Impact of Employer Attitude on Aboriginal and Torres Strait Islander School-based Traineeship in the Finance/Banking Sector
by Lorraine Tulele, Michael Barry, Ciaran O’Faircheallaigh, Amie Shaw*

This study explores employer attitude towards Aboriginal and Torres Strait Islander labour market participation in the Finance/Banking Sector. The study examines the provision of School-Based Traineeship (SBT) by a prominent Australian bank designed to increase participation of Indigenous people. The study explains why this program delivered poor employment outcomes, including a low transition of trainees into permanent employment, a declining annual intake, and low completion rates. Furthermore, the study explores why Australian Employment Covenant and Reconciliation Action Plan agreements have had limited impact on increasing Indigenous participation in the Finance/Banking sector. Becker’s (1962) Human Capital Theory and Carmichael and Hamilton’s (1967) Institutional Discrimination Theory provide the theoretical framework that underpins this study. A qualitative method was employed with 14 in-depth interviews of management representatives and Indigenous trainees/employees, and relevant documentary analysis conducted. The key finding is that employer attitudes are critical in the success of SBT for Indigenous trainees. The implications of the findings are significant as Vocational Education and Training in Schools (VETiS) practices are an important pathway to lead Indigenous learners into employment and affects their participation in the labour market.

Keywords: Indigenous trainees, school-based traineeship, vocational education and training in schools, employer attitude, labour market participation

Introduction

Extensive data over four decades have confirmed the low status of Aboriginal and Torres Strait Islanders within the labour market compared to all other Australians (Hunter & Gray 2017). This has been reflected in Indigenous Australians experiencing low participation and employment rates, coupled with lower levels of occupation and income than non-Indigenous Australians in the workforce (Boreham, Whitehouse & Harley 1993; Borooah & Mangan 2002; Daly 1995; Gray, Hunter & Schwab 2000; Hunter 2004; Hunter & Gray 2001, 2017; Hunter & Hawke 2001, 2002; Miller 1985; Norris 2006; Stephens 2010). These poor labour market outcomes have become determining factors in the higher poverty levels of Aboriginal and Torres Strait Islanders (Altman & Hunter 1998). One response to the problem involves training Indigenous students for

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the world of work while still in school, referred to as Vocational Education and Training in Schools (VETiS) (Misko, Korbel, Blomberg, 2017). The current literature includes few studies focusing on the demand for Indigenous trainees/workers, in particular on the characteristics of employers, such as how they perceive and treat Indigenous trainees/workers. The paper addresses this question and, more broadly, a significant gap in the VET and education literature as there is limited empirical evidence on the effectiveness (or non-effectiveness) of VETiS as a pathway towards permanent or part-time employment (Klat, Clarke & Dufler 2017). Furthermore, the study adds to the emerging body of research, which focuses on labour market discrimination as a result of employer attitude in explaining the continuing employment disadvantage experienced by many Indigenous Australians.

The School-based Traineeship (SBT) is a 1-2 years VETiS pathway that combines secondary school studies (years 11 and 12), off-the-job vocational training with a Registered Training Organisation (RTO) or a Group Training Organisation (GTO), and on-the-job training (paid or not paid) with host organisations (NCVER 2015). According, to the NCVER 2015 report, the number of Indigenous students undertaking school-based traineeships has grown steadily from 1,194 in 2010 to 1,764 in 2015, or by 47.7% (an annual average of 8%). This compares to the non-Indigenous cohort with growth at 18.5% (an average of 3% per year). Much of the growth in Indigenous participation has been attributed to funded programs to assist Indigenous students to enrol. Despite strong growth in the VETiS pathway, employment outcomes for Indigenous trainees have declined over the past decade. While 73.9% were employed after training in 2006 this declined to 67.5% in 2016 (NCVER 2017). The most common non-trade destinations for Indigenous school-based trainees (1-2 years program) are Tourism, Travel and Hospitality (17.5% enrolments), Retail Services (13.3% enrolments), Business Services (11.7% enrolments), and Sport, Fitness and Recreation (10.4% enrolments), and together these make up over half of all Indigenous SBT enrolments (DET 2017). There has been a steady growth of Indigenous-specific school-based traineeships fostered at financial Institutions and mining organisations (Biddle, Brennan & Yap 2014).

