



Harvest

HR & PEOPLE SOLUTIONS



The Regional Report – 2020

Harvest HR & People Solutions

The 2020 Geelong HR Index

In 2019, Geelong was a region on the move. We led the nation in population growth and our economy was confident. We continued to gain momentum and growth across our major sectors. We were a region with strong entrepreneurial endeavour with an incubation hub for the commercialisations of ideas and innovations. We could have been forgiven for assuming we had many of the pieces of our economic jigsaw together.

18 months later as we herald the end of 2020, we see a vastly different picture. When COVID came to town, the landscape changed overnight. The pandemic and the restrictions that were introduced to keep us safe saw the oxygen evaporate from two of our region's bigger contributors - Education and Tourism. Many industries were challenged, others held steady and yet other sectors flourished.

With so much change, Harvest conducted the Geelong HR Index, surveying 85 of our region's employers, to determine how we fared.

“What have been the impacts on employment and what were the key HR trends for the region as a whole and our industries?”

This is the first comprehensive survey to be released on the Greater Geelong region that addresses how our business and organisations fared. This report will show our position as we emerge from COVID and how quickly we expect to recover.

The survey canvassed 85 of the region's employers, across 11 sectors and comprises findings from a host of our region's employers.

We sincerely thank all the organisations whose contribution has assisted in developing the picture for the region.

The report will also cover the initiatives organisations are embracing post pandemic. One thing that is certain; we will not return to pre-COVID normal. The pandemic has presented the opportunity to respond, to trial things; to trial and fail or trial and succeed rapidly. We have all had to flex our entrepreneurial muscle or be left in the wake of the tsunami that has been COVID-19.

The word “pivot” has been one of the most frequently used words in 2020. It is apt as most organisations will change something about their approach in the new era of “Post Pandemic” or “COVID-Safe” – this report will showcase some of their initiatives.

Why conduct the HR Index? In 2019, Harvest Director, Maree Herath recognised the pace of change had been so frenetic that many chief executives, business owners, divisional directors and HR practitioners were still playing catch up.

Instead of receiving the news, we decided to create the news.

The Geelong HR Index was born.

This is Harvest's second HR Index report. The survey is conducted, analysed, interpreted and culminated in-house as our service to our community, as the region's most trusted end-to-end HR service provider.

Today, as we emerge from COVID isolation and hibernation it's important to know where we've been, where we are now in order to address our direction for the future.

We trust the findings will increase your understanding of the Geelong region; that you will be able to use the data to respond to challenges, take advantage of opportunities and play your part in the social and sustainable development of our great City.



Maree Herath
Director

2020 – Geelong HR Index Findings

85 Employers Surveyed

- 4 MICRO (less than 5 employees)
- 41 SMALL (5 – 100 employees)
- 28 MEDIUM (100 – 500 employees)
- 12 LARGE (greater than 500 employees)

11 Industry Sectors

1. Agriculture and Food
2. Property, Construction and Real Estate
3. Education
4. Energy & Resources
5. Engineering & Manufacturing
6. Government & Public Sector
7. Health
8. Membership Bodies & Not For Profit
9. Professional Services
10. Sport, Leisure and Hospitality
11. Warehouse and Transport



2020 – Geelong HR Index Findings

Executive Summary

The region was challenged by COVID however Geelong, for the bulk of our industries, did not close and the majority of our employers were able to continue amidst the restrictions and changes to work. The region paused and employment figures in April and May were unfavourable however the majority of employers were confident that they would be hiring new disciplines between July and December 2020.

No doubt the biggest fall-out from the pandemic has been mental health. Employers were unanimous; their biggest HR challenge COVID-19 presented was the Psychological Safety of Their Workers. The biggest challenge for HR divisions and those responsible for people management was Maintaining Personal Resilience to Withstand the Increase in Workload. Furthermore, the biggest HR initiative being addressed due to the crisis is the Health Safety and Wellbeing of our region's employees.

Organisations have experienced the impacts when workers' health or wellbeing are compromised. The pandemic saw individuals responding well – those who could proactively maintain healthy lifestyles and, importantly employ mental health strategies to journey through the challenges. However, many individuals were affected in different ways and the pandemic tested our population's resilience and coping strategies. Organisations are keen to shore up the safety and mental health and wellbeing of their workers and there is no

doubt more attention and resources will be dedicated to this area in our COVID-Safe and post-pandemic world.

Despite the pandemic our employees felt supported. And our organisations' key leaders stood up and the support provided by people's employers was significant for the majority. Communication stepped up. While leaders didn't know the impacts COVID would have from one day to the next they were quick to inform staff, with updates and it was this transparency that saw employers and organisations' leaders shed in a very positive light.

Many companies saw employee engagement increase and are still keen to do more to bed in cultures and the engagement of employees post the pandemic.

