

Chapter 2

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Work and Family Into the Bargain

My talk today is about work and family issues in the context of developments in the federal workplace relations system. I want to demonstrate that work and family issues can be dealt with successfully under this system, and that partly this is because managers and employees are now encouraged to negotiate working conditions, working hours and pay at the workplace level. This workplace level bargaining can allow the specific needs of employees to be recognised, and reflected in the working conditions that apply to them. Specifically, as I will show the types of agreements being made in the federal system, work and family issues are getting on to the bargaining agenda.

OH 1: The federal workplace relations system

Around 40 per cent of Australian employees have their working conditions, hours and pay covered by the federal Workplace Relations Act, 1996. The rest are covered by the various State systems. Today, I will be talking about the 40 per cent of employees in the federal system. In the principal object of the Workplace Relations Act, work and family issues rate a significant mention. The Act specifically says it aims to assist employees to balance their work and family responsibilities through the development of mutually beneficial work practices with employers. And at the heart of the federal system is agreement-making, either through collective certified agreements, that can be made with unions or directly with groups of employees, or through individual Australian workplace agreements, or through agreements that are made informally between employers and employees.

These agreements represent a shift away from the centralised system of the past, towards encouraging people at the workplace level, to engage in enterprise bargaining to produce a set of arrangements that are tailored specifically to the needs of the particular workplace and the employees who work there. These flexibilities are often seen to be employer benefits and undoubtedly are in a number of cases through productivity improvements. However it is this fundamental focus on choice and flexibility that is proving capable of delivering working conditions that can assist employees balance work and family needs.

The award system remains as a safety net of minimum wages and conditions of employment, and about 10 per cent of all employees in Australia still get paid the federal award rate.

Why do we need choice and flexibility at the workplace level, why should the federal system be developing in this direction? Well, one reason is that the labour market has changed significantly over the last few decades. Gone are the days of one set of working conditions and one set of working hours for your whole life, which might have suited men but were never that great or accessible for women. For women and to a lesser extent, men, career breaks, jobs in new industries, shifting from part time to full time work, shifting industries, altering the days that you work, tag parenting with partners who are also working, are all part of the new working life trajectory. And this labour market experience means that what suits an employee at one stage of their life in terms of working conditions and working hours, won't suit them at another. They need to be able to change their working conditions and working hours as their life-cycle needs change. And simply knowing what stage someone is at in their life-cycle doesn't mean you can guess their needs. For example, women in their thirties, with children to look after, are not all the same in terms of what they need work and family wise. They live in different types of households, with different support structures available to them. So the important concept in terms of setting working conditions for employees is awareness of their needs, and the ability to be flexible in responding to them.

I will be discussing two main points today. Firstly, we know that the labour market is very different now than it was just a few decades ago. The rise in the proportion of women in the workforce has been substantial, and the jobs available now are

characterised by a wide spread in working hours. The increasing variation in both the type of people who are working and the type of jobs they work in, mean that ongoing changes in the workplace relations system should properly be in the direction of supporting flexibility and choice.

The second major point I want to make is that one of the most important developments in workplace relations over this decade, that is, enterprise bargaining, and more specifically, the federal Workplace Relations Act 1996, has been able to accommodate very well the need for working conditions to take into account the family responsibilities of employees. I will demonstrate this by presenting some new data about agreements from my Unit's recently released publication *Work and Family State of Play 1998*.

So, to start with the first point about changes in the labour market and the concept of life-cycle needs. Most people have about a 40 year relationship with the labour market, and during that time they shift jobs at least a few times, and they progress through quite distinct life-cycle stages. What they want and need from the workplace differs depending on the stage of their life that they are at.

Under the old centralised industrial relations system there was a one-size fits all approach to workplace relations. Industrial awards governed the conditions and pay of most people. There wasn't much flexibility - even if managers and workers at the workplace could see that a different arrangement would suit them better, their hands were tied.

What sorts of jobs did this old system support? Well, the whole system was really based on the idea that a male breadwinner would have a few different full time jobs for most of his relationship with the labour market, and be supported on the home front by a female managing child care and domestic responsibilities. Lets look at this traditional man's life-cycle needs for a minute in the context of work and family. They probably didn't change much over that 40 or 50 years. Maybe the old system wasn't too bad for him. If he was employed in just one industry, he probably had one set of working conditions throughout his life, slow progression through company hierarchies, perhaps getting a golden handshake at the end of his career.