Notwithstanding greater interest in Education and Training programs, poor labour market outcomes have persisted for young Indigenous Australians (Purdie et al 2006). For example, Australian Bureau of Statistics figures show that only 57.1 percent of Indigenous people participate in the labour market compared to 77.0 percent of non-Indigenous people (ABS 2016). A stark disparity in participation between the Indigenous and non-Indigenous peoples has persisted since the beginning of data collection following the 1967 referendum (Norris 2001, 2006; Hunter 2004; Larkin 2013). This disparity has become a major issue in labour market policy and academic inquiry, with most analysis focused on supply side explanations, that is focusing on Indigenous people themselves (Altman & Hunter 1998; Barwick 1962; Beasley 1970; Bell 1956; Borland & Hunter 2000; Calley 1956; Doobov 1972; Gray & Hunter 2016; Henderson 1975; Hill 1975; Hinton 1966; Hunter & Daly 2013; Hunter & Gray 2001, 2012; Pearson 2009; Rogers 1973; Taylor 1993).

Similarly, poor traineeship commencement and completion rates have largely been attributed to learners’ lack of skills and poor worker motivation (Hunter & Gray 1999), lack of interest from Indigenous students (Andrews,
Kenman & Smith 2000), literacy and numeracy difficulties (Walker & Powers 2009), personal, and family reasons (Karmel & Mlotkowski 2010), as well as other issues such as scarce labour market opportunities in remote areas (OECD 2016). This focus has meant that little research has focused on demand-side explanations, including employer attitude to Indigenous training and employment.

To help address this research deficit, the present study focuses on employer attitude as a contributing factor to the low participation of Indigenous people in SBT and the labour market. Using a case study of a major Australian bank, the study explains the reasons for poor employment outcomes, including a low transition of trainees into permanent employment, a declining annual intake, and low completion rates. This paper is organised in the following way. First, the literature on Indigenous participation in training and employment, employer attitudes and HR practices are discussed, followed by a review of the theoretical frameworks underpinning this study. Second, methodological procedures are outlined. Third, research findings are presented, followed by a discussion of the findings and a conclusion.

**Employer attitude and HR practices**

Researchers such as Henderson (1975); Altman and Nieuwenhuysen (1979); Daly (1995); Altman and Hunter (1998) note that while recognised as important, employer attitudes to Indigenous employment are under-researched. The absence of systematic, empirical research on employer attitude implies that the problem lies with Indigenous people themselves and their ability to be actively involved in the labour market, not with a system which has failed to provide Indigenous people with opportunities to acquire relevant labour market skills and experience (see Norris 2006). However, the limited research that does exist (Booth, Leigh & Varganova (2012); Crawley & Sinclair (2003); Sammartino et al (2003) has found that employer attitude significantly influenced Indigenous initiatives in the workplace via Human Resource (HR) practices. For instance, Sammartino et al (2003) found that there was a low level of engagement between executive leaders/senior managers and Indigenous job seekers, as the CEOs perceived that the quality of Indigenous labour supply was lower than the market norm, and that it was difficult to access the Indigenous labour pool due to cultural and social priorities, poor health, lack of skills, lack of motivation to work and dependence on alternative source of income such as welfare.

Senior managers’ perceptions are important as they shape and influence their organisations’ training and employment policies and practices, which may offer a substantial barrier to Indigenous participation. Similarly, Crawley and Sinclair (2003) concluded that the attitude and level of commitment of CEOs was a key variable in influencing the way in which Indigenous initiatives were integrated into HR strategies. They found that Indigenous initiatives were typically categorised under philanthropic programs or assigned to peripheral departments rather than being a core part of the HR strategies and practices where all departments participated in increasing participation for Indigenous people. Booth et al (2012) also found econometric and statistically significant differences in call-back rates to job applicants, demonstrating that ethnic minority candidates would need to apply for more jobs than Anglo-Saxon job seekers in order to receive the same number of interviews. These studies
indicate the significance of demand side factors in influencing the employment participation of Indigenous people (Biddle et al 2013).