The discoveries and efficiencies derived by technology were heralded by many companies and there have been endemic changes to systems and processes as a result.

An endearing change to work is Flexible Working Arrangements that, while for the few prior to the pandemic, will continue and be a standard moving forward. Employees will be able to choose their preferred work arrangement and our employers are in full support. The only question that remains is how teams will collaborate in hybrid office/site and home environments; how strategy, process improvement and innovation will be addressed.

2020 – Geelong HR Index Findings

Employment Trends

Geelong - A Resilient City

“The region holds steady with majority of employers emerging from the Pandemic with the same or similar staff numbers.”

The region will rely more heavily on our private sector. Professional Services see the largest uplift and small to medium enterprises will steer the region’s economic recovery from the crisis.

Education, Property/Construction/Real Estate and our Sport, Leisure and Hospitality sector are the biggest casualties.

Not for Profit has been a winner with more funding to respond to those impacted by the crisis.

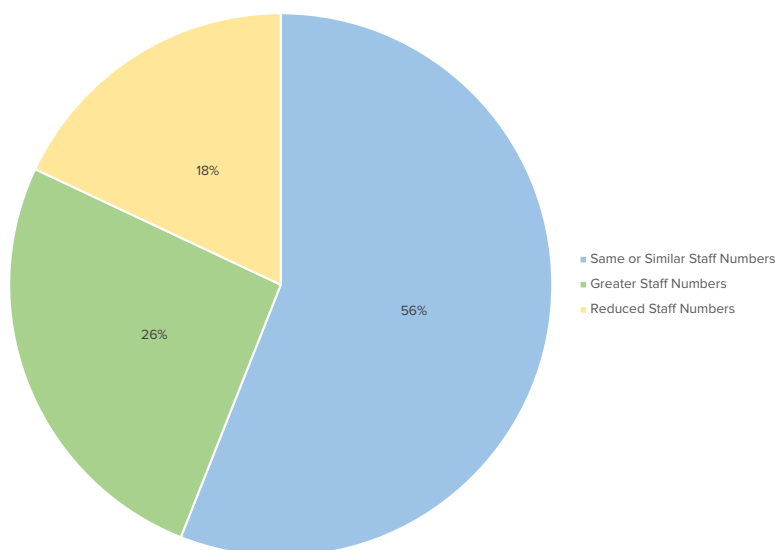
Agriculture, Engineering and Manufacturing have been solid performers throughout COVID and emerging from the crisis.

In Energy and Resources the sector has held steady throughout but will release contractors in the short to medium term.

Warehouse and Transport (with the exception of passengers) had strong growth during the pandemic but doesn’t envisage further growth and there will be a reduction in casual workers.

The Working for Victoria Scheme has resulted in significant “short-term” employment opportunities in sanitisation, hygiene, parks and gardens however the Government and Public Sector, while steady in employment trends, will emerge from the crisis with much fewer casual and contract workers.

Our largest employers are the most challenged – decreasing in size and shedding their casual and contract labour.



The Winners and Losers

Strong Growth (With a vast number increasing staff numbers) – **Professional Services**

Steady to Strong Performers (With a vast number either steady or increasing staff numbers) – **Energy, Engineering and Manufacturing, Not for Profit, Transport and Health**

Steady Performers (with a vast number reporting emerging with the same or similar staff numbers) – **Agriculture and Government/Public Sector**

Steady to Weak Performers (with the vast number reporting steady or reduced staff numbers) – **Property/Construction/Real Estate, Education**

Weakest Sector (majority emerging with reduced staff numbers) **Sport, Leisure, Hospitality**

2020 – Geelong HR Index Findings

Contractors and Casuals – Bigger Organisations the Most Impacted

The majority of the region's employers are keeping their casual numbers.

The majority of **Small** and **Micro** sized businesses are keeping their casuals and contract staff beyond COVID. (Agile was a competitive advantage amidst the pandemic)

Medium sized employers were evenly spread with 1/3 increasing, 1/3 decreasing and 1/3 remaining steady.

The biggest employer group reporting decreasing their casual numbers in the next six months are the **large employers**.

The majority of Large Employers (those employing more than 500 employees) reported reducing staff coming out of the crisis.

60% of those that anticipated reducing staff numbers were from employers with over 100 employees and seven employers representing employee sizes of 500 to 5000+ were releasing their casuals and contractors during and emerging from COVID.

This could mean 100's more casuals could disappear in the coming months.

Adding insult to injury, employers will be critiquing whether they can justify their casual and contract labour once job-keeper goes.

The Winners and Losers – Contractors and Casuals

Strong Growth - Engineering and Manufacturing came out the strongest with this sector increasing their casual pools.

Ups and Downs...Half of the **Agriculture and Food Sector** reported they anticipated increasing their casual pools. The remainder are decreasing. This divide is due to the seasonality of harvest and downstream processing, not necessarily the pandemic.

