



Closing the Gap in Employment

MAX Solutions
customer and employer
survey - findings report.

Every person. Every chance.

MAX SOLUTIONS
Employment . Support . Community



Executive summary

Over the last decade, the Indigenous Australian employment rate improved by less than a percentage point. Rising to 49% in 2020 compared to 75% of non-Indigenous Australians.

Our survey of employer partners indicates that most businesses are optimistic about a more equal employment rate in the decade to come, with **71%** expecting employment opportunities for Indigenous Australians to increase over the next three years.

This is positive and is likely to reflect future hiring intent, with a majority of employers saying they expect to increase the number of Indigenous Australians they employ in 2021. Also notable was that a significant percentage of employers said they had increased the number of Indigenous Australian employees in their organisations in 2020 - despite the impact of COVID-19 on national employment rates.

Past performance weighs heavy

In our survey of Indigenous Australians looking for work, **50%** of respondents said they expect employment opportunities to remain the same or decrease over the next three years. Just **25%** expect an improvement. We also saw significant variations in

confidence between different states and territories, as well as age groups and genders.

Among those candidates worried about progress, the key concerns highlighted in the survey were past performance on Closing the Gap and broad concerns over societal discrimination. However, less than **5%** of candidates described employer bias against Indigenous Australians as the primary reason for their own experience of unemployment.

What does the future hold?

Indigenous and non-Indigenous unemployment is linked to multiple complex factors. This report should be read in that context but not defined by it. Opportunity is a universal right and the MAX survey shows that despite the impact of COVID-19, a number of Australia's largest businesses did successfully increase the number of Indigenous Australians on their payroll in 2020.

It also provides an insight into the type of workplace support that Indigenous Australians most value and suggests that there are still relatively basic, actionable steps that employers around the country can take to support the talents of more Indigenous Australians.

MAX Solutions is Australia's largest employment services provider. As of January 2021, it was supporting around 14,000 Indigenous customers and working with more than 30,000 employer partners around the country.

Conducted in December, MAX surveyed 574 Indigenous Australian clients from across the country, as well as 21 of our large and medium sized employer partners with a combined workforce of over 150,000 employees. Follow-up interviews were held with employers and clients in January 2021. We would like to thank all MAX candidates and employer partners who took part in the survey.

Key themes

Employer leaders

A clear group of leaders in Indigenous Australian recruitment emerges amongst medium and large Australian employers. These businesses reported an increase in the number of Indigenous Australians they employed in 2020, as well as the same or higher than average retention rates for Indigenous Australian employees compared to all-staff retention rates.

In terms of attracting and retaining Indigenous Australian talent to their workforces, these employers cited:

- > the importance of targeted recruitment
- > cultural respect
- > Reconciliation Action Plans (RAP)
- > community engagement
- > support from organisations that work directly with Indigenous Australian job candidates

The survey also showed that many leading employers set public targets for diversity and inclusion. Community engagement was cited by employers as the most important means of recruiting Indigenous talent. Online job forums were reported as the least useful resource.

Communication and cultural respect

When asked what type of support they most value from Australian employers, Indigenous Australians looking for work cited career development and cultural awareness as key factors.

But perhaps the key theme to emerge among respondents was the importance of high quality workplace communication, in particular positive feedback and recognition of achievement.

Whilst employers had clear and important priorities, including workplace equality, benefits, and flexibility, these were less likely to be referenced as priorities by candidates.

Confidence about the future

50% of candidates responding to our survey said they expected employment opportunity to remain the same or decrease over the next three years, with Victorians the most pessimistic and South Australians the most optimistic. Among those expecting opportunities to stay the same or decrease, **32%** cited societal discrimination as the primary reason for their pessimism. This translates to **16%** of total responses.

It is striking though that among respondents who reported being unemployed for a period of six months or more at any point over the last five years, just **5%** cited employer bias against Indigenous Australians as the main reason for their period of unemployment. Lack of opportunity, the most frequent answer, was identified by **22%** of respondents. Of these, **55%** were based in Queensland and **13%** in West Australia.



1 Employer leaders

Encouragingly, a large majority of employer partners surveyed by MAX expect employment opportunities for Indigenous Australians to increase over the next three years.

It is striking that in a year of unprecedented challenge, which brought an end to Australia's 29-year run without recession, a number of employers stood out as leaders in diversity and inclusion. Not only increasing the number of Indigenous Australians they employed, but also achieving retention rates well in excess of the national average

So, what is their secret? There does not appear to be a single reason for this performance. Instead it is a combination of factors – and commonalities of approach – across both recruitment and retention.