**Human capital theory**

Human capital theory (HCT) suggests that education and/or training is an investment that increases worker productivity through conveying useful knowledge and skills that have been learned on the job (Becker 1994). According to this theory, individuals who are more productive and have invested more in education and training will be more employable and hence have higher earnings. HCT has been examined extensively by Becker (1962), who drew a crucial distinction between general and specific skills. He defined ‘general skills’ training as worker’s acquiring knowledge and skills that are useful to more than one employer in the same industry. In contrast, ‘specific skills’ training relates to a particular technology or practices used solely in an organisation. According to Becker (1964), ‘general skills’ training is a risk for employers as workers can take their acquired skills to other employers or other organisations may hire those trained workers away (the poaching or ‘cherry-picking’ problem) (Lynch & Black 1998: 66). As a result, employers may not want to invest in ‘general skills’ training as they would not recover their investments (Pigou, 1912; Becker, 1964). Becker (1964) argued that workers themselves should have the right to improve their general skills in competitive markets as they are the sole beneficiaries of the improvements in their productivity.

However, the above view is contested by Eckaus (1963) and Acemoglu and Pischke (1999) who argue that due to labour market imperfections and the existence of monopsony power in the market (Booth, 1991), imperfect information on worker’s skills (Katz & Ziderman 1990), and wage structure compression (Acemoglu & Pischke 1999), employers would be willing to bear some or all of the costs of general skills training. This is common practice in non-competitive labour markets, where wages need to be less than the worker’s productivity and allowed to increase slowly when the worker’s become skilled (Steedman 1993; Soskice 1994). Hence, employers would only be willing to bear part or all of the costs for general training if they perceive it as beneficial to them (Steedman 1993; Soskice 1994; Harhoff & Kane 1997). It is important to note that this view supports employers who would invest partly or totally in worker’s general skills with or without government subsidies. These contrasting theories of HCT have implications for understanding how employer attitudes may affect Indigenous SBT.

**Institutional discrimination theory**

Institutional discrimination theory goes beyond HCT in offering a broader, system-level perspective, examining the way in which racist attitudes or values are built into the strategies and processes of social institutions to discriminate against, control and oppress minority groups (Henry, Houston & Mooney 2004). This approach goes back to the seminal work of Carmichael and Hamilton (1967) who identified intentional racial prejudice as the fundamental motivational factor of institutional racism originating with those in power and passed on to unsuspecting personnel to carry out (Feagin & Eckberg 1980; Henricks 2016). Institutional racism is more comprehensive than personal
mediated racism or internalised racism revealed by the beliefs and acts of individuals (Jones 2000, 2002) as it is embedded in institutional systems, is sometimes legalised (Lopez 2007; De Plevitz 2000) and dispersed through routine institutional practices of which administrators may not be conscious (Steinberg 2007: 90). In this view, racism is a conduit to protect a group’s social, political, economic, cultural, and psychological position, in a similar way to explicit ideas of bigotry endorsed by individuals (Wellman 1993). This view is similar to individual intolerance of those that do not belong to their group or race.

Central to the institutional perspective is the point that racism covertly persists through the collective actions of the organisation even if the intentions are good (Knowles & Prewitt 1969). This standpoint relates to Institutional discrimination by referring to racist attitudes and values in institutions that are reflected in the skilful scheming of strategies, programs and practices for minority group members that are only surface deep but not effective and sustainable. Therefore, Jones (2000:1212) states that institutional discrimination persists through the collective actions of the organisation via ‘inaction in the face of need’. A view, which links institutional discrimination to the practice of ‘silo approach’ to minority groups’ employment and/or training. Hence, institutional racism is embedded in the operation of established and respected forces in society, receiving far less public condemnation than individual racist acts (Carmichael & Hamilton 1967) and directly or indirectly reinforcing racial statuses, which often goes unrecognised due to its covert nature (Feagin & Eckberg 1980; Henricks 2016).

However, Miles (1989:158) argues that ‘many institutionalists evoke the term wherever racial disparities are present, but they never pinpoint the mechanisms that (re)produce them’. Furthermore, within the institutional literature, theoretical generalisations often lack direct empirical evidence to reveal the strategies, practices, and processes that ‘reproduce the variable yet stable racial hierarchies’ (Henricks 2016: 2). The failure to pinpoint mechanisms that (re)produce racial inequalities may provide an alternative explanation to why many minority people (Henricks 2016), including Indigenous Australians are disadvantaged.