Steady to Strong Performers (reporting a steady or increase in casuals) include **Health and Not for Profit**.

A very steady performer, and a sector that hires the least casuals, is the **Professional Services** sector. 80% reported their contract or casual staff would remain the same in the next six months.

Steady to Weak Performers (with majority reporting their casual numbers would remain the same or decline) were **Property, Construction and Real Estate, Education and Energy & Resources** sectors.

Weak performers (majority reporting decreases in casuals in the coming months) are **Government and Public Sector, Sport, Leisure & Hospitality and Warehouse/Transport**.

2020 – Geelong HR Index Findings

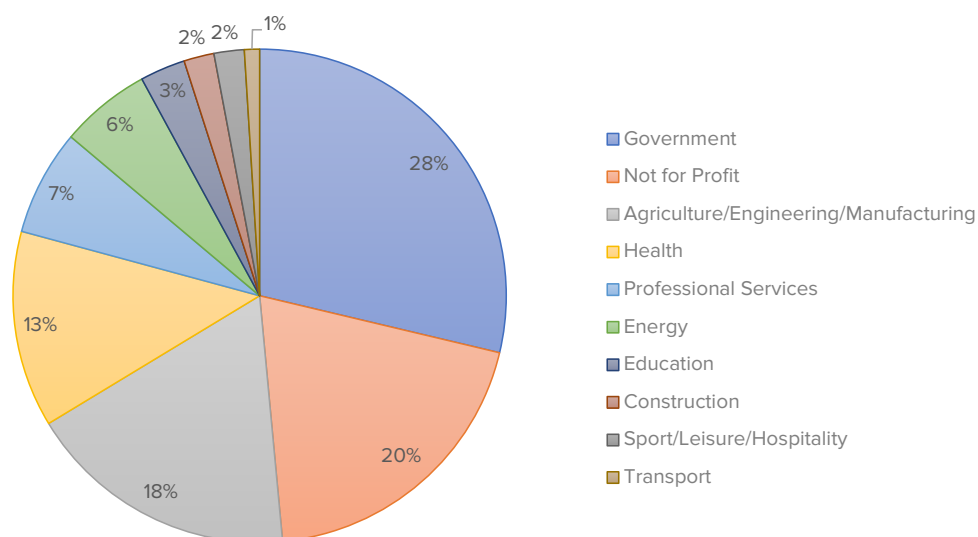
Hiring Intentions for the period July to December 2020

62% of respondents reported they were planning to hire new staff during this period

Anticipated hires sit between 410 and 800

Sectors Hiring

Proportion of Anticipated Total New Hires for July – December period by Sector



Disciplines in Demand

Parks and Sanitisation – The “Working for Victoria” program sees 120 – 250 of the estimated hires in the July – December period being attached to this scheme (just under one-third of all hires)

Social and Support Workers – Up to 150 required for NFP (or 20% of maximum estimated hires)

Process Workers – 15% of hires will be in agriculture or production work as agriculture and manufacturing is a steady/growth sector.

Nurses – Strong demand again in Health with 14% of total hires anticipated in nursing.

Over 75 **Professionals** (approximately 10% of hires) will be required across Accounting, Finance, Legal, IT, Business Analytics, Insurance, Marketing and Stakeholder Engagement roles both in Professional Services and In-house roles.

Excess Supply

With limited growth and employment in certain sectors for the period July - December, we will see a surplus of specific disciplines and these individuals will remain unemployed or underemployed over the coming months:

- Construction Workers
- Transport Workers
- Teachers
- Retail and Hospitality

2020 – Geelong HR Index Findings

The Biggest HR Challenge

While the early days of COVID created curiosity, the novelty quickly wore off as life changed. Interstate and international travel was embargoed. New regulations and laws forced the shutdown of society. In work and business (for the majority of employers) where and how the work was done changed – for some dramatically. Childcare centres closed and schools and educational institutions, after brief closures, moved to home schooling and remote formats.

