

# A Case Study of Affirmative Action Australian-style for Indigenous People

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## Abstract

*This paper reports the results of a case study of an Affirmative Action program developed by the National Australia Bank (NAB) to promote employment opportunities for Indigenous Australians. The program is part of a Reconciliation Action Plan (RAP) launched by NAB in 2008 to strengthen the bank's commitment to promoting a greater understanding between Indigenous and non Indigenous Australians. The RAP program developed by Reconciliation Australia is an example in the Australian tradition of interventions to actively promote the employment position of groups who may have suffered discrimination in the past. The program is voluntary and broadly focussed, without any of the prescriptive measures included in some other countries' schemes. The results presented here suggest that the NAB program has been beneficial for participants, both Indigenous and other NAB employees.*

JEL Classification: J150, J780, J240

## 1. Introduction

This article presents some case study evidence of the effects of an intervention by one of Australia's major banks, the National Australia Bank (NAB), to promote Indigenous employment in their organisation under the banner of a Reconciliation Action Plan (RAP) promoted by Reconciliation Australia. The article argues that RAPs are an example of a social policy or Affirmative Action strategy aimed at improving the economic status of a disadvantaged group, in this case Indigenous Australians. The evidence presented shows that at least in this particular instance, a voluntary program has had a significant impact on the lives of the people directly involved.

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The economic and related labour market disadvantage of Indigenous Australians is well documented and these problems have persisted despite substantial government commitments to change. Improving labour market outcomes is a key to raising the economic status of Indigenous Australians and the Coalition of Australian Governments (COAG) Closing the Gap strategy includes labour market outcomes as an important element for gauging the success of strategies pursued under this umbrella.

There has been a 30 year history of government programs designed to promote Indigenous employment (see Altman (1991) for a discussion of the early programs). In the late 1980s and early 1990s, the Hawke/Keating government had a series of programs including labour market training and job subsidy initiatives which were designed to promote 'Employment Equity by the Year 2000'. This was followed by the Howard government shifting attention from direct government programs to approaches involving a more active role for the private sector. The Howard government argued that their focus was summarised in the phrase 'practical reconciliation' as opposed to the Labour government's 'symbolic reconciliation' although practically many of the policies did not change (Altman and Hunter, 2003).

In the development of employment programs, there has been an increasing recognition of the importance of the private sector in creating opportunities. The Australian Employment Covenant, launched in 2008, is an example of a joint initiative between the Commonwealth government and private companies aimed at promoting Indigenous employment. However, the extent to which this initiative has gone beyond creating targets and created real jobs for Indigenous Australians has been questioned (Jordan and Mavec, 2010).

Public awareness of the plight of Indigenous Australians has been further raised by a number of significant recent events including the National Emergency Response in the Northern Territory in 2007 and the Apology in 2008. A broad range of policies including COAG's Closing the Gap have been launched with the aim of improving the socio-economic status of Indigenous Australians.

There is some evidence that, although the gaps in key indicators remain substantial, they have decreased since Indigenous people were first identified in the 1971 Census. Altman, Biddle and Hunter (2005; 2009) present evidence from the Censuses showing slow improvement in most of the relevant indicators and especially in the twenty years between the 1981 and 2001 Census, in the relative employment population ratio and unemployment rate for Indigenous compared with other Australians. More recent evidence comparing the 1994 National Aboriginal and Torres Strait Islander Survey (NATSIS) and the 2008 National Aboriginal and Torres Strait Islander Social Survey (NATSISS) shows the percentage of Indigenous females in employment, excluding Community Development Employment Projects (CDEP) employment, rose from 25 per cent to 43 per cent and for males from 38 per cent to 59 per cent over the 14 year period between the surveys (Gray and Hunter, 2011). There however remains a substantial gap between labour market outcomes for Indigenous and other Australians.

These gaps are reflected in the poverty rates (measured as 50 per cent of equivalised household income) for Indigenous Australians in remote and non-remote areas (Hunter, 2012). While the poverty rate of between 45 and 49 per cent in 2006-

08 did not differ greatly between Indigenous and non-Indigenous sole parents, poverty rates for couple families and 'other families' were substantially higher for Indigenous Australians, especially those living in remote areas. Hunter (2012) argues that Indigenous poverty is different from poverty in the wider community as it is concentrated in large households with children. He argued that the different nature of Indigenous poverty requires policy responses focussed on promoting employment and opportunities for young people.