Institutional discrimination has been a constant feature of Australian history, commencing from the British designation of the continent as *terra nullius* through to the removal of Indigenous children from their families (the Stolen Generations). Australia’s failure (until the 1967 federal referendum) to include Aboriginal and Torres Strait Islanders in the national census and the failure of successive federal governments to address ongoing Indigenous employment disadvantage are further examples (Henry et al 2004). Therefore, while the suggestion that the Australian labour market is institutionally racist may be confronting, several studies (Biddle et al 2013; Bolt 2001; De Plevitz 2000; Henry et al 2004; Ganter 2010; Hunter 2004; Hunter & Hawke 2001, 2002; Larkin 2013; McConachie, Hollingsworth & Pettman 1988) have highlighted the existence of institutional discrimination in Australian institutions and its significance as one of the greatest barriers to improving Indigenous participation in the Australian labour market.

Given that few empirical studies explore institutional discrimination in Australia it is important to explore organisations’ formal and informal Indigenous training and employment policies and practices to reveal any racial inequalities
in the workplace. Puhl and Brownell (2001) found that most policies and practices created privileges for those in a position to establish and regulate such policies and practices and that subjective considerations exist in differing standards and biases (Stangl, Lloyd, Brady & Holand 2013). Thus, institutional discrimination theory is highly relevant in addressing the research question regarding the impact of employer attitudes on SBT.

Methodology

The study employed a qualitative case study methodology of one major Australian bank (The Bank) to investigate employer attitudes towards Indigenous SBT. In-depth interviews were conducted with 14 management representatives and Indigenous trainees/employees to ascertain employer attitudes towards the SBT program. Potential interviewees were identified via discussion with the National Traineeship Manager who provided the contacts of relevant managers and supervisors who had Indigenous trainees/staff in their jurisdiction, and Indigenous staff/trainees who had undergone SBT or were still undertaking SBT. Letters were distributed to the interviewees inviting their participation, detailing the purpose of the study, and how the study would contain recommendations regarding the Bank’s current Indigenous training and employment strategies, which in turn would assist the Bank in achieving its Indigenous participation targets. In addition, documentary analysis was conducted on the organisation’s Indigenous training and employment policies and practices. The Nvivo 10/11 software program was used to upload raw data, collect, organise data via coding, and categorise data into various nodes. The study used various data sources (management representatives, Indigenous employees/trainees, and relevant documents) and converged data from these sources rather than handling them individually (Yin 2003) to enhance credibility (Patton 1990). The triangulation of data sources and types in this study enhanced the quality of data based on the principles of idea convergence and the confirmation of findings (Knafl & Breitrmayer 1989).

Training programs and participation

The Bank introduced an Indigenous Action Plan (IAP) in 2011. According to the National Training Manager (NTM), the plan was developed as a ‘key part of the bank’s overall corporate social responsibility and its commitment to the AEC’ to increase the financial and social well-being of Aboriginal and Torres Strait Islanders. The plan outlined four specific commitments (Indigenous Employment, Cultural Recognition and Capability, Financial Capability and Inclusion, and Capability Building), which reflected the Bank’s corporate responsibility, diversity priorities, and human rights approach (Indigenous Action Plan 2011–2014). However, given the focus of this study, this section focuses only on one of those commitments, Indigenous Employment.

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<th>Table 1.1: Indigenous Action Plan – Commitments to Indigenous Employment</th>
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<td>Commitment</td>
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<td>Produce an Indigenous Employment Strategy</td>
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Indigenous employment

| Australian Employment Covenant – employment opportunities: | Dec 2012 |
| • Making available 176 roles for graduates of the Indigenous trainee programs | |
| • Direct employment of 176 Indigenous staff | |

| Ongoing Indigenous employment opportunities: | Dec 2014 |
| • Recruit 100 Indigenous staff per year in three consecutive years to permanent roles | |

| Recruit 100 Indigenous trainees per year in three consecutive years | Dec 2014 |
| Engagement and retention of current Indigenous employees to be developed and promoted to leadership positions: | Dec 2014 |
| • 20 Indigenous staff to be in management positions | |
| Recruit five Indigenous candidates to the bank’s graduate program per year | Dec 2014 |
| Introduce the cadetship program targeting Indigenous University students | Dec 2012 |