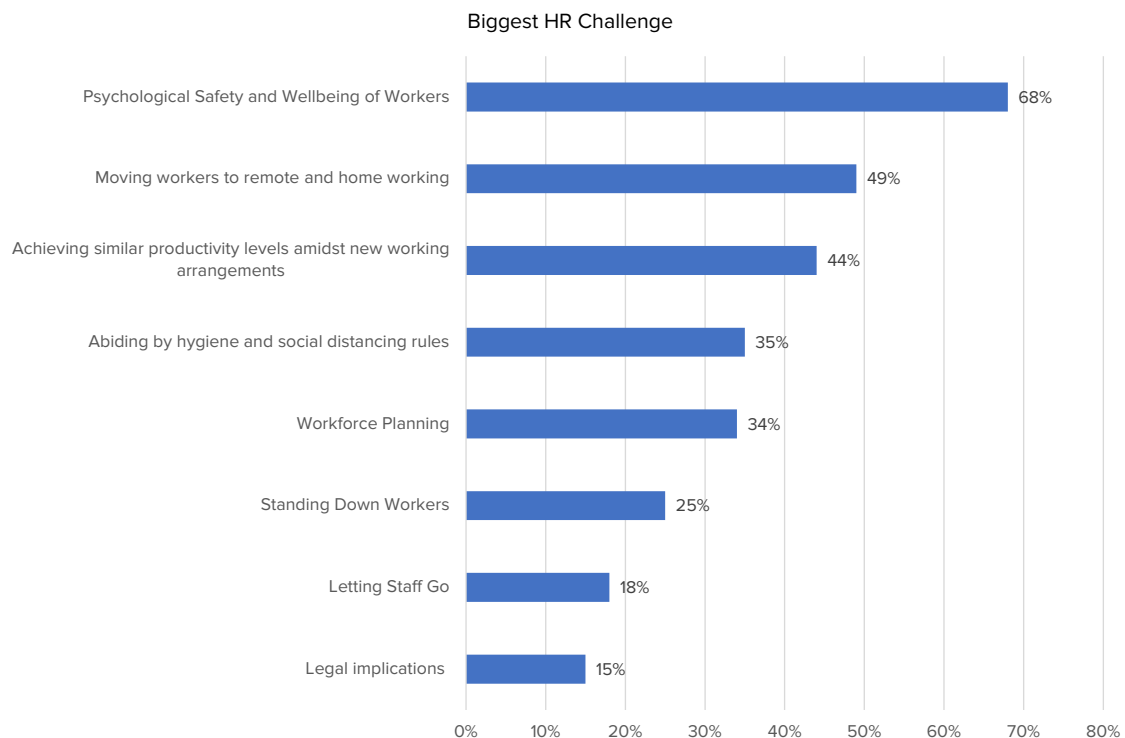
Instead of optimism as cases reduced, the next phase for Geelong emerged as “Stage 3” restrictions prevented all social connection outside of home. Hospitals and aged care facilities closed to visitors, sporting clubs and other community groups could no longer congregate. Travel beyond home and surrounds was illegal unless essential.

Employment was impacted, staff were laid off, stood down or hours and remuneration reduced.

As such, the biggest HR challenge of the pandemic, according to the majority (68%) of the region’s employers was the psychological safety and wellbeing of its workers.

The pandemic has had organisations consider their internal communications systems and processes. Due to the crisis and continually changing landscape organisations are addressing how the changes can be adopted, broadcasted and disseminated throughout the organisation immediately – adopting mobile phone apps as an example.

Each industry, based on how the pandemic played out, had different HR challenges which can be found in the separate findings by sector.



