

EXECUTIVE SUMMARY

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Investigative Panel into building and retaining an effective homelessness sector workforce



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Executive summary

Key points

- This project adopted an organisational psychology perspective to explore the effective workforce preparation, attraction, recruitment and sustainment strategies required to deliver a better developed and supported specialist homelessness services (SHS) sector workforce.
- The work undertaken within the SHS sector is increasingly complex and places high demands on staff, presents challenges with respect to meeting the physical and psychological needs of staff, and has weak employer brand awareness. In combination, these pressures contribute to staffing shortages and worker retention issues. Meanwhile, the demands for these services are continuing to increase.
- SHS agencies are aware of the challenges and have implemented a range of strategies to improve financial security, motivation and the recruitment of a skilled workforce. However, given the resource constraints these organisations face, their capacity to continue to meet these challenges is limited.
- A range of organisation- and sector-level policy recommendations have been made to better prepare, attract, recruit and retain employees in the sector, including training and development, redistribution of tasks away from administrative activities for frontline and managerial positions, raising brand awareness of the sector and modifying recruitment strategies.

- **Changes implemented by individual SHS organisations will have limited impact on the overall sustainability of the workforce in the sector unless significant policy reform is made to the funding model. The sustainability and development of the sector workforce on a meaningful scale also requires the supply of social and affordable housing, improved job security, access to more competitive remuneration and improved investment into workforce training and development. These changes require state- and national-level government commitment.**

Key findings

The funding model heavily influences SHS sector workforce operations

SHS organisations are responding to workforce challenges at an organisational or regional level. The Investigative Panels revealed that state funding has the greatest capacity to shape how the SHS sector operates and the effectiveness of its workforce. While SHS agencies have important roles to play in building the capacity of the workforce, it is the state, through funding SHS, that has the most significant influence over the workforce. The existing funding model affects work design by not appropriately funding SHS organisations to meet service agreements to provide staff with ongoing training or clinical supervision; not allowing for the financial security of SHS employees (i.e. not providing sufficient remuneration or job security); and hindering the capacity of SHS agencies to satisfy their employees' basic psychological needs, negatively affecting employee engagement and retention. Finally, the current model hampers organisations' ability to attract and retain competent staff and to cooperate with other local organisations that would enhance the services provided.

Underfunding and understaffing impedes work design that supports staff wellbeing

The work design in the SHS sector is complex and places high demands on employees, including emotional demands and indirect trauma, which are a function of the role and unlikely to be mitigated. To respond to client needs and undertake their roles successfully, employees are required to possess a diverse skillset that intersects with a wide range of areas, including health, housing and family and domestic violence. Staff are required to work largely independently and the level of support in the workplace, while varied, is often limited. Work design exists in a context. In the SHS sector, work design is affected by structural factors (i.e. the funding model, availability of housing and educational pathways) that contribute to the underfunding and understaffing of the sector and shape the day-to-day activities of the workers. There are a number of organisation-level opportunities that exist to improve work design to benefit the wellbeing and performance of workers, including:

- increase levels of support, including peer supervision, manager supervision and clinical supervision
- further develop well-connected teams that can share resources and provide co-worker social support
- balance the level of 'stimulating' and 'agency' characteristics in the work design
- utilise job crafting to empower workers to make changes in their work to better suit their needs and capacity
- reduce work demands where practicable, especially extraneous administrative tasks that could be completed by a non-frontline worker.

Investigative Panel members called for a funding model that takes account of the operational roles as they are undertaken, placed-based distinctions and the real cost of delivering the services.

Financial insecurity and lack of housing supply negatively impact motivation and retention

Motivation and retention of staff are shaped by the extent to which workplaces can meet the physical and psychological needs of employees. The research found that these needs are not being sufficiently met in the SHS sector, and that this is affecting the wellbeing of staff and preventing them from achieving other aspirations in life outside of work. Low remuneration, short contracts and the competitive funding model are negatively affecting employee financial security, with similarly adverse implications for staff retention. In addition, perceptions of low competency due to a lack of training and supervision, limited career progression opportunities and the difficulties associated with housing clients given the shortage of affordable dwellings are preventing employees' from achieving their own psychological needs. However, SHS agencies work hard to ensure that employees feel meaningfully connected with one another by placing importance on staff successes, and creating opportunities for staff to celebrate such successes. The delivery of training and external supervision programs under COVID-19 additional funding packages have been well received by staff; however, such investment is not likely to be financially viable long-term, despite the positive impact it has had on staff retention.

To improve lasting motivation and retention of employees in the sector there is a need for:

- greater financial security, including remuneration and job security, that matches the condition in other employment sectors
- defined career progression opportunities
- sufficient training and development opportunities to support career progression
- managers who can concentrate on delivering a leadership approach that allows staff to participate and fulfil their needs for autonomy rather than on chasing funding.