“As one of Australia’s largest employers of Aboriginal and Torres Strait Islander people, we have a responsibility and an important role to play in reconciliation and closing the gap. Through strengthening our relationships with communities and a deepening respect for our First Nations Peoples’ rich history, cultures and achievements, we are able to attract talented candidates into opportunities and provide sustained career development through our upskilling, accredited training and cultural awareness programs. ”

Vanessa Davies | National General Manager Diversity & Indigenous Engagement, Compass Group (Australia)

Recruitment: best practice and commonalities

In total, 48% of businesses reported increasing the size of their Indigenous Australian workforces last year, including a number of the country’s largest national employers. Among these organisations, commonalities in approach included:

Proactive targeting: the most successful employers reported having targeted recruitment strategies in place to proactively attract Indigenous talent. One head of HR for a leading company reported sending its own Indigenous employment team out to meet with local communities and hold information sessions.

Use of community connections and other resources: employer leaders cited community engagement, word of mouth, and support from specialist recruitment and employment services providers as the most effective resources for attracting Indigenous Australian talent to their workforces. Businesses that struggled to attract candidates were more likely to highlight online job platforms as a useful resource.

Public accountability correlates to success: 70% of employers that reported an increase in their Indigenous employment numbers also set public targets for diversity and inclusion.

Reconciliation Action Plans: a number of employers also cited the importance of their RAP and working groups. Describing them as integral to their ability to increase the number of candidates they attracted to their businesses.

1 Employer leaders

Retention: best practice and commonalities

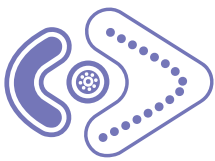
National retention rates for Indigenous Australian employees have, historically, tended to be lower than the non-Indigenous average.

Bucking this trend are a select group of employers who reported higher retention rates for their Indigenous employees than their non-Indigenous workforce. Commonalities in approach included:

Focus on culture: employers who reported the highest retention rates cited a focus on cultural respect, understanding and training among their workforces - one example being holding an acknowledgement of country at the start of every meeting, another being cultural competence training for leaders in the business. This reflects feedback from our customer survey, which identified greater cultural respect, understanding and trust as the type of support that was most likely to be valued in future employers.

Mentoring: a significant number of businesses with higher than average retention rates referenced the importance of workplace mentoring programs and connecting employees with Indigenous communities in the workplace.

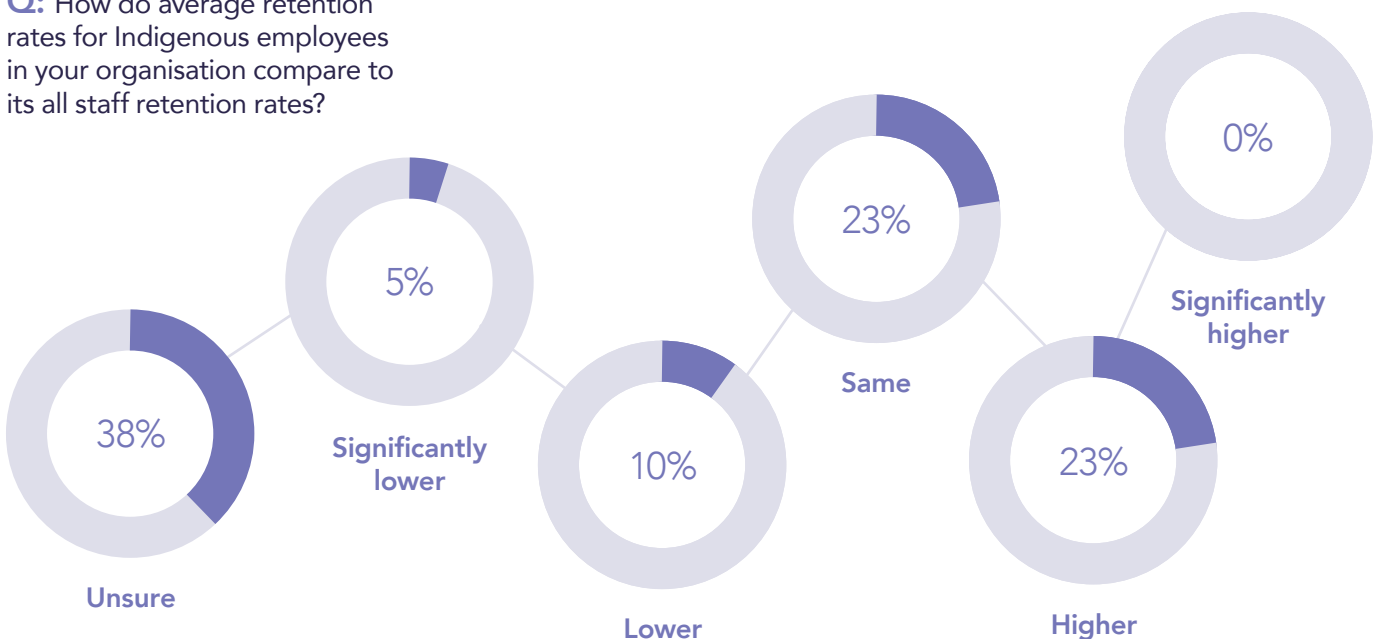
Onboarding: several leading employers referenced the importance of staff onboarding and post-placement support, delivered through dedicated Indigenous recruitment teams or senior Indigenous staff providing mentoring.