As part of the more practical approach advocated by the Howard government, Reconciliation Australia (RA) was established in 2000, following the winding up of the Council for Aboriginal Reconciliation. It was established as a non-government not-for-profit foundation to promote reconciliation between Indigenous and non Indigenous Australians. It fitted into the Australian policy tradition in the area of gender, racial and ethnic discrimination of less reliance on mandatory powers to promote the ideals of gender, racial and ethnic equality. As Braithwaite (1993) notes with respect to affirmative action (AA) for women:

'Employers are not required by law to achieve certain quotas for the employment of women or for their advancement through the ranks, nor are they required to set up child care centres, to provide specific training course for women, or to keep records of complaints of discrimination.....The presumption is that if the structures and procedures are in place to enable regular review and critical self-appraisal, discriminatory practices will be identified and changed....'  
(328)

In 2006 the concept of Reconciliation Action Plans (RAP) was launched by RA. The aim of these plans is to promote activities that will bring Indigenous and other Australians closer together. As such these plans give organisations the opportunity to demonstrate commitment to improving the position of Indigenous Australians in society and to outline their strategies for achieving this. They are one expression of an AA policy in Australia for Indigenous people remembering that the equal opportunities legislation Workplace Gender Equality Act 2012, relates to women. There is no requirement for a plan to make a financial commitment toward achieving any stated goals.

The list of organisations with registered RAPs includes community, education, government and private sector organisations and those with a RAP registered with RA are expected to report annually on their progress toward their individually specified goals. It is important to note, contrary to the experience in some other countries to be discussed below, there is no explicit penalty for not developing a RAP. (For more details see the RA web site [www.reconciliation.org.au](http://www.reconciliation.org.au)). By the end of 2010 RA had engaged 334 organizations from different sectors employing approximately 1.4 million people (about 14 per cent of the Australian work force). One third of Business Council of Australia members are either implementing or developing RAPs; examples include the Commonwealth Bank of Australia, Foxtel, News Limited, ANZ, NAB, BHP Billiton, Transfield Services, Qantas, Rio Tinto and Wesfarmers.

There appears to be public support for this approach. According to the 2010

Australian Reconciliation Barometer based on a survey of 700 Indigenous Australians and 1,220 other Australians, 99 per cent of the Indigenous Australians surveyed thought that businesses should put into place measures to help Indigenous people. Forty-one per cent of the wider community agreed with this statement (RA, 2010).

The aim of this paper is not to document the effectiveness or otherwise of the RAP program but rather to document and discuss one example of a RAP. The figures reported above however, suggest there has been a growth in interest in promoting indigenous employment at the level of individual organisations. Sammartino, O'Flynn and Nicholas (2003) report the results of a survey of 229 firms on their Indigenous employment policies undertaken in the early 2000s. They found 83 per cent had an equal opportunity policy, a third of firms had a diversity policy and only 14 per cent had an Indigenous employment policy. They concluded that 'minimal financial and people resources were dedicated to the cause of improving organisations' scope to employ and retain greater numbers of Indigenous employees' (Sammartino *et al.* 2003, 55). In an earlier study based on the Australian Workplace Industrial Relations Survey (AWIRS) conducted in 1996, Hunter and Hawke (2002) found a similar proportion of firms employing Indigenous people had an equal opportunity policy (83 per cent) to that identified by Sammartino *et al.* (2003), but a smaller proportion of firms that did not employ Indigenous people had written policies (70 per cent). They also found a much smaller proportion of firms had a written policy targeted at recruiting particular groups.

The RAP program can be considered within the general area of AA or Reverse Discrimination policies because it aims to promote employment opportunities for Indigenous Australians even though it operates under a different model than policies with similar goals in other countries. Under the RAP program employers are encouraged to commit to increasing the number of Indigenous Australians in their employment. In some international examples described below, AA policies have operated in a statutory environment in contrast to this more voluntary approach adopted in Australia. These policies have been very controversial where they have included penalties for those not complying. There is some discussion in the literature about whether the preferences for particular groups under these policies is to redress past injustices or whether-

'The fundamental point is that reverse discrimination should be seen not primarily as redressing past wrongs, but rather simply as breaking what would otherwise be an endlessly continuing cycle of poverty and subservience.' (Sher, 1979, 82)

Akerlof and Shiller (2009) argue that a fundamental role of AA policies is to signal that the majority culture cares about the minority group. This is important in breaking down an 'us' against 'them' view of the world which may inhibit the ability of minority groups to realise their full potential. The introduction of these policies may also be a way of showing significant changes in community attitudes; the so-called 'tipping role'. They provide evidence of wider community support for change and may encourage individual employers to implement changes in their employment choices in favour of a minority group (Donohue and Heckman, 1991).

AA practices and the promotion of Indigenous employment may be particularly

important in the financial sector. The implications of financial exclusion have been highlighted in discussions of Indigenous disadvantage (Hunter, 2006; McDonnell and Westbury, 2001). A lack of experience and knowledge of this industry has been argued to handicap inclusion of Indigenous Australians in the wider community. McDonnell and Westbury (2001) argue that Indigenous people want banking services which are appropriate to their circumstances and are provided by Indigenous staff. The development of employment and training programs by the banks can therefore be seen as an important way of addressing the issue of financial exclusion for Indigenous people.