Flexibility in the workplace relations system wasn't really something that type of man would be interested in or have a need for. Equal employment opportunity for women was not really a relevant concept in his world. The notion of life-cycle, for him, was fairly static for the whole time he was in the workforce, because someone at home was probably managing most of his non-work needs, like raising his children and organising his time. From his view, perhaps there was not much need for making the workplace family-friendly.

But that is not the way the labour market and families work today. The big rise over the last few decades in the proportion of women who do paid work and the rise in part time jobs has changed that world forever. This next overhead shows the growth in the proportion of part time employees as a proportion of all employees just over the last decade.

OH 2: Part time employee graph

You can see that ten years ago, part time employees comprised 19 per cent of all employees, but they have now increased to 28 per cent – part time jobs are a reality in the new world of work.

OH3: Workforce statistics

This overhead shows that men and women are still quite segregated in terms of their experience of part time and full time work. Part time work is still mostly the domain of women. But men have increased their share of the part time jobs over the last ten years and that trend can be expected to continue.

The number of women joining the workforce continues to grow, in fact over the last three years the number of women in the paid workforce increased by 200,000, and the labour force participation rate of women increased slightly during this time as well.

In summary the trends are showing that men are slowly becoming a bit more like women in terms of how they participate in the labour market; that women are continuing to increase their share of all jobs; and that part time jobs as a proportion of all jobs, are

on the rise. Nonetheless, women dominate the part time work compared to men. And as I will show soon, part time work is mostly done out of preference by women, particularly married women with children.

But now, lets turn from jobs and gender, to families.

OH 4: Families – dual and single income earners

The overhead shows changes over time in the proportion of dual and single earner couple families with or without children. You can see that while dual income families are on the rise, the proportion of single earner families has plummeted. And when we restrict the analysis to just couple families with children, the fact is, about 55 per cent of today's two parent families have both parents in the workforce. Only about a third of all families with at least one parent in the workforce fits that traditional model I described earlier, of one breadwinner, usually male, with a partner doing all the support work at home. So we need to remind ourselves, that many workers with dependent children are likely to have a spouse who is also working. The new stereotype is the family where both parents work.

Looking at it from the point of view of all employees, we find that there are about 37 per cent of employees in Australia today who have dependents at home to look after. The point I want to make is that those 37 per cent have a diverse range of household arrangements, and therefore have a diverse range of needs in terms of working conditions, working hours, and pay levels.

Turning to women specifically, lets assess their labour market experience in a life-cycle sense. Unlike men, they don't tend to work through the birth of children as if nothing has happened at home. In fact men and women have quite different labour market experiences after the birth of a child. Women tend to drop the hours they work, while men with young children tend to work the most hours in the economy. This makes sense from a household perspective, if one income earner drops out of the labour market, the other one might try and earn more money to compensate, which might mean longer hours. Women have more career breaks from the labour market than men. They work part time more often than men. In a nutshell, women are more flexible

than men. Women epitomise the flexible worker. And that ability to be flexible probably has something to do with the results on this next overhead:

OH 5: Satisfaction with jobs by gender

Women are generally happier with their jobs than men. Mostly this is because they tend, in aggregate, to have different orientations towards work than men. For example, working fewer hours means you have more control over the way you spend your time over the week, so in a sense you are already operating in a family friendly environment – a part time job is often pretty family friendly simply because it doesn't take up all your hours in a week.

A common pattern for women might be to work full time, have a child, take some time off, go back to work part time, perhaps repeat the cycle when having a second child, and then return to long term full or part time work once the children are at school. Now while most men might keep working straight through all this, you can see that their world is not the same as their fathers, because their wives are working. They might not be quite taking an equal share of the 52 weeks unpaid parental leave available under federal legislation, but there is some research that shows they are reconsidering their role as fathers towards wanting more time with their kids. Having flexible hours at work, for example, flextime arrangements and control over start and finish times, is a significant working condition for men wanting to do more activities with their children.

And we know from research, that men are more likely than women to take up only those family-friendly working conditions that let them keep working their current hours. So a family-friendly condition for men could be something like letting them start a bit later in the morning so they can drop the kids at school, without financial penalty. For women, being able to return to work part time following maternity leave is an important working condition that encourages them to go back to their job. Without wanting to downplay the importance of other conditions, for both men and women, flexible working hours are arguably one of the most useful and long lasting family friendly conditions. When you understand the shape of the labour market and the way that families arrange their income earning, you can see why this makes sense.

If men are to help more with raising their children, flexible working hours are an important first step for them because they don't mean a loss of income. The issue for them is making sure the culture is supportive at work and perhaps directive at home so they actually make use of the family-friendly conditions. When men make use of family-friendly conditions, it usually means they are sharing the domestic load more evenly with women, so women are better able to meet their work needs.