“Hays is the leading specialist recruitment group in Australia. As such, we acknowledge our opportunity and responsibility to positively impact the progress of reconciliation. Our Reflect Reconciliation Action Plan formalised our approach to create mutually beneficial and sustainable relationships with Aboriginal and Torres Strait Islander peoples, clients and the communities in which we operate. Our focus is to strengthen these relationships, further our cultural understanding and elevate our commitment to empower First Nations peoples in our work to ‘help people succeed and enable organisations to thrive.’”

Nick Deligiannis, Managing Director | Hays ANZ

Q: How do average retention rates for Indigenous employees in your organisation compare to its all staff retention rates?



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Communication and cultural respect

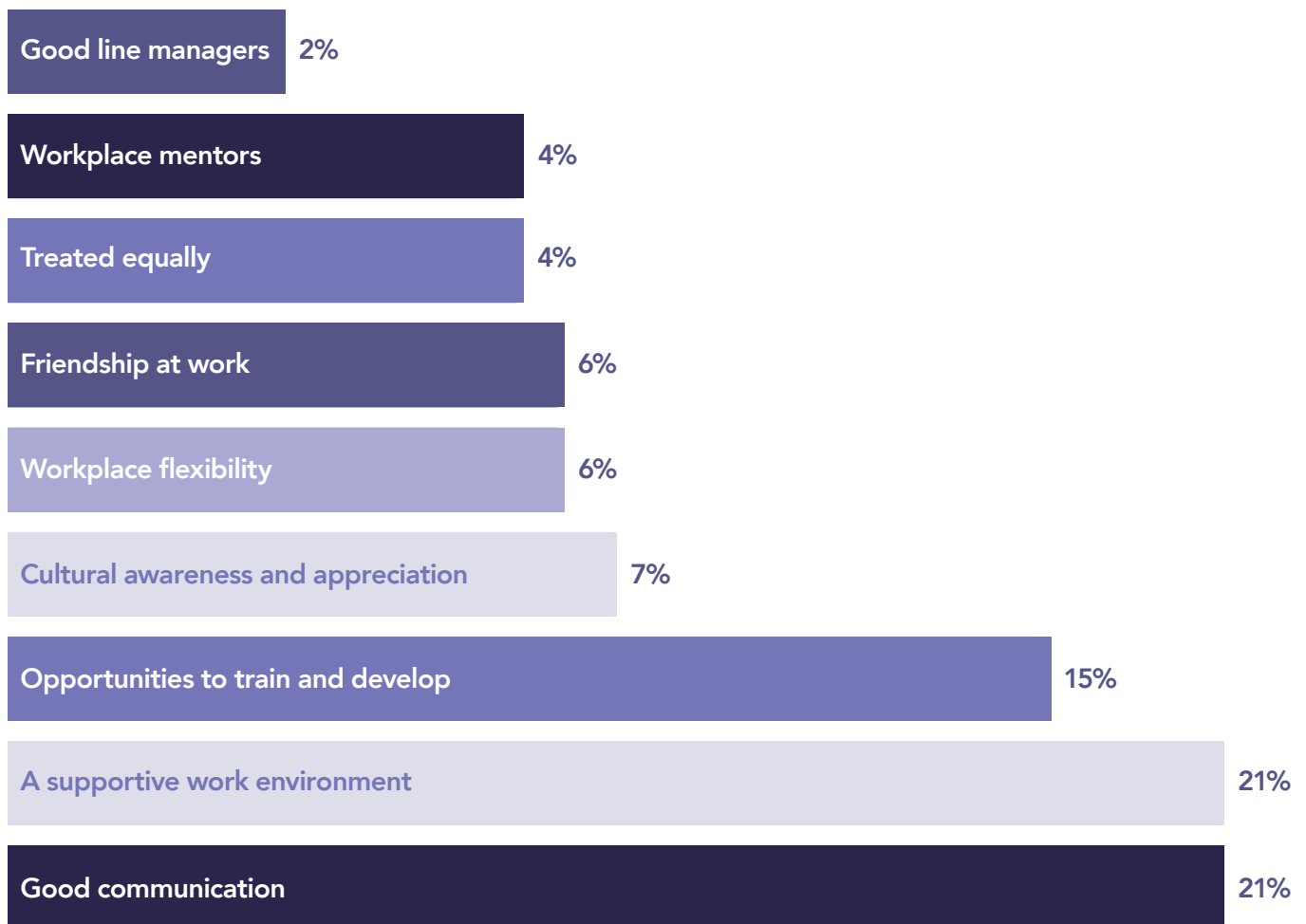
We asked those looking for work to think about the support they had valued from employers, as well as the support they were most likely to value in the future. There were a wide range of answers, with a small number citing specific workplace perks such as flexibility and remuneration.