The following section examines the evidence of the success of an affirmative action approach in other countries followed by the results of a case study of one Australian example introduced under a RAP by NAB.

### ***Affirmative action – international perspective***

The longest experience with affirmative action has been in India. At the beginning of the twentieth century, prior to independence, three southern states of India had a policy of reserving places for lower caste people in the state civil service. The quota system currently in place, known as the ‘Reservation System’, allocates 22.5 per cent of all government jobs, seats in educational institutions and electoral seats at all levels of government to Scheduled castes and tribes.<sup>1</sup> Other backward classes (OBCs) are also entitled to a 27 per cent quota under the system. However, India lacks the mechanism to enforce this reservation system. A commission established by the government to oversee the implementation of the quotas has failed to play a pro-active role (World Bank, 2006).

The reservation system in India has been effective in fulfilling the quota in the electoral sphere as the seats reserved for a designated group (for example, scheduled caste) can only be occupied by a member of that group. The results however are mixed when consideration is given to government jobs and the education sector. For instance, at one of the foremost higher education institutions in the country, University of Delhi, students belonging to the scheduled caste or tribe made up only 10.4 per cent of the total undergraduate population between 1999 and 2000. This is in stark contrast with the 22.7 per cent quota allocated to these groups. Considering that Delhi is the capital city, the situation is likely to be worse in other areas. There is also evidence that the quota in higher levels of the government bureaucracy remain unfulfilled (World Bank, 2006).

There are other examples of AA policies in settler societies such as the US and Canada. AA started in the United States in the mid-1960’s as a reaction against the systemic discrimination that excluded African Americans from participating in institutions of employment and education. Agocs and Burr (1996), p.31, define systemic discrimination as ‘...patterns of behaviour that are part of the social and administrative structure and culture...’ that disadvantage certain groups on the basis of their group identity. African Americans were in significant economic and educational disadvantage because of the racial biases that existed in American society. The aim of

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<sup>1</sup> Scheduled Castes and Scheduled Tribes are respectively a group of castes and tribes in India, that for historical reasons have remained socially and economically backward and concerted efforts have been made through the planning process to bring them into the mainstream of development (Economic Survey-Orissa, 2003-2004).

the affirmative action program (which was launched under the Civil Rights Act) is to end this systemic discrimination through a set of public policies, laws, and executive orders, as well as voluntary and court ordered initiatives designed to promote fairness and diversity (Massey, 2004). Darity (2005) stresses that the program's intention is to address current exclusion (of disadvantaged groups) from partaking in the economic wellbeing of the nation rather than make amends for historic dispossession.

Under the affirmative action program in the US, employers who hire 15 or more employees and receive contracts, grants and other benefits from the US government are required to draft and implement an elaborate plan to employ disadvantaged groups. These groups include African Americans, Hispanics, Asians and American Indians and women. The plan should contain a timetable for hiring and a set of numerical targets to be allotted to the different disadvantaged groups. The numerical targets aim to give each group a share in each type of job that is reflective of their proportional representation in the labour force. The underlying premise of this requirement is that if employers acted in a non-discriminatory fashion, their workforce would eventually reflect the composition of the surrounding population.

The Office of the Federal Contract Compliance Policy (OFCCP) is the federal agency entrusted with ensuring that federal contractors have an appropriate affirmative action plan and meet their commitment to employ minorities and women. The agency has the authority to withdraw federal funding from contractors that do not promote equal employment opportunity (US Department of Labor). Another federal agency, The Equal Employment Opportunity Commission (EEOC), is responsible for investigating complaints of discrimination at the workplace and bringing lawsuits against employers (USEEOC).

The issue of how effective AA plans have been is a contentious one. Economic indicators show that there still is a significant disparity between African Americans and Whites in the US. While there have been improvements in employment and enrolment in higher education for African Americans after the start of AA it is difficult to attribute this directly to the introduction of this policy as there are the usual problems of distinguishing between correlation and causation between key variables. Similarly, there is evidence that median incomes of African Americans grew more than Whites following the introduction of these policies. For example, between 1980 and 1989, the median income of African Americans grew by 7.6 per cent in contrast with 4.6 per cent for the White population. Women's wages and salaries have also grown more rapidly than men since 1970 (Libertella, Sora and Natale, 2007). Leonard (1984) presents evidence from the US of a positive effect of affirmative action on the employment and income of minority groups, especially black males.

