talent and create good work to manage challenging labour market conditions and ensure diversity, equity and inclusion. Although employers' awareness of job quality and its significance varied, they identified a range of factors likely to drive the creation of good work (including economic and labour market conditions, and managerial capacity and capability), as well as a number of challenges (including financial constraints and cost-based business models). Importantly, they expressed a desire for more information and resources to help them create and sustain good work.

Overall, employers recognised the benefits of providing good work opportunities to hidden talent groups, including increased engagement and performance along with reduced turnover.

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## Introduction

This Insights Briefing summarises findings from the first phase of a three-year research project funded by an Australian Research Council Linkage grant (LP210301166) with industry partners Asuria, Jobbank, Jobs Victoria and Social Ventures Australia.

The project aims to identify the levers that will enable government and labour market intermediaries (such as employment service providers) to better support businesses to employ from hidden talent pools (e.g. long-term unemployed, people with disability, First Nations), and improve the quality of jobs available.

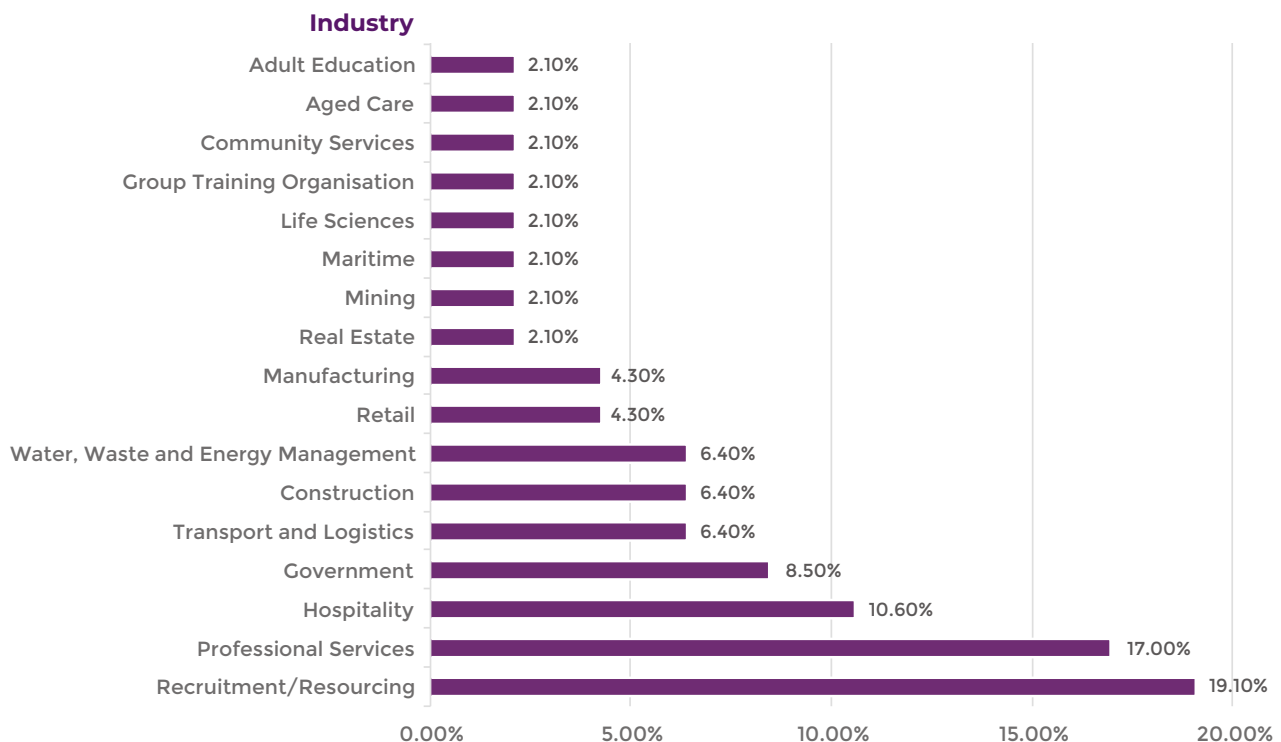
## Methods

Seven Masterclasses were held in February and March 2024, including five online and two face-to-face events (Melbourne and Sydney). The Masterclasses were advertised through project partners, their networks and on social media.