But respondents were much more likely to identify areas of workplace culture such as recognition and encouragement, as well as a supportive work environment, as their most valued workplace characteristics.

Interestingly, when asked what support people most valued from employers, 21% of all responses centred around a theme of good communication, indicating businesses could support retention rates by focussing on staff engagement, as well as better performance feedback and recognition.

In our employer survey, one business – a successful Indigenous Australian company – further identified ‘being able to communicate in a way that is relatable’ as the support most valued by its Indigenous staff.

Q: What type of support at work have you most valued from previous employers?

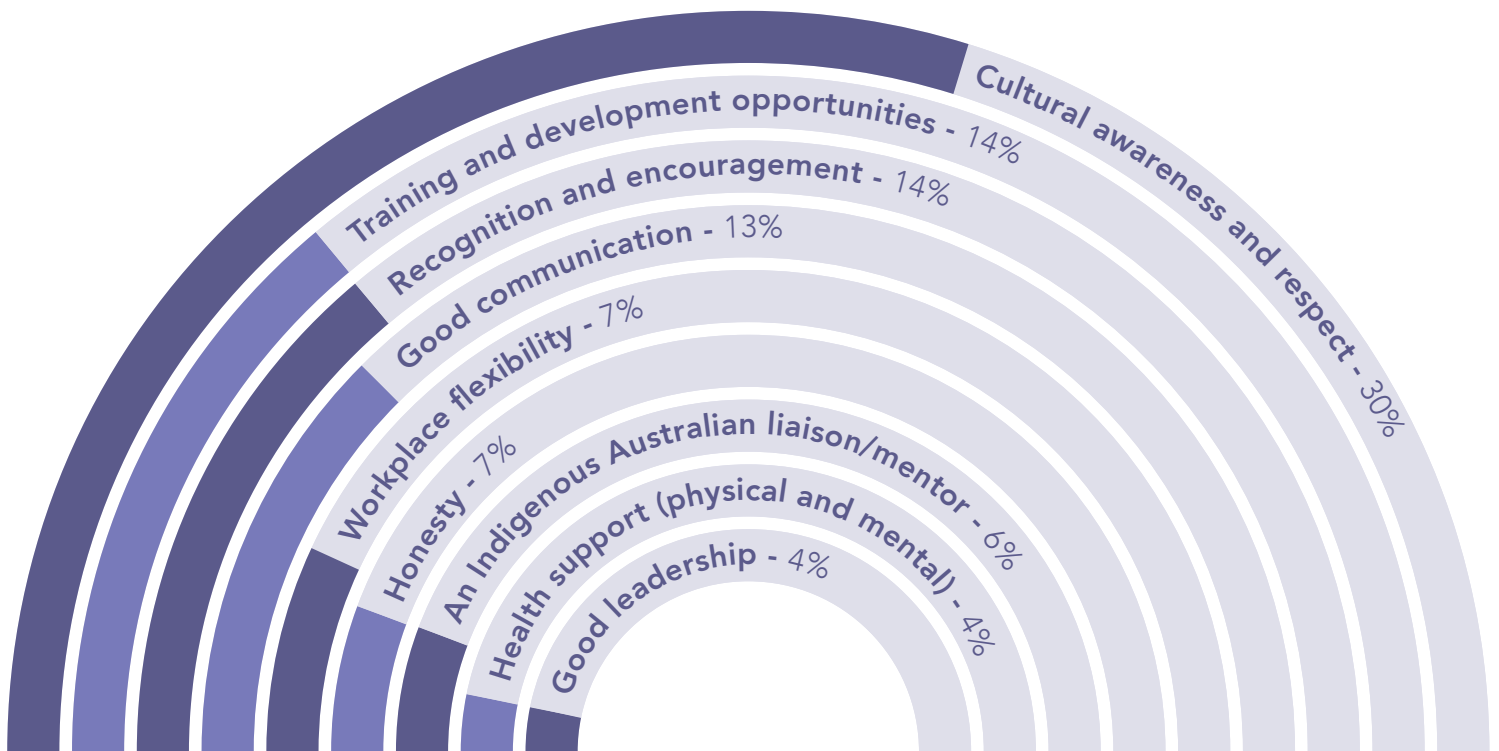


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Communication and cultural respect

Q: What type of support at work do you think you would most value from future employers?

