

Sustainability Building and Future Opportunities for Group Training companies in Australia

Zhanbo Fan

fanzhanbo1999@gmail.com

Australia National University, Canberra, Australia

Abstract. This report provides an overview of the crucial role played by Group Training Organizations (GTOs) in expanding job opportunities across diverse sectors in Australia. The businesses offer comprehensive employment services, including group training, apprenticeship/trainee management, temporary staffing, recruitment, and post-placement support. Notably, some threats have hindered access to vital resources and limited the industry development. Meanwhile the evolving role of technology, particularly the rise of Artificial Intelligence (AI), is reshaping labor demands. This shift presents both challenges and opportunities for GTOs. This report also offers strategic insights and recommendations to navigate these complexities, particularly for small and medium-sized enterprises seeking to enhance their competitiveness. Through rigorous analysis, the report outlines actionable strategies to overcome obstacles, seize emerging opportunities, and strengthen market positioning in the employment services sector.

Keywords: GTOs, Artificial Intelligence, Clean energy, Innovative service model, employment services

1 Introduction

The Group Training Organizations play a crucial role in expanding job opportunities across diverse sectors in Australia. These businesses offer comprehensive employment services, encompassing group training, apprenticeship/trainee management, temporary staffing, recruitment, and post-placement support^[1]. Addressing industry challenges is integral to their success. Notably, a lack of a Workforce contract has hindered access to vital resources and limited training program development. The pressure to quickly fill current job vacancies while maintaining a pool of qualified candidates underscores the need for innovative solutions in today's dynamic employment environment^[2] (Australian Training Works 2022).

The evolving role of technology, particularly the rise of Artificial Intelligence (AI), is reshaping labor demands. This shift presents both challenges and opportunities for HR companies. This report offers strategic insights and recommendations to navigate these complexities, particularly for small and medium-sized enterprises seeking to enhance their competitiveness. Through rigorous analysis, the report outlines actionable strategies to overcome obstacles, seize emerging opportunities, and strengthen market positioning in the employment services sector.

2 Market trend

2.1 Market trend analysis

The evolving role and significance of GTOs (Group Training Organization) become most evident through a detailed examination of market share across industries. A 2019 study conducted by the Office of Queensland Training Ombudsman underscores that a market share exceeding 10% is solely observed in the utilizing sector^[3]. Moreover, it emphasizes a notable shift whereby the hospitality sector has ceased engaging GTO services, despite maintaining a steady apprentice count. The dwindling market presence in construction serves as a cautionary signal for the industries, with data recorded on October 3, 2019, revealing a reduced market share of 7.2% in this sector (Fig.1).

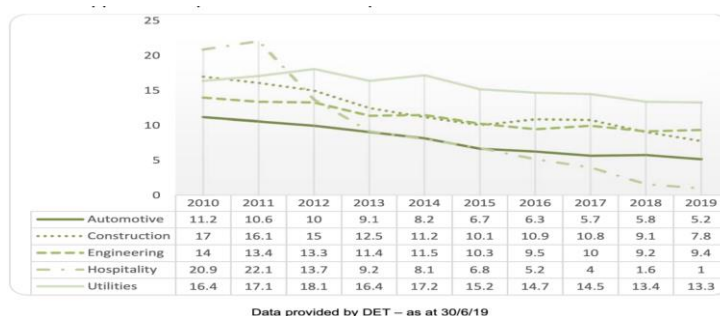


Fig. 1. Queensland GTO Market Share

Furthermore, the report presents survey results of client feedback, which was conducted by DESBT. The results indicate that the percentage of clients visited by GTOs is quite low, and clients believe that the purpose of GTO visits is for workplace mentoring. To facilitate the market share growth, this study utilizes secondary quantitative data and annual reports from GTO entities. A comprehensive analysis of specific demand and supply dynamics within the Australian labor market and clean energy industry was conducted. This exploration sheds light on the business trends of the industry competitors, providing valuable insights. With market intelligence, the small companies can strategically design more favorable pricing plans.

Additionally, a review of successful digital marketing cases showed that personalized services help increase market share.

2.2 Outcome

Based on the market trend analysis, we can identify opportunities in the GTOs market. The report indicates that the funding of OSMAC Group Training Pty Ltd, has significantly increased over the past 10 years, making it one of the companies with the largest market share^[4]. When compared to those smaller companies with OSMAC, it is evident that OSMAC offers a diverse range of employer fields, including cabinet making, tyre fitting, and light vehicle mechanics, while others primarily focus on easier engineering and construction areas. However, as mentioned in the report, the market share of the construction industry has decreased. It's important to note that the construction industry has been severely impacted by the recent surge in interest rates on loans in Australia, coupled with the negative impact of inflation. This has

led to several construction industries reducing their hiring, thus influencing market trends. Therefore, companies should pay closer attention to future industry market shares to identify and capitalize on potential opportunities.

The other competitive company ATQ (All Trades Queensland Pty Ltd) has also captured a large market share. A comparison between OSMAC and ATQ reveals that ATQ's web settings are more user-friendly. In addition to general information about the company and its range of services, ATQ's website also has a page dedicated to questions from web visitors^[5]. As the study shows, the clients think that it is essential for GTOs to visit and listen to their feedback.

3 SWOT Analysis

3.1 Comprehensive SWOT analysis

Strengths	opportunities
Professional knowledge and experience Effective resource Network Industry Insight	Clean energy sector demand Technological innovation Innovative service model
Weaknesses	Threats
High cost Possible lack of flexibility Data security and privacy protection	Market volatility Strong rivals Rapid tech changes

3.2 Comprehensive SWOT Analysis

- Strengths (Top left):

1. Professional knowledge and experience: rich experience and expertise to help clients solve various human resources problems, including recruitment, employee training, salary and benefits management, employee relationship and communities.
2. Effective resource Network: a wide range of talent pools and resource networks, which can quickly find suitable talents for clients and improve recruitment efficiency
3. Industry Insight: deep understanding and insight into the human resources market, can predict market changes, and provide valuable advice and information to customers.