The overall evidence of the effect of these programs on the employment and income of American minorities remains contradictory with some studies arguing that they have had no positive effects (for example, Thernstrom and Thernstrom, 1997), and others suggesting that there is indicative evidence of positive effects on outcomes even if it has not been possible to measure them in an econometric framework (Donohue and Heckman, 1991). The lack of consensus about the role of these policies reflects choice of methodologies and time periods but also the difficulties of measuring any effects at a macro level.

Another country with a history of affirmative action is Canada. Affirmative action plans in Canada, known as employment equity programs, were influenced by their American counterparts but went on a different path. The Canadian response to discrimination ‘...has sought.....not only to improve numerical representation through hiring, but to provide fair employment systems and a supportive organizational culture for women, racial minorities, aboriginal people and persons with disabilities...’ (Agocs and Burr 1996, 35). The first Employment Equity Act was promulgated in 1986. The legislation covered Crown corporations and federally regulated employers with one hundred or more employees operating mainly in the banking, transportation and communications industries. The Act was further amended to include federal public service in 1996. Under the legislation, employers are required to submit an annual report to the Canada Employment and Immigration Commission (CEIC) bearing information on the proportion of employees from different subgroups by occupation and salary range. In addition, information on promotion, termination and recruitment of employees has to be provided (Jain, 1990). The Canadian Human Rights Commission has the authority to initiate an investigation if the data in the annual reports indicate any systemic discrimination.

Along with the Employment Equity Act, the Federal contractors program was started in 1986. This program applies to organizations with 100 or more employees that bid on federal government projects worth \$200,000 or more. The condition for bidding on the projects is that the contractors show commitment to employment equity and that they take concrete steps to implement an equity plan if their bid is successful. Contractors would be excluded from future government projects if they fail to implement employment equity plans.

There has been an improvement in the representation of minorities and women in the Canadian labor force since the implementation of the Acts. For example, the proportion of aboriginal people working in the federally regulated public sector rose from 2.7 per cent in 1997 to 4.2 per cent in 2005 while the proportion of women working in the sector rose from 50.5 per cent to 53.5 per cent during the same period. Similarly, the proportion of people with disabilities holding federal public sector jobs increased from 3.9 per cent in 1997 to 5.8 per cent in 2005 (Human Resources and Social Development Canada, 2011). The role of AA policies in these changes however, remains unclear.

If we look specifically to the banking sector, for purposes of comparison with the Australian case study, some banks in Canada (as in Australia) have successfully applied a range of programs to promote their services to Aboriginal people. This has included community development, financial services and education and employment programs. For example the Bank of Montreal, Royal Bank of Canada, the Bank of Nova Scotia have adopted Aboriginal employment programs in their broader employment strategy schemes. They also have designated scholarship schemes for First Nation Canadians. Many of the schemes are broadly similar to those offered by the Australian banks.

In summary, these are examples of more formalised and statutory approaches to affirmative action than that adopted in Australia under the RAP program. The programs are more broadly defined to cover a range of groups who have been historically disadvantaged in the workforce. There are clearly specified requirements

compared with the Australian approach of firms designing their own strategies under the broad umbrella of doing something to improve the relationship between Indigenous and other Australians. There are also clear penalties for those who do not comply with the legislation. The difficulties identified in the literature in determining the macro effects of such programs offer a justification for the focus on the case study evidence presented in the next section.

## 2. The case study of the National Australia Bank RAP

Each of the major Australian banks has a RAP with very similar aims and component programs. These include the development of financial services relevant to Indigenous Australians, the promotion of employment and education opportunities and community development programs.<sup>2</sup> The goals of the NAB RAP, launched in December 2008, are very similar to those of the other banks.

The overall objective of the RAP is to raise NAB's involvement with Indigenous Australians and address areas of Indigenous disadvantage through programs which create employment opportunities, promote financial inclusion and build the understanding of Indigenous culture and aspirations. To promote financial inclusion, for instance, NAB is delivering programs that help meet the financial needs of Indigenous Australians by (among other things) improving access to NAB's range of not-for-profit micro-lending programs to support businesses and enable households buy essential goods. To raise awareness about Indigenous culture, the bank is involved in a number of activities such as implementing appropriate cross-cultural awareness activities within NAB and sourcing volunteering opportunities for NAB employees in Indigenous organisations. NAB also runs an Indigenous Employment Program (IEP) in which it provides tailored traineeships and other purpose-built employment opportunities to create and support Indigenous employment. More importantly, NAB offers school-based traineeships (SBTs) as part of the bank's effort to train future generations of Indigenous Australians for roles in the bank. Under the school based training program, year 10 students are selected to work at NAB while undertaking their year 11 and 12 studies. Trainees undertake year 11 and 12 subjects and a TAFE Certificate II in Business Services while working at NAB one day a week during term time and full time over the school holidays.