Responses varied when candidates were asked what support they would most value from future employers. **30%** referenced cultural awareness and respect and **14%** career development opportunities. These were both cited as priorities by a number of employer leaders in our survey.



“Identity and culture are tied to everything, especially when it comes to mob. It affects the choices we make, our work ethic, mental health and wellbeing – everything. As employers, we must ensure our organisation has the right structures in place to not only tolerate cultural differences, but also respect and embrace them.”

Joseph Wallace | Managing Director, Multhana Property Services

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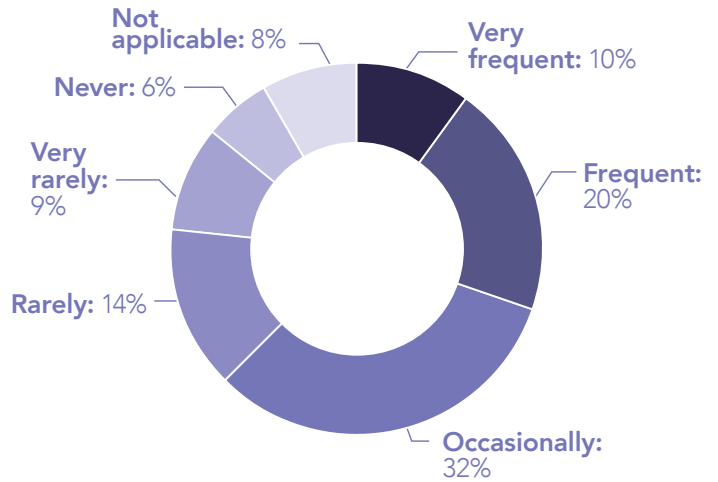
Communication and cultural respect

Experiences of support vary

Although core themes emerge in the MAX survey around the types of support valued by Indigenous Australians looking for work, respondents reported different experiences depending on where they live and their gender.

For example, 38% of female candidates reported feeling supported at work very frequently or frequently, compared to 27% of males. Respondents in the Northern Territory were the most likely - 49% - to report being well supported by employers. This compares to 24% in Victoria.

Q: Thinking about your own work history, how often would you say you've felt well supported by an employer?