In 2012, the Bank further developed its Indigenous employment commitment to become an Indigenous Employment Strategy (IES) focusing on recruiting Indigenous talent. According to the NTM, at least a third of the SBT trainees were to be offered full-time positions when their traineeship ended. To achieve this target, the bank set up an internal traineeship team with four dedicated Career Development Managers (CDMs) who were assigned to help Indigenous trainees manage their on-the-job training and develop their skills through SBT. The NTM indicated that despite its commitment to increase Indigenous participation via the IAP and IES, the bank faced various challenges. These included a declining number of applications for the SBT program due to a lack of interest from Indigenous people, low completion rate amongst Indigenous trainees, and limited employment outcomes available after the traineeship.

The Bank provided traineeships and work placements to Indigenous people through its branches across Australia, with the support of the Australian government via the Australian Employment Covenant (AEC) and Reconciliation Action Plan (RAP) to increase Indigenous participation in the labour market. Traineeship programs included the School Based Traineeship (SBT) program for Indigenous students in Years 11 and 12, a Personal Banker Traineeship (PBT) for anyone (Indigenous or non-Indigenous) who had graduated from high school and specifically sought a career in banking, a graduate program for (both Indigenous and non-Indigenous) tertiary students and graduates, and a six-month paid work experience program called ‘Make Your Mark’ for Indigenous people in the Bank’s call centre. According to Career Development Manager 1, ‘all training programs were partnership initiatives between the Bank and external providers i.e. GTO, RTO, TAFE, Brotherhood of St Lawrence and Career Trackers’.

School-Based Traineeship (SBT) program

The SBT program was a two-year paid general training program initiated in 2003, aimed at Indigenous students between the ages of 15 to 18 years. According to the NTM, Indigenous students were encouraged to apply for the program in Year 10, completing it in Years 11 and 12. The SBT involved a one
day per week of on-the-job training at a Bank branch as part of the Certificate II in Business Administration or Financial Services, with incentives from the government to help pay for the trainees. The NTM explained that the program was an entry level model that fitted only entry level roles, which was intended to assist Indigenous students to learn about work and the corporate environment; give them an opportunity to improve their knowledge and skills; allow them to obtain some money in the process; and possibly lead to ongoing employment within the Bank upon the completion of the traineeship. The SBT program aimed to have around 80–85 Indigenous trainees per year. However, according to the NTM, the intake per year was limited.

The Bank would be lucky to get 80 applications for the student-based traineeship program in a year and out of these 80, only 50% would really go through with the program. (NTM)

The effectiveness of the SBT program was highlighted by the NTM:

Our success lies in the completion of the program. From 2003-2015, we had around 56% completion rate over that period. In terms of how many of them transition into a role with us it is around 30% and we are comfortable with that...In addition, from 2003-2016, we have had 928 Indigenous trainees come through our door and would probably hit that 1000 mark in 2017. (NTM)

The traineeship completion rate of 56%, combined with the fact that 30% of trainees gained employment at the bank at the end of the traineeship, represented positive outcomes for this particular program. However, the completion rate substantially declined after 2015. Most employment provided by the Bank was part-time at the branches (retail) but after 2015 employment became more casual and not all retail branches participated in the SBT, as outlined by the Career Development Manager (CDM 2):

Being involved in the Indigenous program has always been voluntary for branches (retail). We have never forced anyone to take a trainee who really is not comfortable. ...., if a branch manager does not want to be involved in the program, we do not force them to be involved. Where it (the SBT program) has worked in particular branches, managers come back year after year saying I want trainees, which is very good. (CDM 2)

**Personal Banker Traineeship (PBT)**

The PBT program is a customised SBT program aimed at both Indigenous and non-Indigenous school leavers and students aged between 16 to 25 years, and adults who wanted a change of career. Trainees learned the personal banker role, which includes opening new accounts for customers, talking to customers about their accounts, giving advice and selling various products and services the bank offers, and providing advice on financial matters before referring customers to financial planners. According to a District Manager (DM1), ‘this was a specific skill training for the Bank’ and trainees were required to
undertake a Certificate III in Financial Services. The completion rate for the PBT program according to NTM, averaged 54% of whom 43% obtained a permanent job with the bank, but management still wanted higher completion rates. The rates for completion and employment indicate a positive outcome overall for PBT but according to NTM not many Indigenous SBT trainees took this pathway.