2020 – Geelong HR Index Findings

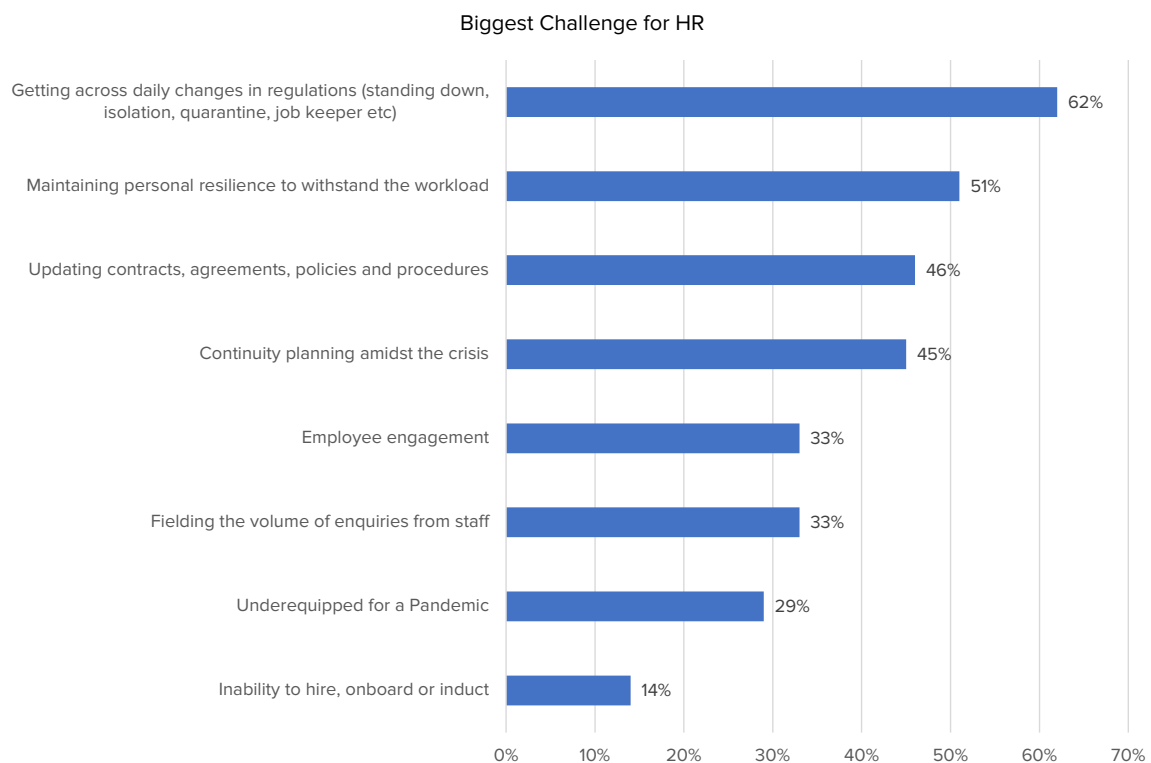
The Biggest Challenge for HR

In the height of the pandemic, news, updates, regulations continued to change, sometimes by the hour. As further restrictions were imposed it was this that represented the greatest challenge for HR departments or those in the organisations with HR remits with 62% of respondents stating this was the biggest challenge for HR.

Half of those surveyed said maintaining personal resilience was the biggest HR challenge which emphasises the toll the pandemic took on key individuals and departments responsible for looking after their people amidst the pandemic. Of interest, our microbusiness struggled most here with 75% reporting that maintaining personal resilience was their greatest

challenge (with only 25% challenged in getting across the daily changes in regulations) and 75% of our largest employers' HR departments also reported this as a key challenge – greater employee numbers contributed to the increase in workload.

While we are emerging and thankful to be coming out of the crisis, we can't ignore the fact that as employers it is vital to "care for the carers" even if, in microbusiness, it is the owner. Employers must ensure those who shoulder a significant responsibility in times of crisis are prepared, acknowledged, resourced and supported physically, mentally and emotionally.

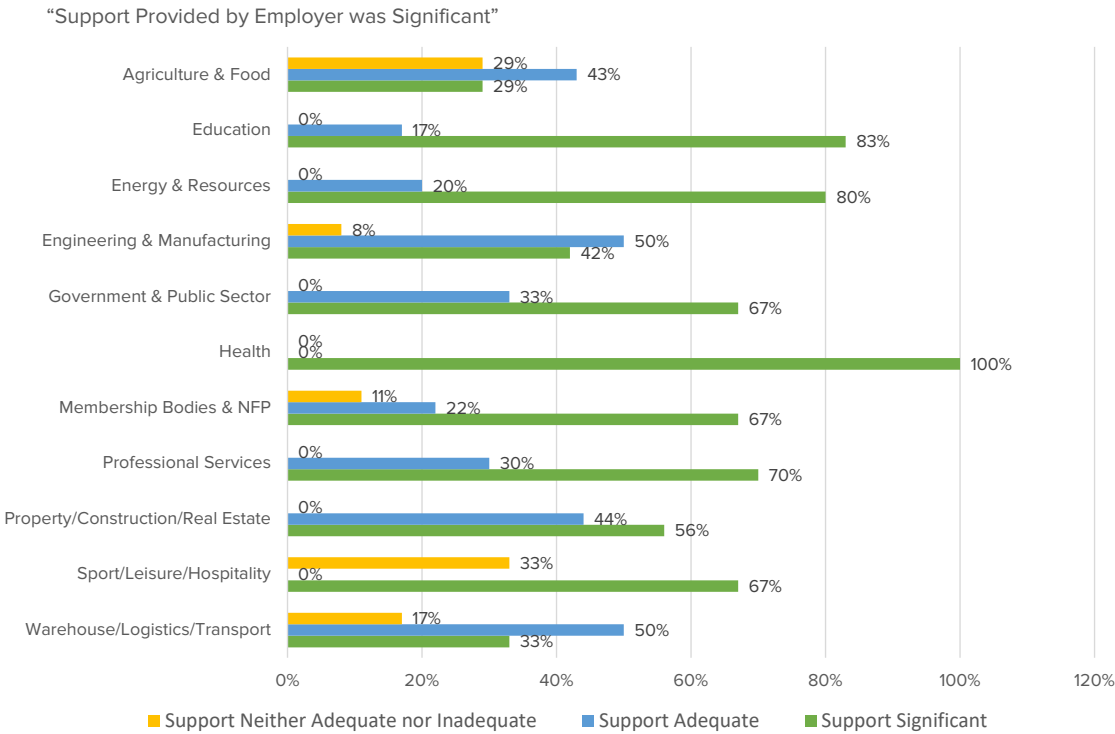
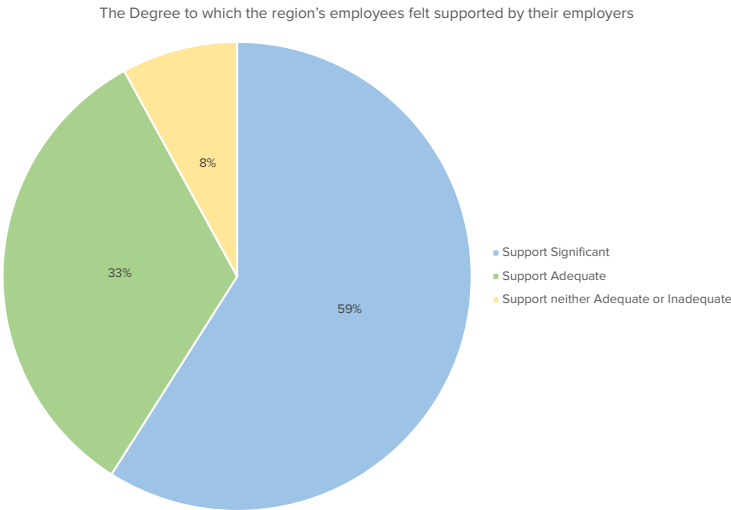