Q. How often have you felt well supported by an employer? Experience by state/territory

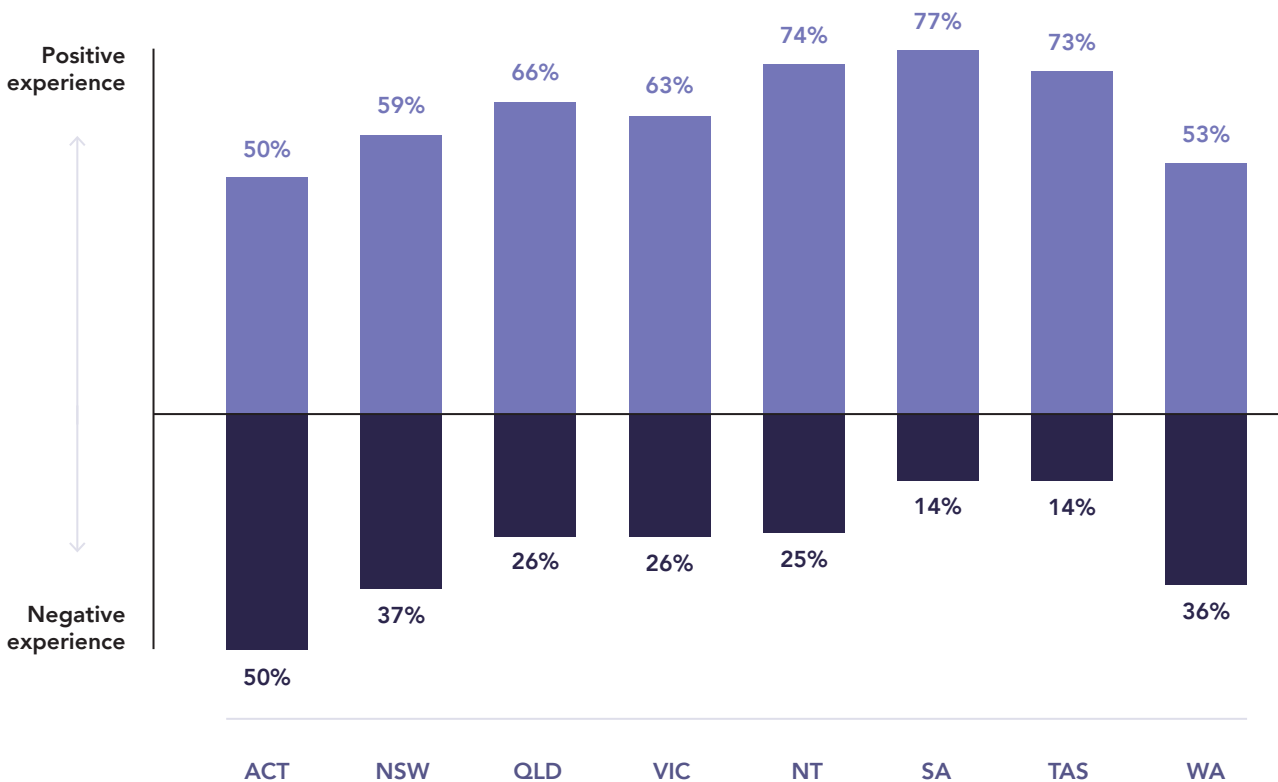


Chart excludes 'not applicable' responses.

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Confidence about the future

As we enter a new decade, and despite the impact of COVID-19, recent growth in job vacancy numbers and household savings has fuelled confidence around the potential for increased economic activity and employment opportunity.

But against this backdrop, many Indigenous Australian job candidates remain sceptical about the potential for change. In total, **50% of candidates** responding to our customer survey said they expected employment opportunity to stall or decrease over the next three years. Victorian respondents, possibly due to their experience of lockdown in 2020, were the most pessimistic.

Reasons for caution

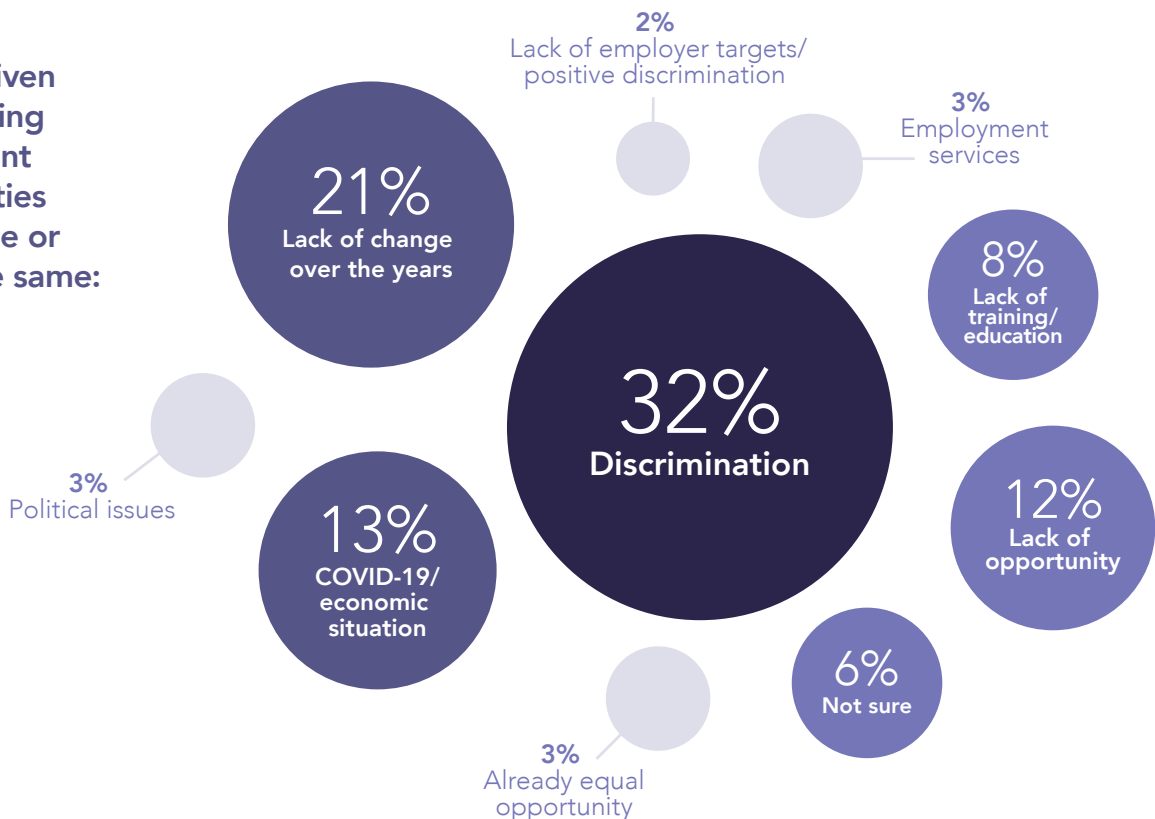
When candidates were asked their reasons for expecting opportunities to remain the same or decline, **34%** referenced continued discrimination against Indigenous Australians. This represents **16%** of all respondents.