The Bank intends to increase Indigenous participation in PBT by creating interest amongst Indigenous students, especially SBT trainees. According to NTM:

*The PBT is a much more bank-specific training and it is more focussed on people who are interested in a career in banking rather than doing something as part of their studies. So, SBT trainees are the best candidates for PBT as they have the pre-requisite skills and experience, which other candidates lack. Therefore, we are tapping into the pool of SBT candidates and encouraging them to take PBT.*

(NTM)

However, SBT trainees already undertake a 24 months part-time general skill training and for them to also undertake PBT means that Indigenous trainees need to undergo an extra 12-18 months of training after high school. According to a Branch Manager (BM1), the total period of training (36-42 months part-time) alone hinders most Indigenous trainees’ enthusiasm to commence PBT. Hence, limited numbers of Indigenous trainees have opted to undertake two traineeships consecutively with no guarantee of a job outcome.

**Australian Employment Covenant (AEC)**

The Australian Employment Covenant (AEC) is a national, industry-led initiative designed to facilitate connections between Indigenous job-seekers, employers, and Commonwealth-funded employment and training service providers (AEC 2013). The covenant model involves employers publicly pledging to providing jobs for Indigenous people, government negotiating solutions via incentives to employers to train and employ Indigenous people, and government assistance to external training and employment providers for ongoing training and placement support for Indigenous job seekers (AEC 2013).

The Bank champions the covenant model (AEC, 2013). According to the AEC (2008) and DEEWR (2008), the Bank’s agreement under the AEC involved reserving a specified number of jobs for Indigenous employees via job pledges, job placements and the provision of a minimum period of 26 weeks of work at the bank. In addition, the Bank organised a ‘P Plate’ program aimed at providing Indigenous school student traineeships and work experience opportunities with an informal guarantee to transition them into full or part-time employment at the completion of the training. However, according to the NTM, the bank has struggled to translate its job pledges into employment more than a decade after signing the agreement in 2008 and launching its first RAP in 2007.
Reconciliation Action Plan (RAP)

The Bank’s RAP stipulate specific and measurable steps that the Bank would undertake for specific commitments it has made over three years (2016 – 2019). These commitments are in the areas of Indigenous training and employment, cultural recognition, financial and social participation, as well as building capacity in areas that are directly related to its business, employees, and the communities in which it operates (RAP 2016). According to the Indigenous Talent Acquisition Manager (ITAM),

the bank is ‘dedicated to driving reconciliation through training and employment opportunities for Aboriginal and Torres Strait Islander people’ and the idea is to concentrate on areas where the bank had experience and expertise in order to make a real and lasting difference.

The NTM explained for the targets and actions in the new RAP to increase Indigenous participation, then:

Our new RAP will state for instance, 450 new Indigenous people into the Bank over the course of the RAP which is three years ... We need to have a commitment from our executive managers to review our SBT approach to accommodate professional roles and we need to start some top-down target setting so our approach becomes sustainable. (NTM)

However, the commitment from the executive managers to review the SBT approach was not forthcoming hence, the top-down target setting is yet be implemented let alone incorporated in the Bank’s Indigenous Action Plan or Indigenous Employment Strategy.