- Weaknesses : (Bottom left)

1. High cost: The services provided are usually charged, and for some small businesses or budget limited enterprises, they may feel that the cost of these services is higher.
2. Possible lack of flexibility: The services provided are usually standardized and may not meet all specific customer needs, resulting in a lack of flexibility.
3. Data security and privacy protection: GTOs usually handle a large amount of personal information and sensitive data. If data security and privacy protection measures are not in place, it may lead to data leakage and privacy infringement.

- Opportunities : (Top right)

1. Clean energy sector demand : Environmental trends have catalyzed a burgeoning demand within the clean energy sector, suggesting a strategic direction for business expansion.

2. Technological innovation: Technological advancements, particularly in AI, offer avenues for operational enhancement and service innovation.
3. Innovative service model: GTOs can meet the specific needs of customers, improve service quality and effectiveness, and win the trust and loyalty of more customers through innovative service models.

- Threats (Bottom right):

1. Market volatility : The market is constantly changing, and factors such as economic fluctuations, policy changes, and technological innovations may have an impact on human resources companies.
2. Strong rivals: With the continuous development of the market, competitors are also increasing, and some large enterprises or consulting companies have also entered this field, posing a threat to GTOs
3. Rapid tech changes : The rapid evolution of technology, coupled with a fluctuating regulatory landscape, presents a continual adaptation challenge. If human resources companies cannot keep up with the pace of technological development, they may lose their competitive advantage.

4 Strategic Approaches and Innovative Solution

In developing strategic approaches, leveraging the companies' strengths, and providing actionable recommendations to address weaknesses and threats, the following strategies are proposed:

1. Expanding talent pool: Leveraging TikTok's dynamic platform can effectively engage the younger demographic and strengthening connections with academic institutions, like Central Queensland University, renowned for its engineering program, through event sponsorships and career fairs, is projected to enhance the industries' visibility among prospective candidates. It is also crucial to promote these strategic activities on professional platforms such as LinkedIn to highlight educational partnerships and the new opportunities they bring to light.
2. Funding Strategies: To address the absence of an Australian workforce contract, companies can pursue alternate funding sources. It is recommended that the industries seek grants tailored to employment and training services and engage with private investors or companies interested in funding partnerships. However, this approach may pose challenges. A proposed solution is to monitor the Australian Government's Department of Employment and Workplace Relations website for updates on the National Priority Fund.
3. AI Technology Utilization: To enhance job matching efficiency through implementing AI algorithms. By leveraging predictive analytics, insights into evolving market trends and future labour market requirements can be gained, thereby enhancing strategic planning. These strategies are designed to equip companies with the capabilities to navigate contemporary challenges and seize opportunities in the changing market landscape.

5 Expanding Market Presence

A recent in-depth analysis of Australian employment networks reveals that the energy sector currently ranks as the fifth largest, highlighting its considerable growth prospects^[6] (Apprenticeship Employment Network, 2022). Specifically, the Kidston Pumped Hydro project serves as a prime example of this upward trend, demonstrating an escalating need for diverse roles, particularly those related to clean energy, such as the vital electrical personnel required for operational success^[7] (Clean Energy Council, 2023). According to figure.2, Government data from the Department of Employment and Workplace Relations further reinforces this positive outlook, with statistics indicating that Group Training Organizations (GTOs) were responsible for filling 81.6% of electricity-related roles in 2017^[8].

Individual completion rates by Industry from the 2017 commencing cohort		
Industries with the highest completion rates (excluding industries with less than 500 commencements)		
Industry	Completion rate	Number of commencements
Defence	86.5%	905
Electricity Supply	81.6%	575
Public Administration	77.0%	2,975
Coal Mining	74.5%	875
Adult, Community and Other Education	74.0%	1,100

(Figure cited from Department of Employment and Workplace Relations report, 2022)

Fig.2. Industries with the highest completion rates

Despite competition from other firms in supplying specialized personnel for related industries, the demand for skilled professionals and their corresponding training remains robust (Apprenticeship Employment Network, 2022). If these small and medium-sized enterprises (SMEs) can adeptly meet the growing workforce demands in the clean energy sector, there exists a significant opportunity for rapid market share expansion.

With a comprehensive understanding of the industry, we can assess the market capacity and pricing of similar products and services offered by different companies. By aligning our service valuation with this data, we can formulate an attractive pricing strategy that not only meets market demand but also positions us advantageously. To achieve a pricing edge, it is crucial to gain in-depth insights into the market landscape, competitors' financial positions, and product types.

A strategic move would be to extend our services to SMEs, ensuring consistent and long-term demand at competitive rates. As noted in the Apprenticeship Employment Network report (2022), contracting offers advantages, especially in emerging sectors like clean energy and IT. Once these companies qualify for Australian Labour Contracting, this pricing model will enhance profitability, positioning them as key players in the lucrative clean energy sector.

6 Conclusion

The comprehensive report provided to the SMEs has outlined a strategic blueprint for achieving sustainable growth and amplifying the company's influence within the industry. The incorporation of cutting-edge solutions and technologies has been pinpointed as a pivotal factor in maintaining competitiveness and aligning with the dynamic market demands. By developing competitive pricing strategies, broadening promotional avenues through innovative technologies, and offering tailored services, SMEs can position themselves as market competitors, bolstering their negotiation power and expanding its clientele. This strategic framework not only ensures corporate prosperity but also reinforces GTOs' dedication to making a tangible contribution to the employment services sector.

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