However, attitudes to employers were significantly more positive. Candidates that had been unemployed for a period of six months or more at any point over the last five years were asked to give the main reason for this period of unemployment. Just **5%** listed employer bias against Indigenous Australians, suggesting that broader concerns over societal discrimination do not reflect the lived experience of many Indigenous Australians in the modern workplace. Or in their interactions with employers.

Among the other reasons given for a lack of confidence in the future, **13%** referenced the economic impact of COVID-19. As one candidate put it: 'The whole economy is tanking and Indigenous [people] are always at the back of the queue.'

A further **21%** of respondents described a lack of progress on Closing the Gap in employment outcomes in the past, as their key cause for concern about the future. A sentiment that highlights the importance of not relying on previous strategies to drive more equal employment rates. In particular, employment service providers and employers will need to carefully consider how to support candidates who need assistance to become fully job ready.

Reasons given for expecting employment opportunities to decrease or remain the same:



3

Confidence about the future

Lack of optimism about the future was not shared equally though. Nearly eight in ten respondents in Victoria expect employment opportunities for Indigenous Australians to stall or decrease (79%) over the next three years, against a national average of 50%. Mature-age Indigenous Australians were also more likely to be pessimistic.

Among respondents in the 50-54 age group, 65% expected no growth versus 34% in the most optimistic age bracket, 20-24 year-olds. A discrepancy that may be partially explained by prior experience of the employment market, as well as wider concerns around mature-age employability among older candidates.

Q. Do you believe employment opportunities for Indigenous Australians will increase, decrease or remain the same? Responses by state/territory

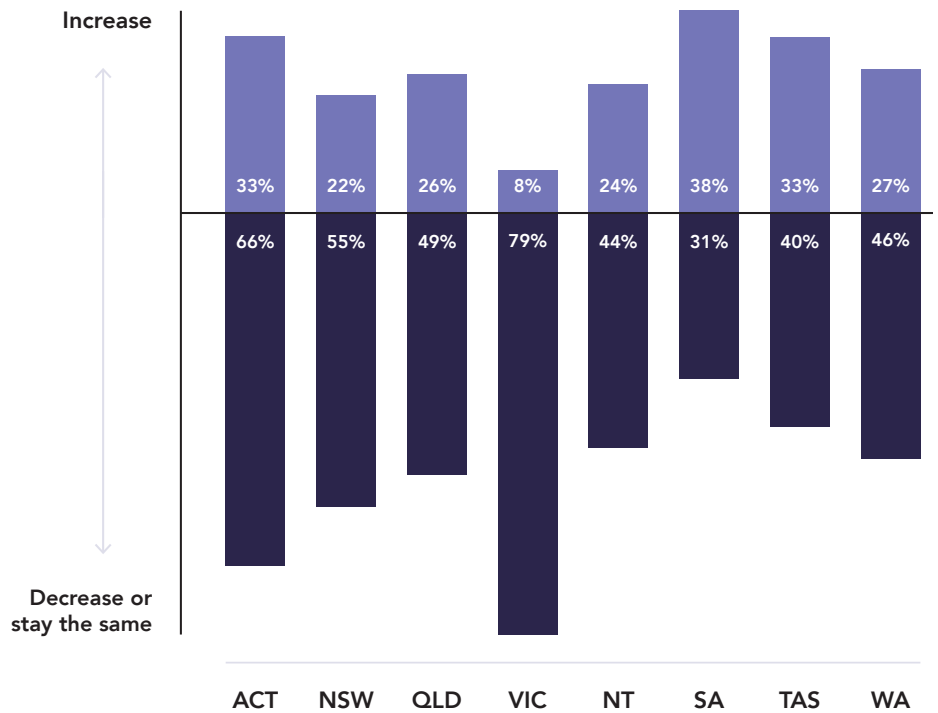


Chart excludes 'not sure' responses.