Training and Employment Issues

According to one of the Career Development Managers, the lack of interest for SBT from Indigenous students was due to their choice of subjects and career interests:

The issues are around attracting sufficient numbers of Indigenous people ... as traditionally the jobs or the industry choices for Indigenous Australians has not historically been banking and finance. They tend to go more into allied health or community work or teaching or government positions. (CDM 3)

For those Indigenous trainees who joined the Bank, they were mainly trained in retail departments/branches. As a result, some Bank branches were left to ‘carry the flag’ while other branches were not yet ready to do so. Other departments in the bank were simply not interested in SBT as it was an entry-level model. Hence, the IES failed to increase Indigenous participation using SBT, according to the NTM:
Ninety-five percent of the Indigenous people we have recruited in the last five years via SBT have been into the retail business, which is not sustainable given the automation of most customer service functions such as a preference for internet banking and the introduction of ATM machines. (NTM)

Realistically, in terms of our business, SBT currently fits in retail business. Where else can we fit the SBT model in the structure of the organisation? To increase Indigenous participation, the executive managers need to commit to changing the SBT approach. (ITAM)

Another issue is that the bank had a limited number of job openings at the end of SBT, which would lead to permanent employment. Instead, SBT trainees were further encouraged to undertake PBT, partly explaining the lack of interest shown in the programs. This is what some Indigenous trainee/employees had to say:

I was lucky to get a part-time job after my SBT traineeship, but my colleague was not that fortunate even though we had both completed SBT at the same time…contrary to our expectations (BMI)

I have just completed the traineeship but missed out on a job in the branch I had applied for… Anyway, now I must look for jobs outside …not sure if I can take the personal banker traineeship for another year without a promise of a job when I finish… (Trainee 1)

Interview data also reveal how managers had begun to create an alternative narrative out of the lack of employment opportunity, as an experience in its own right.

The idea of the program is not so much focused on they will be working … at the bank at the end of it. It is more keeping kids at school and giving them a flavour of what staying at school and what the world of work can look like. We are giving them an idea of what a corporate environment is about … (NTM)

The result was that, according to the CDM 2, the targets stipulated in the RAP, IAP and IES ignored the realities of employment opportunities and potential Indigenous employees’ expectations.

The targets are definitely one of those aspirational tasks … I think someone got really excited about the Bank’s contribution to Indigenous people and said yes, we can do this, an attempt to close the gap … but the reality is where are they going to come from and are, we ready to provide a certain number of roles as promised? (CDM 2).
Discussion

This study seeks to examine SBT in a major Australian bank and interpret the findings using human capital and institutional discrimination theories to explain the impact of employer attitude and decisions on Indigenous trainees’ employment outcomes. In the current Indigenous employment literature, limited research has examined the success of SBT as a pathway for Indigenous learners into employment (NCVER 2015, 2017). The key finding of this study confirms that employer attitude impacts Indigenous SBT and is a significant factor in explaining employment outcomes and, in particular, low Indigenous participation in the banking sector.

SBT had positive outcomes for some Indigenous trainees, with a completion rate of 56% and 30% of those trainees gaining employment with the bank. However, most of these jobs were part-time and later became casual employment as compared to the Bank’s pledges to transition the trainees into full or part-time employment at the completion of their traineeship. While the SBT program was considered successful by management, some Indigenous trainees were less convinced, as they did not get placed due to limited employment openings, contrary to their expectations of guaranteed jobs at the end of SBT. According to management the aim of the SBT was not necessarily to provide employment, but to retain Indigenous students at school and show them what the corporate environment looked like, leading to more informed career choices. This could be perceived as a cynical approach given the Bank’s job pledges to the AEC and its commitments to honour its RAP and its IAP/IES.

For trainees that did not get a job at the Bank after the completion of SBT, according to management representatives, their human capital was enhanced and their chances of being employed increased with skills gained in SBT. This assertion corresponds with the findings of NCVER (2010) and Karmel and Rice (2011) that those who completed their traineeship or apprenticeship had better employment outcomes either in the same occupation or industry relative to those that did not complete. Overall, the finding is consistent with Becker’s (1994) study which predicts that increased non-school qualifications will have positive effects on labour force participation and corresponds with several studies that suggest education and training increase employment rates among Indigenous people (Biddle & Webster 2007; Borland & Hunter 2000; Daly 1995; Hunter & Daly 2008; Hunter & Gray 2001; Purdie et al 2006; Ross 2006; Stephens 2010).