The other participants in the IEP are full-time trainees who are no longer at school. Some of these full-time trainees were previously school-based trainees. These full-time trainees work standard hours at the bank, with time off to continue with certificate III and IV at TAFE or a similar institution.

Traineeships are conducted through Group Training Organisations (GTO), in particular the Aboriginal Employment Strategy (AES), which are responsible for organising the work placement with NAB, including the provision of external mentor support, and the vocational training. Indigenous permanent employees at the bank,

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<sup>2</sup> Details of the programs for Indigenous Australians are available on each of the banks' web sites: ANZ ([www.anz.com.au/about-us/careers/indigenous-employment](http://www.anz.com.au/about-us/careers/indigenous-employment)); the Commonwealth Bank of Australia ([www.commbank.com.au/about-us/in-the-community/default.aspx](http://www.commbank.com.au/about-us/in-the-community/default.aspx)); Westpac ([www.westpac.com.au/about-westpac/sustainability-and-community/our-community/community-focus-areas/indigenous](http://www.westpac.com.au/about-westpac/sustainability-and-community/our-community/community-focus-areas/indigenous)).

however, were recruited through regular NAB recruitment channels and were not connected to GTOs.

The preliminary selection of candidates to join the traineeship is undertaken by the GTOs who are often responsible for finding suitable trainees for a wide range of employers in their area. The GTOs conduct initial interviews of candidates and send them to the bank for final interview by managers. In rare cases, however, managers were involved in the selection process from the start by directly approaching schools and selecting candidates. The selection criteria emphasised the personal qualities of the applicants such as their level of motivation, enthusiasm, maturity and self confidence. School reports and references were also considered. However, selection of the best applicant mainly depended on the outcome of the personal interview. By and large, it was relatively easy for GTOs to find suitable candidates for the program in larger city centres compared to smaller regional towns (where it was much more difficult). There were some instances where managers in regional towns were sent only one candidate for final interview.

As of September 2010, there were 77 Indigenous employees working at NAB. This includes 51 Indigenous school-based trainees; 19 full-time Indigenous trainees working for the bank and seven employed in permanent positions. This is more than double the 35 Indigenous employees in 2009 and these numbers will continued to expand.

The authors of this study were not involved in the development of NABs IEP and the decision to review it but were invited to gather evidence on how the program was going, the effects of participation on the IEP participants both in terms of their workforce experience and their wider wellbeing, and to suggest any areas for improvement. As a result, there was no formal control group established for comparative purposes, nor was access to those who had left the program supplied. The results presented below therefore relate to outcomes for the sample interviewed and may not be representative of any potential wider effects of such a program.

### ***Methodology***

To investigate the outcomes of NAB's Indigenous Employment Program (IEP), a representative sample of stakeholders in the program (consisting of school based trainees, full time trainees, permanent employees and managers) was chosen and interviewed between September and December 2010. The sample included 38 participants in the IEP and 39 managers. Samples were chosen so as to cover participants across each state and territory involved in the program (New South Wales, Victoria, Queensland, South Australia and the Northern Territory) and across urban and regional locations. The sample also covers those working in retail branches as well as other areas of the bank's business (including head and regional offices). The interviews were conducted using a combination of face-to-face and phone interviews. Out of the 38 participants in the program, 23 were interviewed face-to-face and the other 15 by phone. A limitation of the study, as indicated above, is that we do not have a random non-Indigenous or Indigenous sample to use as a control.

Different questionnaires were developed for the trainees, the permanent employees, the managers and the trainers and educators. The questionnaires cover

a wide range of topics including job and workplace experience, health and home life, social and community activities, and the long term goals of participants. Some questions were taken from the Household Income and Labour Dynamics Australia (HILDA) survey to enable comparison with a nationally representative sample of respondents similar in age with the NAB trainees.

Table 1 below provides a summary of the sample. There was a good response rate with over 70 per cent of the school-based trainees and full-time trainees approached participating in the study. The response rate among managers of IEP participants was particularly high standing at over 80 per cent. The majority of the participants interviewed were female. As shown in the table, about 80 per cent of the school-based trainees and permanent employees interviewed were female while the corresponding figure for full-time trainees was 90 per cent. A comparison with the gender and age breakdown for all NAB employees is presented in column 4. The proportion of NAB trainees who were female is larger compared to NAB employees (in general) and NAB employees under 25 years of age. Not surprisingly, the average age of the school-based trainees interviewed was lower than other participants and NAB employees in general.

Table 1 - Summary of sample

	<i>SBTs</i> (1)	<i>FT Trainees</i> (2)	<i>Permanent</i> <i>Employees</i> (3)	<i>Total NAB</i> <i>Employees</i> (4)
Population of IEP participants	51	19	7	
No. interviewed	22	10	6	
% Female	80	90	80	52
Age	15-18 yrs	18-31 yrs	18+ yrs	18+ yrs
Response rate of each column (%)	73	71	86	
No. of managers of IEP participants who were interviewed	24	12	2	
Response rate of managers (%)	83	86	NA	

*Source:* Authors' calculations.