Q. Do you believe employment opportunities for Indigenous Australians will increase, decrease or remain the same? Responses by age group

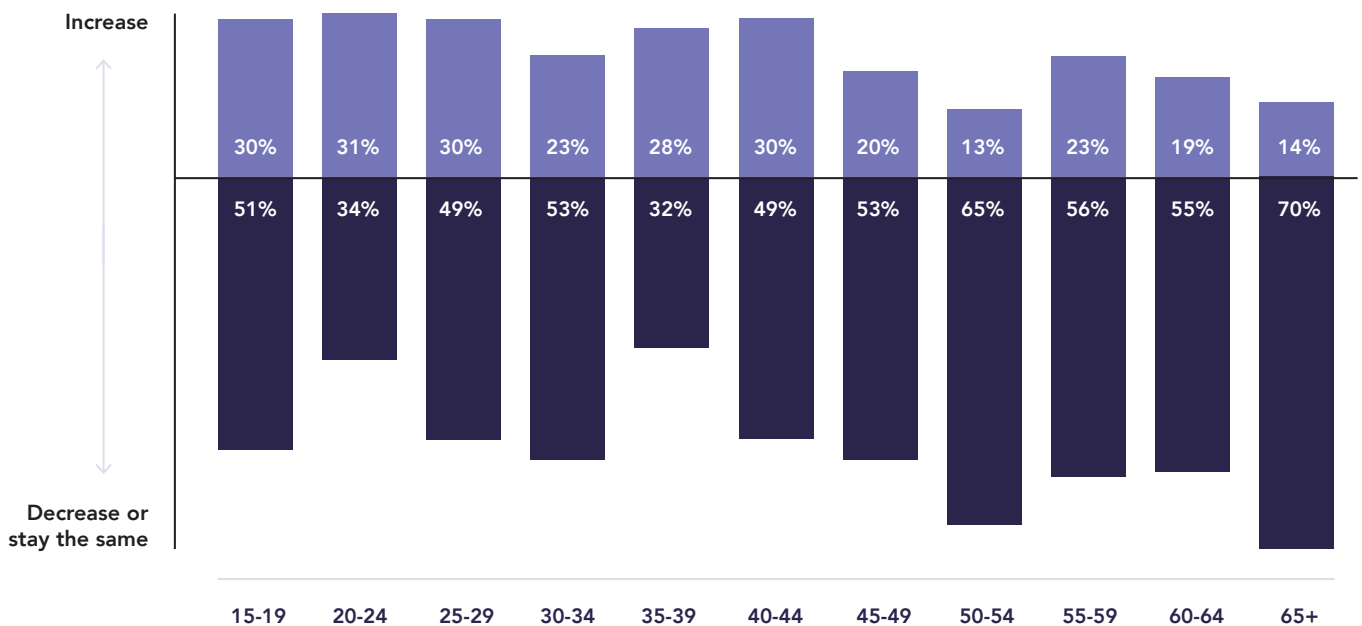


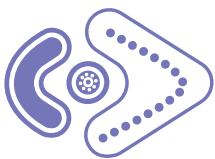
Chart excludes 'not sure' responses.

3

Confidence about the future

Among the **25%** of respondents who expressed confidence that employment opportunities for Indigenous Australians would increase over the next three years, **23%** felt that there would be more employment opportunities and **20%** felt there would be less discrimination.

Reasons given for expecting an increase in Indigenous employment over the next three years



“ I would like to believe that things will change over the next decade. Both my daughters are university educated and have good jobs and I think certain sectors will provide greater opportunities. But there will always be groups of people who don't appreciate and understand what Indigenous people bring to workplaces. It could go either way. ”

MAX customer, Michael Weldon | 62, NSW



Darren Otten

General Manager - Employer Partnerships
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Getting recruitment and retention right

Our research shows that putting in place targeted recruitment programs to attract Indigenous talent is critical.

A few tactics we've seen work well among our own employer partners are programs that focus on candidate preparation for work, including pre-employment job-suitability assessments, training, health support and mentoring.

When it comes to retaining your talent, we recommend organisations have a clear intention, goal or Reconciliation Action Plan in place that focuses on cultural awareness. Employers who have a clear target or RAP, regardless of their size and industry, tend to do better in recruiting and retaining IA. They also celebrate that success.

It's encouraging to see that **71%** of surveyed employers expect opportunities to increase over the coming years as they continue to grow

and plan for a broader more diverse workforce. We're also pleased that employer leaders acknowledged increased cultural awareness among their employees as a priority.

A further reason for optimism is the fact that employer leaders in recruitment and retention represent a broad cross-section of Australian employers. Of MAX Solutions 50 most successful employer partners for retention of Indigenous Australian employees, eight are in the public sector, 28 are private companies, and 14 are not-for-profits. In total, **24%** of these employers are Indigenous Australian owned or led.

But it is important to acknowledge that many Indigenous Australian candidates are likely to remain less optimistic about change until we start to see employer confidence translate into opportunity, especially in more rural and remote communities.

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