2020 – Geelong HR Index Findings

Our Region’s Employers Stepped Up in the Crisis

Of all surveyed 82% said they felt the support given by their employer was significant or adequate with 59% saying it was significant.

The key to supporting a workforce, according to some surveyed was the degree to which its leaders stepped up. Those that provided regular communication – calmness amidst the crisis, clarity, openness and transparency engendered the trust of their workforce and the workforce felt supported. There were many examples of executives and managers providing more information, being more present (even if virtually on webinars and video calls) and increasing frequency of communication and touchpoints. Certain organisations, in addition to their own team huddles had leadership team huddles to check-in and ensure each leader accessed daily support from their peers.



2020 – Geelong HR Index Findings

Our Region's Employers Stepped Up in the Crisis

The industries that shone with significant numbers of respondents rating their employers as providing significant support were Health (100%), Education (83%) and Energy and Resources (80%). This rating was much lower for Agriculture (29%), Warehouse and Transport (33%) and Engineering and Manufacturing (42%). These sectors were less affected and didn't require the level of support as those industries more impacted by the crisis. Noteworthy was the Construction sector with 100% of those surveyed rating their employers' support as significant or adequate. Although this sector is stereo-typed with a workforce with a "tougher bravado" construction companies showed heightened awareness of alterations to behaviour which indicated their workers were struggling.

Mental health while a discussion point pre-pandemic, now had the lens firmly fixed on it. More communication around "are you okay?" became a genuine platform from which many teams and team members shared their challenges and supported each other. More mental health support was provided including access to knowledge libraries, streamed workshops and formalising Employee Assistance Programs (EAP) for the mental wellbeing of workers.

Survey respondents now felt if another crisis came, they would be in a better position to respond. Hypothesising

a crisis or pandemic (some employers had pandemic in their continuity plans) is very different from living and responding to one. Organisations now are seeking to ensure pandemic emergency response plans are well understood and able to be activated efficiently. Employers felt they now had a better idea of crisis management and could anticipate issues as opposed to reacting to them. Notwithstanding this, some industries wanted to contingency plan its industry to determine what collaboratively an industry should do to respond versus treading water.

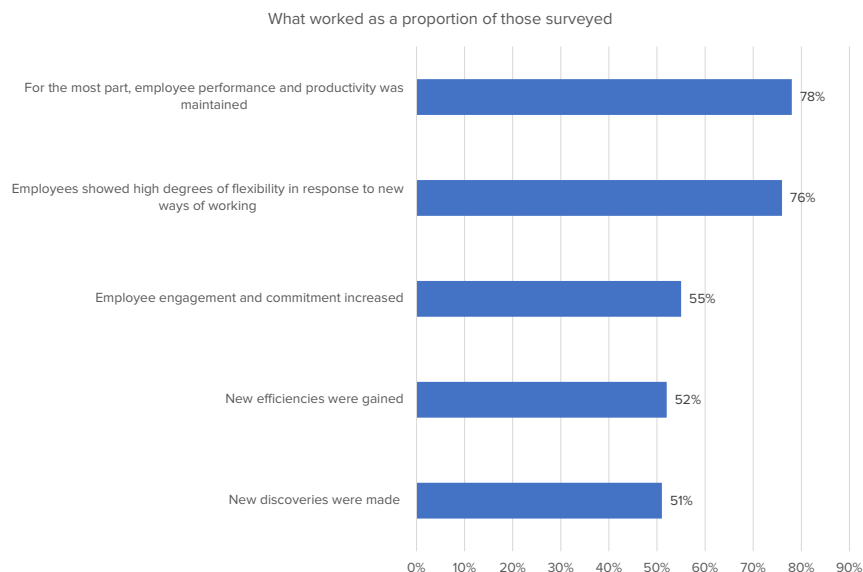
Employers, by necessity, gained a better understanding of remote working and Flexible Working Arrangements which will, for the majority, continue into the future. While employees gained the benefit of striking a balance between home and office, engagement and connection did suffer.