The biggest change required to solve most of the motivational and retention challenges encountered by SHS organisations and the sector as a whole is the funding model.

Poor sector awareness and reliance on traditional recruitment channels are barriers to workforce growth

Attracting applicants at all, let alone skilled or qualified applicants, to SHS organisations appears to be extremely challenging. The continued reliance on traditional recruitment strategies (e.g. placement students, people with lived experience) will limit the sector's ability to grow the labour pool; therefore, diversification is strongly recommended (i.e. attracting more workers from under-represented groups such as men and cultural minorities). Further, panel members explained that organisations find that applicants have expectations about the role that do not match some of the realities of what needs to be done. For example, staff need to have mental health support skills and social worker skills, yet these are not 'meant' to be part of the job as described in position descriptions and job advertisements, nor are they reflected in the compensation. This is partly attributed to the poor levels of awareness about the nature of the work in the sector, stemming from the lack of content relevant to homelessness in vocational education and training (VET) and higher education programs.

From a sector or individual SHS organisation perspective, the opportunities for growth and for attracting and recruiting workers include:

- improving employer brand awareness, and the reputation of the SHS sector more generally, to attract and recruit skilled and qualified applicants
- expanding the applicant pool through diversification of recruitment strategies, noting that targeted recruitment is challenging and may require additional support
- working with tertiary education institutions to improve the skills and abilities of students to meet the requirements of the roles
- improving value proposition (i.e. what employers can offer to recruits) to attract skilled employees.

What are the priorities for policy response?

National Housing and Homelessness Agreement

The National Housing and Homelessness Agreement (NHHA) strongly influences how the workforce operates, and reforms in keeping with this agreement should be seen as an opportunity to demonstrably enhance the capacity of the SHS workforce.

Policy priorities include the need for increased Commonwealth funding based on recent data and the growth in demand since the NHHA was established.

There is also a need for reform of the delivery framework through which funds are delivered by the states and territories. Reform of the competitive funding model used to distribute funds to the SHS sector should:

- recognise the complexity of work being undertaken and close the gap between contract costs and the price of delivering the services, including place-based differences and the costs of administration and reporting requirements
- allow SHS agencies to respond to the needs in their local community by expanding specialist areas as required and supporting collaboration between organisations
- recognise the ongoing need for the services that are currently being delivered and commit to closing the discrepancy between the public and SHS sector by mirroring the benefits available to staff in government positions and assisting to establish career progression pathways, thereby reducing job insecurity
- extend funding cycles and lead times between contract renewals or new funding commitments and the commencement of programs.

Greater investment in social and affordable housing is required

Significant investment in affordable housing and crisis accommodation for client groups, as well as intermediate forms of affordable housing for sector workers themselves, is required to support an effective SHS workforce. This investment is particularly important in terms of motivation and retention of current and future employees.

Sector training and development support

The providers of formal education pathways through TAFE and university need to be aware of the increasingly specialised needs of the sector and to better assist students to understand what jobs in the SHS sector entail. They also need to engage in further consultation with the sector to ensure that the correct skills are being developed. To reduce the impact on SHS service providers, placements should be arranged with what fits best for the organisation, rather than the university or TAFE.

The study

Three Investigative Panels, held during September and October 2022, were the primary research vehicle, capturing the views of over 30 SHS sector industry experts, such as CEOs, managers and peak or advocacy bodies. Panel member selection aimed to reflect the priorities, areas and modes of service delivery available within the sector, as well as ensuring that regional areas were represented. The three-hour Investigative Panels were conducted online using MS Teams and were guided by the following research sub-questions:

- What opportunities exist to improve work design within the homelessness sector to benefit the wellbeing and performance of workers?
- What shapes the quality and lasting motivation of homelessness sector workers and how do incentive and performance management structures affect worker motivation and retention?

- What are the current strategies for attracting workers to the homelessness sector and where are the opportunities for growth?
- What policy and practice changes are needed to create a nationally coordinated approach to sector workforce development that could more efficiently enhance sector capabilities and career pathways across the country?

Recognising that this research related to the workforce within the homelessness sector, rather than the outcomes of the sector for clients, this research adopted an organisational psychology perspective. This allowed for an exploration of the effective workforce preparation, attraction, recruitment and sustainment strategies required to deliver a better developed and supported SHS sector workforce.

The Investigative Panel sessions were recorded and transcribed, and chat logs were saved for analysis against the research sub-questions. Discussions in the Investigative Panels were informed by interviews of over 30 frontline staff and managers, a literature review of grey literature and a desktop review of other relevant materials. The findings from these preliminary investigations were circulated to Investigative Panel members in a Discussion Paper prior to the session. The Discussion Paper also included background to the organisational psychology approach being applied.



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