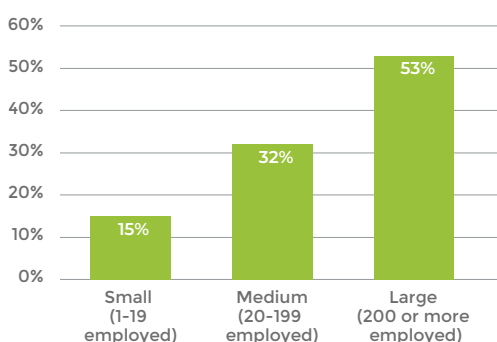
The target sample was businesses that were already employing hidden talent or involved in such employment as recruiters or training bodies. The Masterclasses were facilitated by Phil Preston using questions developed by the project team and adopting an appreciative inquiry approach focused on what was working rather than on barriers.

The project was conducted in line with the National Statement on Ethical Conduct in Human Research (2007) and all participants provided their informed consent. Summary data are presented in anonymised form.

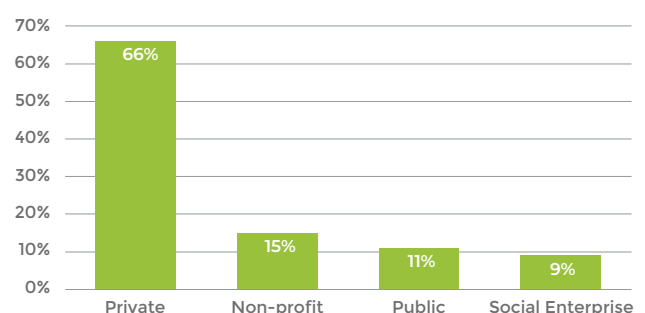
### Summary of participating businesses



### Size of business



### Sector



## Employers' Perspectives on Employing Hidden Talent

The challenges and barriers to employer engagement in employment services are well-documented. Research has revealed the important role of labour market intermediaries such as employment service providers that work with employers to broker job opportunities for jobseekers with significant and multiple barriers to work.

While there exist examples of employers that have successfully recruited and retained hidden talent, they remain scarce in number in published studies. Existing studies suggest a significant gap in understanding of the organisational approaches required to support the employment of these groups.

Our Masterclasses revealed a substantial number of businesses that have successfully recruited and retained groups they considered as hidden talent. The cohorts employed by businesses included (multiple response reflecting intersectionality): First Nations (26); Disability (22); Young People (22); Women (21); Mature age (20); Culturally and Linguistically Diverse Communities (18); Refugees (16); Long-term unemployed (14); Low socio-economic status (14); Ex-offenders (13); Veterans (10); Other (LGBTQIA+) (1). Half of the businesses had utilised employment service providers.

### *What were the principal drivers of employing hidden talent?*

Employers identified a range of drivers, the most prevalent of these being labour market conditions, specifically the shortage of skills and labour following COVID-19 and addressing the challenges of high turnover, with its associated costs. Diversity, equity and inclusion were a driver both in terms of formal strategies, as well as an appreciation that hidden talent meant diversity, with associated benefits for organisational success. Some employers went further and talked about a desire for cultural change in their organisation.

Most employers talked about wanting to reflect their community, customers or clients and their desire to create social benefits for individuals and communities by providing better opportunities. For a number of organisations future proofing was important in terms of creating a pipeline and the next generation of leaders, particularly in the context of their ageing workforce. Other drivers noted included government social procurement requirements around priority groups.

### *What organisational changes supported the recruitment and retention of hidden talent?*

Employers identified a number of changes to their organisations' policies, processes and approaches. These included:

- Better alignment between human resource (HR), diversity, equity and inclusion teams and other teams in the organisation rather than over-reliance on one champion
- Empowering HR to challenge hiring managers' biases and anonymisation of resumes
- Employee value propositions focused on inclusive employment e.g. tailored job advertisements, different recruitment channels
- Candidate selection based on transferable skills rather than qualifications or experience including from lived experience
- Increased flexibilities within the selection process; flexible working in terms of shift patterns, working from home or removal of location requirements; more flexible leave policies; workplace adjustments
- Adaptation of rules for particular circumstances, e.g. removal of police checks
- Structured onboarding and buddy systems

- Ensuring organisational readiness to receive candidates through cultural confidence training for the workforce and building leadership capability
- Partnering with intermediaries as experts on specific cohorts including employment service providers and social enterprises
- Simple changes that demonstrate inclusion, e.g. prayer room, creche, lifts

### ***What were the benefits to organisations of employing hidden talent?***

Employers identified a range of benefits of employing hidden talent. These included: increased retention and decreased turnover; increased employee engagement, productivity and loyalty; culture change; increased diversity within decision-making and team learning; building of internal labour market capacity and capability including enhancing skills for co-workers (e.g. through buddying).

A number of employers talked about the cumulative impact of hidden talent leading to the attraction of more hidden talent through employee recommendations and improved customer satisfaction.