One of the drawbacks of the new ways of working was corporate culture. Survey participants questioned if it could be maintained in a disseminated/disconnected workforce without the informal "corridor/kitchen/watercooler" or team chats which equally promote culture as do formal team meetings. Similarly with employee engagement - employers queried how to effectively engage the workforce, across a host of HR issues when all are working from home.



2020 – Geelong HR Index Findings

Adversity Paves Path for Innovation



Overall our region's organisations saw employee engagement and commitment increase (55%) and witnessed their employees being highly flexible and adaptable to the new ways of working (76%). For the most part, employee performance and productivity was maintained (78%).

The pandemic also presented opportunity with half of survey respondents commenting they had made new discoveries and gained new efficiencies due to the crisis.

If asked how many video link-ups an organisation undertook each day or week prior to the pandemic many would set the number at marginal numbers, or zero. Today, it is a way of life and the bulk of organisations listed this as a new discovery – one that will continue - which also provided new efficiencies especially in time, money and resources.

Organisations learned they could be agile. Initiatives that had sat on the

boardroom table for months or years were implemented carte-blanche and new systems and services were established. Examples included remote call centres, telehealth and the remote delivery of education, training and workshops and students adapting to learning remotely. Take-away and delivery of restaurant quality food became the norm and restaurants and hospitality providers saw the opportunity in pop-up shops and venues. In Construction, Real Estate and Property and asset management technology is now used for inspections, site tours or home-opens. This has saved time and increased safety (with less car travel) and allows individuals to visualise the site or property without being present.

Employers learnt their workers could be productive and trusted in home offices; that the work could be done and in some situations workers and managers became more effective working from home. Likewise

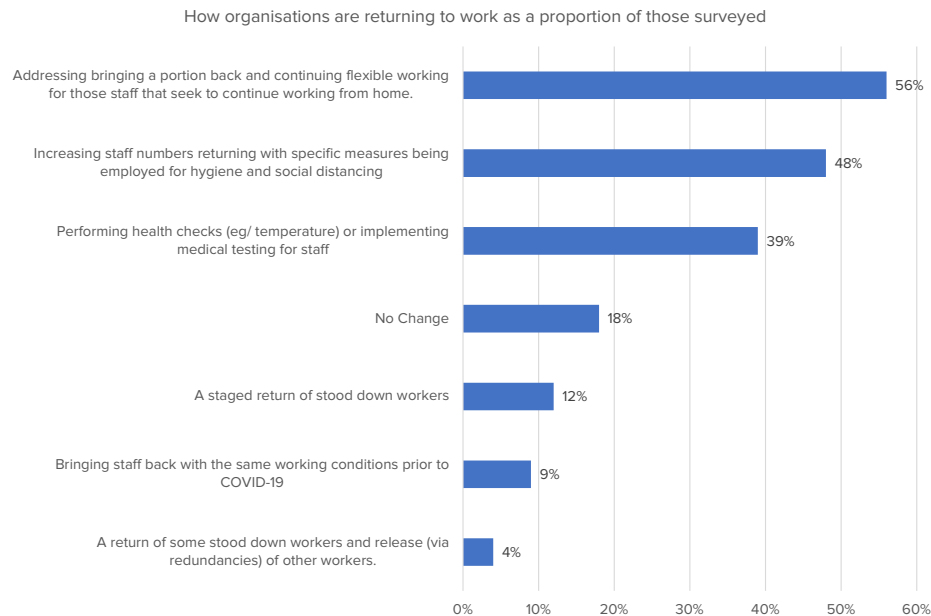
workers were able to establish a work/life rhythm which, while not always 9-5, delivered the same outputs which was a new discovery for managers and leaders.

Engagement increased for many and employers were surprised by how resilient their workforce could be.

One of the beauties of the crisis is we all became more human. Managers saw their team members, their team members' families and pets and likewise teams saw their leaders in their home environments. Some employers said they gained more interaction from some of their staff because of the comfort the home setting had created. With the façade of the workplace gone, the work face and uniform diminishing, it paved the way for a more authentic relationship amongst teams and team members and individuals could see and respond to their team mates as issues arose. This discovery is one that many teams will cherish.

2020 – Geelong HR Index Findings

The Return to Work



Many employers have been postulating the return to work. For 15 companies out of the 85 surveyed they reported no change. This included 75% of our micro-businesses who may, for the most part be remote/home based.