For women, the ability to move flexibly in and out of the workforce, and to adjust working hours over the course of the life-cycle is vital to their labour force participation, and when you look at the statistics, you can see this is what they are doing.

So that's the first part of my talk, which focuses on the economy as a whole. You can see from the statistics I presented that women and men differ in their working hours, part time jobs are on the rise, and dual-income families are common. This requires a flexible response from firms if the life-cycle needs of employees are to be met. Workplaces need the flexibility to be able to match the right working conditions and hours with the right worker. They need to take gender and stage of the life-cycle into account when determining working conditions and hours with their staff. And the federal workplace relations system has developed in a direction that assists them do that.

I'll now move to the second part of my talk, which focuses on the 30 per cent of all employees in Australia who are covered by federal agreements. What we did in the Work and Family Unit, was prepare an analysis that gives a national snapshot of how family-friendly Australian workplaces were in 1998. We used a large number of data sources in the report. But today I am just going to focus on the data bases about federal agreements, both certified agreements and Australian workplace agreements. We looked through the agreements and counted up how many family friendly provisions appeared in them. We only included provisions that we were fairly confident would benefit the employee. This overhead lists the provisions we included:

OH 5: List of family friendly provisions in agreements

The results are very encouraging.

OH 6: Incidence of family friendly provisions in agreements

You can see from this that 67 per cent of certified agreements contained at least one of those family friendly provisions that were listed on the previous overhead. And the result for Australian workplace agreements was 79 per cent. And 14 per cent of CAs, and 41 per cent of AWAs, had three or more family friendly provisions.

The paid maternity leave figure for certified agreements is a lot lower than for AWAs, but you have to keep in mind with these results that the certified agreement data are for agreements rather than the employees they cover, so in actual fact the 7 per cent of agreements that have paid maternity leave cover 22 per cent of employees on agreements.

It is very clear from our analysis that agreement making under the new Workplace Relations Act has resulted in family-friendly provisions becoming part of the workplace relations landscape.

Access by women to these agreements is good, and tends to reflect the participation of women in the labour force more generally. For example, 58 per cent of AWAs were made with men, and 42 per cent with women.

We have just done some further analysis on access to agreements and we found that part time workers covered by certified agreements have similar access to family friendly provisions on the whole as full time workers. The overhead I presented earlier on, about the rise in part time employment, is relevant here. It is important that part time employees get access to the family friendly provisions in agreements, because they are a growing segment of the labour market, and are still, despite the rise in the proportion of part timers who are men, mostly made up of women.

These agreements are great, but not everyone is on them. For example, the AWAs, which are really good in terms of the incidence of family friendly provisions, are biased towards the occupational groups of managers and professionals. The certified agreements are more likely to appear in certain industries, such as manufacturing, construction and transport and storage. And AWAs have a good showing in

government administration and property and business services. Partly, this industry bias is because the federal system itself is biased to particular industry groups, for example, the retail industry tends to have a lot of employees in the State system, often on State awards.

What we can say is that this type of agreement making is setting a precedent in cultural terms. That is, under the first few years of the new Act, we are seeing encouraging results that we hope will continue as agreement making spreads more throughout the economy.

While 30 per cent of all employees are reaping the benefits from developments in the workplace relations system at the federal level, there are still about 10 per cent of employees paid the federal award rate. What is happening to them?

Like employees on agreements, under federal legislation all award workers have access to 52 weeks unpaid parental leave after the birth of a child. They have the safeguard of other relevant federal legislation covering sex discrimination and equal employment opportunity.

Through the process of award simplification that the Coalition government introduced, regular part time work provisions are being added into awards so that workers can work fewer hours without having to become casuals. In fact, we found that over half of all simplified awards have now got part time work provisions in them.

The list of matters that are allowed to be in awards includes parental leave. That means paid maternity and paternity leave are allowable matters. Carers leave is also an allowable matter. In addition, awards are allowed to prescribe the ordinary hours of work and the type of employment to be offered. Thus awards can include family friendly provisions if the parties to them so desire.

In conclusion, the results of our analysis are clear. Although we have a way to go when we are talking about the whole economy, in terms of family friendly provisions in the federal system, the current approach to workplace relations, with its focus on agreement making, is capable of bringing the issue of work and family into the new workplace

relations landscape. Employers and employees are starting to put the sorts of flexibilities that benefit employees with family responsibilities on to the bargaining agenda. Both employers and employees benefit from family-friendly workplaces. I am sure the case studies we are going to hear about next will demonstrate why being family-friendly is good for business.

(3,373 words)