### ***Measures***

Most employers did not employ specific metrics or measures of their employment of hidden talent except a small number who had focused on specific cohorts. A few employers had looked at fill rates and the rate of return on investment through alternative approaches compared with their traditional recruitment.

## **Employer Perspectives on Job Quality**

### ***Background Information***

Job quality refers to the characteristics of a job that have a direct impact on worker well-being. Research evidence indicates that higher quality jobs – that is ‘good jobs’ that provide ‘good work’ - benefit individuals and firms through enhanced job satisfaction, performance and productivity.

Higher quality jobs also contribute to worker well-being – including their physical and mental health, create more sustainable and competitive economies and improve social mobility. Critically, improving job quality does not compromise job creation.

Thus, the importance of job quality has sparked demands among inter-governmental bodies such as the OECD to create good jobs and improve bad jobs. To achieve these outcomes, employers need to target the creation and maintenance of ‘good jobs’ as opposed to ‘bad jobs’.

*The quality of jobs, that is how good or bad they are, is based on six key dimensions: Pay and other rewards; Intrinsic characteristics of work; Terms of employment; Health and safety; Work-life balance; Representation and voice.*

*Table 1: The six dimensions of job quality*

Dimension	Content
<b>Pay and other rewards</b>	Includes pay level; benefits and entitlements such as health insurance provided by employers plus worker's satisfaction with pay
<b>Intrinsic characteristics of work</b>	Includes skill level and use; task complexity; task autonomy plus worker's perceptions of useful/meaningful/fulfilling work; and social support inc. colleagues and management
<b>Terms of employment</b>	Includes contract type (e.g. permanent or casual), employer-provided opportunities for training, development and progression plus worker's perception of job security
<b>Health and safety</b>	Includes physical risks and psycho-social risks at work plus perceptions of how seriously employers take employee health and wellbeing
<b>Work-life balance</b>	Includes working hours inc. scheduling, opportunities for flexible working; work intensity plus perceived fit between work and non-working life
<b>Representation and voice</b>	Includes presence of workplace trade union or other forms of workplace representation, consultation and involvement plus worker's perceptions of consultation and involvement

Source: Warhurst, Knox and Wright's (2024) own list following Muñoz de Bustillo et al. (2011); Warhurst et al. 2017); Irvine et al. 2018).

## *Employer perspectives*

Overall, employers' awareness of job quality and its significance varied substantially. There was also variation in employers' knowledge of potential actions available to create good jobs. Employers indicated that there were significant gaps in business advice and information services available regarding how to create good work. They overwhelmingly expressed an interest in gaining more information about job quality and how they might leverage it to enable the development of good jobs that provide good work to employees.

## *What drives good work?*

Employers identified a range of factors likely to drive the creation of good work including economic and labour market conditions, customer and client expectations, business strategy, culture and values, management philosophy, managerial capacity and capability, and attraction and retention issues.

## *What HR policies and practices underpin good work?*

Strategic human resource management was thought to underpin the development of good work, including empowering HR managers to be strategic and influence changes to policies and practices. Similarly, flexibility in HR policies and practices was identified as an important factor for creating good work as it enables managers to engage in crafting jobs to suit the needs and preferences of employees. More specifically, offering job security via permanent employment, including permanent part-time work, was seen to be important along with paying minimum wage rates and above.

Additionally, many employers noted the importance of offering career progression opportunities and building internal labour markets. Training and development programs were also deployed to boost employees' skills and aid career progression opportunities. Working hours and schedules were often used to improve job quality by offering working hours that suit employee needs/preferences, and providing regular, predictable work schedules.

Employee representation and voice were also important to creating good work, including engagement surveys and informal lunchroom discussions. More fundamentally, managerial knowledge and education are central to creating good work.

### ***What are the challenges associated with creating good work?***

Employers identified numerous potential challenges associated with creating good work including: gaining support and buy-in, compliance and regulation, managerial capacity and capability, time and resources, financial constraints, cost-based business models, and translating policy into practice.

Despite these challenges, many employers were engaged in creating good work as they recognised the benefits of doing so.

### ***What are the benefits of creating good work?***

Employers identified an extensive range of benefits associated with good work. At the individual-level, employees were said to be more engaged and satisfied, which led to increased performance, well-being and loyalty. At the firm-level, workforce morale and rates of productivity and customer satisfaction increased while absenteeism and turnover decreased, leading to substantial financial gains and reputational benefits.

### ***Resources required to enhance the employment of hidden talent into quality jobs***

Employers requested more networking opportunities to listen to others' shared experiences regarding what is and is not working. Other resources requested were data and benchmarks and education around the impact of diversity in order to build an understanding of the richness that hidden talent brings to organisations.

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#### **References:**

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