*Notes:* Response rate for managers is 'Not Available' because interviews were not requested from managers of some of the permanent employees in senior positions.

### 3. Discussion of results

#### *Experience at work*

We will first discuss the experience of the trainees at the bank, reported in columns 1 and 2 of table 1. All SBTs and six of the full-time trainees interviewed worked in NAB retail branches while the remaining four full-time trainees worked in Business Banking and Lending Services. The experience of the permanent employees will be discussed separately below.

The banking industry is highly regulated and employees must complete a minimum level of training before they are permitted to deal with customers. Initially, they are required to complete an online module from the NAB academy (NAB's

learning and development centre) and pass the assessment. Afterwards, the trainees are assigned a senior bank staff as a mentor (known as a buddy in the bank lexicon) to give them one-on-one training at the counter. The certificate training undertaken over the course of their traineeship provides students with additional skills and knowledge to perform a range of basic administrative tasks within a business environment such as delivering service to customers, processing and maintaining workplace information, using business technology and maintaining financial records.

SBTs perform a wide range of duties (suitable to their level of training) including customer service at the counter, processing Express Business Deposits (EBDs) and cash clearance. They also answer phone queries and meet and greet customers especially over the holiday period. The full-time trainees working in retail branches also hold customer service roles like their School-based counterparts but perform more complex tasks in addition. The other full time trainees working in Business Banking work as trainee associates and their duties include assisting with mail, reports, telegraphic transfers and customer enquiries. All trainees are assigned a mentor to provide them support until they are confident enough to work on their own. Moreover, all trainees expressed the view that they had been given sufficient training to undertake their work.

To evaluate the experience of trainees at the workplace, the interviewees were each asked to respond to a set of statements based on questions from the HILDA survey by using a five point Likert scale (strongly agree/agree/neutral/disagree/strongly disagree). A summary of the percentage of respondents who agree or strongly agree with the different statements is provided in Table 2. The results for similar aged female respondents from the HILDA survey are also presented for comparison.

The results indicate that a small percentage of SBTs (around 18 per cent) found their jobs to be stressful and felt they did not have enough time to complete their work. However, several had expressed the view that the traineeship was challenging at first and that they grew accustomed to their roles over time. Over 70 per cent felt that they got paid fairly for their work. Most had found their jobs to be interesting with over 90 per cent claiming they had learned new skills. The comparison with 15-19 year old female respondents of HILDA survey suggests that NAB SBTs found their jobs more stressful, but were rewarded with more interesting learning opportunities in their work. It is important to note that the HILDA results relate to a wide range of occupations in that age category. The proportion of full-time trainees who agreed that their jobs were stressful was similar to SBTs. But more full-time trainees felt they did not have enough time to do all their work. However, about 90 per cent claimed they had the opportunity to learn new things while all those interviewed agreed that they used their existing skills and had interesting things to do at work. There were, however, a substantially smaller percentage of full-time trainees who felt that they were paid fairly for their work than there was among SBTs (40 per cent compared with 73 per cent). This dissatisfaction with pay rates for older trainees has been stated as a reason for some leaving their traineeships. A similar percentage of the full-time trainees as the HILDA comparison group agreed that they found their jobs more stressful than they had expected, but they were in general much more positive about their work. They were almost twice as likely to report that they used their skills and had the opportunity to learn more skills as the HILDA sample, and almost three times as likely to report that they had interesting things to do at work.

By and large, the results suggest that NAB trainees were happier with their work. For example, the opportunity had been life changing for some SBTs who stayed at school when they may have otherwise left. All the trainees interviewed said they would recommend the scheme to friends and family.

As indicated in table 1, there were six permanent employees included in the sample. These employees had come to the bank through regular recruitment channels and did not necessarily identify as part of the IEP. Three of them were working in central offices and three were in branches. Those working in branches were engaged in customer service activities and the others in Business Banking and administration of programs. They were all very positive about their experience at NAB and felt comfortable in their roles. Moreover, all said they would recommend employment at NAB to friends and family.