The SBT operated as a general skill training program, offering courses such as Certificate II in Business Administration and/or Financial Services funded by the government via incentives to the Bank from 2005 till 2015. After this period, the Bank continued hosting SBT programs annually even though employment outcomes were limited, and the number of intakes and completion rates had declined substantially. This may be due to the SBT being used as a pre-requisite for more specific training programs such as the PBT. The finding appears to confirm studies by Eckaus (1963) and Acemoglu and Pischke (1999) who argue that employers would only be willing to bear part or all of the costs for general training if they perceive it as beneficial to them (Steedman 1993; Soskice 1994; Harhoff & Kane 1997).

The findings show that only a few retail branches of the bank were actively involved in increasing Indigenous participation via SBT, while other
branches were not ready to do so. This inconsistency in commitment or ‘silo approach’ to Indigenous training and employment across the retail branches is allowed by the bank and seen as a form of institutional discrimination as it is ‘inaction in the face of need’ (Jones 2000:1212). This finding is consistent with studies by Jones 2000, 2002; Lopez 2007; De Plevitz 2000; Steinberg 2007 who argue that such routine institutional practices are embedded in institutional systems and dispersed through the organisation without the knowledge of the administrators. Thus, it is fundamental to address these approaches to increase Indigenous participation.

Furthermore, changes in technology and the automation of customer service functions have reduced the low-quality job opportunities for SBT trainees in retail departments hence, potentially reducing Indigenous participation. This corresponds with studies by Crawley and Sinclair (2003), who found that Indigenous employees were concentrated in the low-level type of work in five Australian mining companies. In addition, studies by Daly, Gebremedhin & Sayem (2013) also found that Indigenous trainees were concentrated in the retail departments of the National Australia Bank. In that case, a majority of Indigenous trainees/workers were being restricted to certain roles or divisions of the organisation, a phenomenon known as ‘ghettoisation’ (Crawley & Sinclair 2003:368). Biddle et al (2013) suggest that institutional discrimination is unlikely to be removed unless it is fully exposed to public scrutiny and remedies need to include changes to policies and practices that might reduce future incidences of discrimination. This study confirms findings by Carmichael and Hamilton (1967), which suggest that institutional discrimination is embedded in institutional policies and practices and covertly persists through collective actions of the organisation, even if the intentions are good.

RAPs and ECs were found to be ineffective in increasing Indigenous training and employment, as targets were not met. This was due to their voluntary nature, with plans often not being implemented. A more favourable view of RAP is provided by Daly and Gebremedhin (2015), who argued that the RAP gave Indigenous people an opportunity to work in a prominent mainstream organisation, which may not have come about without the RAP process. However, this study found that a RAP does not automatically guarantee increased Indigenous skill acquisition and/or employment as there are existing structural barriers (policies and practices) that need to be addressed including the failure of management to appropriately address Indigenous participation in every department. This finding is crucial because it indicates that both RA and AEC need to review their roles and agreements/covenants with the corporate sector as they are clearly not working for Indigenous people. The study recommends that RA and AEC ensure that their agreements are legally binding and use quotas in support of Indigenous participation in every level/department of an organisation.

Conclusion

This study makes a contribution to the literature, which examines SBT as a critical model to increase Indigenous labour market participation. The attitudes of the employer in this case study illustrates a clear intention to increase Indigenous participation via pre-employment training opportunities. However,
the SBT was lacking due to structural barriers such as its limited function, ‘silo’ approach and ‘ghettoisation’, lengthy periods of traineeship with no guaranteed jobs, and the ‘failure to act’ of executive management in playing a key role to review the SBT model to deliver sustainable long-term employment to Indigenous trainees/employees in increasing Indigenous participation. The study found that pledges and guarantees that were embedded in signature corporate commitments such as the AEC and RAP were difficult to translate into outcomes that enhanced Indigenous employment participation. There were a variety of reasons for this, including the non-commitment of other retail branches and departments to increase Indigenous participation, and the largely limited bank roles that were also in the process of being scaled back or phased out. As such, corporate commitments begun to be seen as ‘aspirations’ rather than ‘realistic’ targets, where in place of actual long-term employment, management reshaped the Bank’s corporate commitment into a scheme that more closely resembled a work experience program. These findings raise important issues about the influence of employers’ attitudes on the success of SBT for Indigenous trainees and the critical roles that VETiS plays in assisting the employment participation of Indigenous trainees.
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