The bulk of the region's employers saw some or all of their staff move to home office and so for 56% of employers they reported that they will be bringing a portion back and continue flexible working arrangements (FWAs) for a portion of staff. Of those surveyed 75% of our large organisations (with over 500 employees) said they would keep flexible working arrangements. In some circumstances this will be mandated by the employer with staff rotations or booking systems introduced (with social distancing measures) to comply with COVID-safe social distancing measures. While some will be staff led where employees have found benefit in

working from home and employers will keep FWAs in place for those that want to work from home. The only complexity is what will become the hybrid teams in the office and at home. How will collaboration occur without excluding working from home (WFH) team members? Some employers are scheduling work from office days and WFH days to allow for this face to face interaction and to collaborate on strategy, opportunities for efficiency gains or idea generation and innovations.

With COVID-Safe plans mandatory for the return to work, hygiene measures, sanitisation and social distancing (plus keeping contact tracing records for visitors) will be the norm in moving from remote working back to the office. Approximately half of our companies stated they would be increasing staff numbers returning, with specific measures employed for hygiene and social distancing. Just under 40% said they

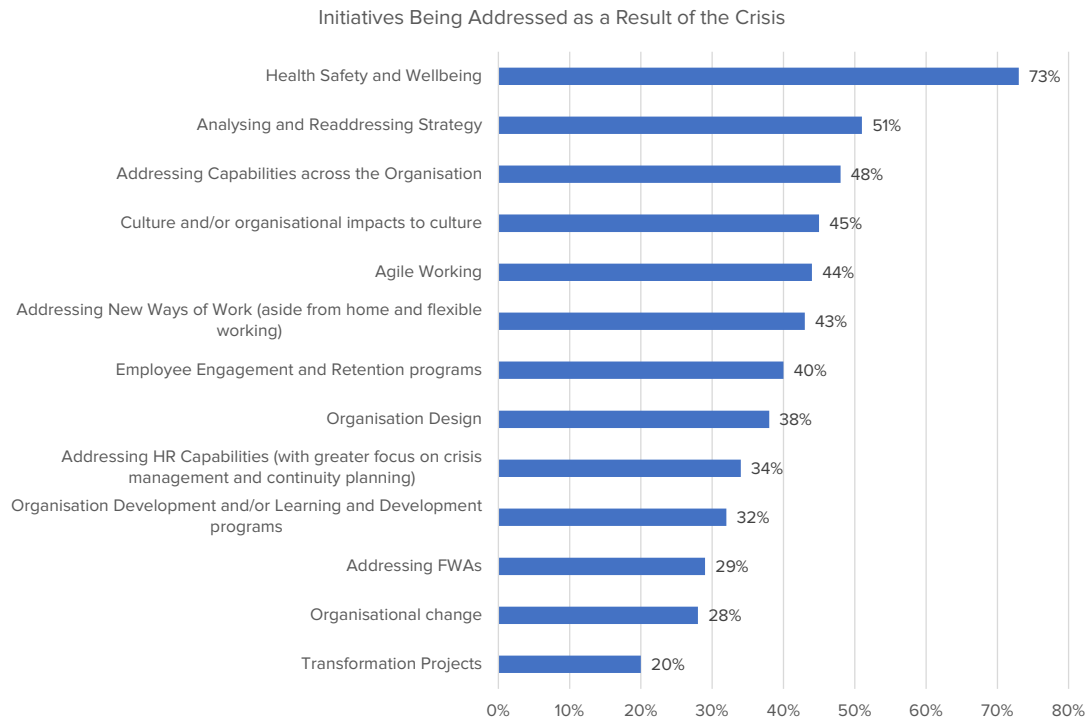
would be performing health checks on staff. It should be noted that participants of the survey completed the survey prior to the roll-out of COVID-Safe plans as a government mandated requirement.

Only a minority of employers stood down staff and thus only 12% highlighted they would focus on the staged return of stood down workers. Fewer still (4%) saw that they would be releasing some stood down workers. This was particularly for the Education and Sport, Leisure and Hospitality.

One thing that was clear, the same work conditions will no longer apply post-COVID. 91% of employers reported some change to working conditions with only a handful of those surveyed (9%) saying they would bring staff back with the same working conditions prior to COVID-19.

2020 – Geelong HR Index Findings

Key Initiatives in Response to COVID



As a region, the highest priority of all employers is addressing the Health, Safety and Wellbeing of workers with 73% of employers citing this as a key initiative. This demonstrates how much the pandemic has impacted individuals and it hasn't gone unnoticed by employers.

One-half of respondents would be readdressing strategy and, as many organisations found themselves challenged by the crisis, 48% of the region's employers said they would be addressing capabilities across the organisation.

One-third to half of survey respondents' post pandemic initiatives include Culture or Impacts to Culture (45%), Agile Working (44%), Addressing New Ways of Work beyond flexible working and working from home (43%), Employee Engagement (40%) and Organisation Design (38%).

The initiatives that were not as high on the agenda were Addressing HR Capabilities, Flexible Working Arrangements, Organisation Transformation and Change as well as Organisation Development and L&D

“Our ambition is to be the region’s most trusted end to end HR services firm”