Table 2 - Percentage of respondents in each category of trainees who agreed or strongly agreed with these work-related statements compared with HILDA totals

	<i>SBT (%)</i>	<i>HILDA Females 15-19 (%)</i>	<i>FT-Trainee (%)</i>	<i>HILDA Females 15-25(%)</i>
My job is more stressful than I had ever imagined	18.18	10.10	20	17.8
I get paid fairly for the things I do in my job	72.73	55.80	40	50.7
My job often requires me to learn new skills	90.91	47.30	90	49.8
I use many of my skills and abilities in my current job	95.45	51.50	100	57.9
My working times can be flexible	81.82	56.60	80	48.2
I can decide when to take a break	50.00	28.70	80	38.6
My job provides me with a variety of interesting things to do	90.91	29.30	100	37.8
I don't have enough time to do everything in my job	18.18	21.30	30	50.3
Number of observations	22	314 <sup>a</sup>	10	778 <sup>a</sup>

*Source:* Survey of IEP Participants, HILDA.

*Notes:* <sup>a</sup> These are the unweighted numbers in the HILDA sample. The results reported in the table relate to the weighted sample.

### **Home life**

In this section, we present our findings about the home life of the IEP participants. As the SBTs were aged between 15 and 18 years, most still lived with their parents or guardians. The full-time trainees were older and were more likely to live independently. Eighty per cent of the trainees had responsibilities looking after other family members,

mainly siblings and nieces and nephews. They also had regular responsibilities doing household chores. Successful completion of a traineeship involves a high level of maturity, as trainees must perform satisfactorily at work and in their study, as well as managing their commitments to family and friends. All respondents felt the combination of work, study and family life had helped them to develop as people and encouraged them to think about future goals. One trainee made the following remark-

‘This has been my first job. So, it has given me some experience and taught me what to expect in the real world when I finish school and start job. It has given me more responsibilities and has prepared me to be self sufficient.’

Financial responsibilities and pressures at home are also possible barriers to the completion of traineeships. Our findings indicate that full-time trainees are more likely to contribute to household finances and be responsible for bills than were the SBTs. Table 3 summaries the results related to questions about financial stress. The most frequently reported financial problem among trainees was an inability to pay electricity, gas or telephone bills. The full-time trainees reported the highest incidence of this problem. There were four trainees who answered ‘yes’ to more than one of the financial stress components. For these trainees, coping financially on a trainee wage was very difficult and the interview discussion suggested that it was an on-going problem. Permanent employees were less likely to have faced any financial stress, and only one reported difficulties in paying the mortgage or rent on time. This was a one-off event related to particular circumstances, which had improved by the time of the interview.

Table 3 - Percentage of respondents in each category who answered ‘yes’ to the questions about home life

	<i>SBT (%)</i>	<i>FT-Trainees (%)</i>	<i>Permanent Employees (%)</i>	<i>Total Sample (%)</i>
Since January 2010 did any of the following happen to you or your family because of a shortage of money?				
Could not pay electricity, gas or telephone bills	18.18	40.00	0.00	21.62
Could not pay mortgage or rent on time	13.64	20.00	20.00	16.
Pawned or sold something	13.64	0.00	0.00	8.11
Went without meals	4.55	20.00	0.00	8.11
Unable to heat home	0.00	0.00	0.00	0.00
Asked for financial help from welfare/ community organisation	4.55	10.00	0.00	5.41
Number of respondents	22	10	5	37

Source: Survey of IEP Participants.

### ***Future goals***

By and large, the trainees agreed that their experience at NAB had helped them think about their future and what they needed to do to get to where they wanted to go. For example, one trainee made the following comment-

‘The experience has given me a stepping stone. It has encouraged me to do more learning and training. It has given me an idea of what I want to do in the future.’

Although most of them had discussed their future plans with their Manager, there were some who had not. Ten SBTs were hoping for a career with the bank, while nine realised that working in a bank was not what they wanted for the future. The three undecided SBTs still felt they had gained a lot from their experience at NAB, one commenting that she doubted she would have stayed at school if this option had not been available. There were several who believed they knew from the beginning that they did not want a career at NAB but still felt they had gained considerably from the experience. Not only had they enjoyed the short-term benefits of earning an income, they had also developed in maturity as a result of the experience. Among the future occupations identified by SBTs who were not planning a banking career were joining the police, childcare work, sports medicine and singing. The full-time trainees, unsurprisingly, were more focused on a banking career than the SBTs. Although not all aiming for a long-term career with NAB, they were pleased to be working there in the short run. They agreed that working at NAB had encouraged them to think more about future options.

### ***The NAB perspective***

The vast majority of Managers and other NAB staff interviewed were strongly in favour of the IEP. The presence of the trainees in the workplace offered a number of advantages. Managers appreciated the flexibility of having an extra person, making time for other staff to engage in other activities. The trainees were particularly useful during peak periods and enabled other staff members to take time off during school holidays when the SBTs worked full-time. It was also generally agreed by the Managers that having a young person to mentor was a fulfilling experience. Moreover, it was noted in interviews in regional Australia that the presence of trainees in the branches promoted NAB in the community, especially the Indigenous community. Several Managers commented that the presence of the trainee in the branch had encouraged family and friends to become NAB customers.

Over half the Managers commented that having an Indigenous person in the workplace made employees and customers think more carefully about Indigenous stereotypes, and helped break down negative views. For example, one manager noted-

‘The good thing the program has done for us is that it has taken away the stereotype cast of Indigenous Australians....It would make people appreciate that it is wrong to stereotype because everyone is different’.

Another Manager commented that having a very competent Indigenous trainee in the office had encouraged staff to think more carefully about their use of language around the office with respect to Indigenous people.

While many of the Managers had grown up with Aboriginal and Torres Strait Islander people and felt that they understood the Indigenous community, others had learned more about Indigenous culture from the experience of mentoring a young Indigenous person. One manager made the following remark-

'I have come to understand that Aboriginal and Torres Strait Islander people have so many different communities and cultures. I have also come to realise that you shouldn't just assume things. It is better to ask if there is something that doesn't feel right as it might be a cultural issue rather than assume that there is something wrong with the person'.

About half the managers agreed that having an Indigenous employee in the workplace had increased their awareness of the Indigenous community. Sixty-three per cent of the Managers interviewed had been to a cultural awareness program organised by the head office, and the feedback was universally good.

#### **4. Conclusion**

The Australian approach to Affirmative Action or Reverse Discrimination has been much less formalised than in many other countries. Under the RAP program developed by RA, the parameters in which the RAPs operate are very broad and individual organizations have considerable scope in designing their plans. The output goals are very generally expressed as improving relationships between Indigenous and non-Indigenous Australians. There are no specific goals in terms of outcomes such as employment quotas. This contrasts with international experience with more structured programs. An important question is whether a more prescriptive approach would produce more positive outcomes for Indigenous Australians. It is however very difficult to find clear evidence on the success or otherwise of Affirmative Action initiatives in the international literature. Econometric studies have been limited by the availability of suitable data for testing the effects. Legislation to promote employment opportunities for minority groups typically covers a whole country making the establishment of a counterfactual hypothesis difficult (Donohue and Heckman, 1991). Perhaps by their very nature, it is difficult to draw broad conclusions about their impact on employment outcomes. They operate at an individual level and their effects are likely to only become apparent over long time periods, making it difficult to identify any changes in aggregate data. They also operate in a macroeconomic environment which may not be supportive of the employment of minority groups. For example, they might be expected to be more successful in a booming economy with a tight labour market than in a recessionary economy.

A significant impact of these programs may arise from a signalling effect showing a change in community attitudes toward particular minority groups. This so-called 'tipping effect' may encourage employers already favourably disposed toward a disadvantaged group to begin to actively recruit. By showing a change of attitudes, they might also act as an encouragement for Indigenous Australians to join the mainstream.

Akerlof and Kranton (2010) use an insider/outside model to examine the effect of cultural and social identity on labour market outcomes. They argue that a member

of a minority group (an outsider) will be reluctant to join mainstream or insider employment because of a fear of rejection by those already in the mainstream and concern about stepping outside their group norms in accepting such employment. In this environment, monetary incentives will not be enough to encourage participation in mainstream employment. In this model, changing perceptions of both the insiders and outsiders is critical if any program to promote minority employment is to work. A voluntary program such as the development of a RAP provides an opportunity for those insiders and outsiders who are motivated and committed to change to encourage participation of a minority group in the mainstream. A prescriptive approach may achieve less by encouraging gaming rather than real commitment to inclusion.

It has been argued in other fields of regulation, for example in health care and aged care, that a voluntary self regulating approach is likely to achieve better outcomes for patients than a more prescriptive approach. The latter can encourage gaming to comply with regulations without having the desired positive effects on actual outcomes (Braithwaite, Makkai and Braithwaite, 2007). Measuring aggregate outcomes of social programs, however, remains difficult. The results presented here provide some evidence that in the instance of NAB's RAP, a voluntary program appears to have had beneficial effects for many of the participants.

Given the likely shortcomings of any econometric analysis of the RAP program, this paper presents some case study evidence from an evaluation of an Indigenous employment program developed as part of a RAP by NAB. While not providing the results of a controlled experiment, it provides some evidence of the benefits that individuals have received from participating in this program. For many of those involved it was a life changing experience. The individuals selected to participate in the NAB program are likely to be above average on a number of dimensions including motivation and ability and therefore it is difficult to generalize these results to the wider population of Indigenous people. The study reported here provides a basis for a fuller evaluation of such Affirmative Action programs that would also take into account the potential costs of these schemes, including the cost to people who might otherwise have been employed in the bank in the absence of such a scheme. The results indicate the potential for wider benefits from similar RAP programs that commit both time and resources to the development of employment opportunities for Indigenous Australians.

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