

## Chapter 4

### STRIDES AND SETBACKS

Address by Heather Ridout to MGSM 11th Women, Management and Industrial Relations Conference.

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#### **Introduction**

It is a pleasure to be asked to address this Conference which surely constitutes the major Women and Management forum in Australia. Ed and his team do a tremendous service in convening it and providing such a great information sharing and networking experience for busy women who rarely have the time to attend conferences and who relish attending one which focuses on issues so personally interesting to them while also being professionally relevant and valuable.

The subject EEO and Industrial Relations gives one broad scope. The IR system is certainly changing and there is much to talk about in this regard. However the workforce itself is also moving in new directions and taking on a different character. IR reforms and integrally, approaches to issues like EEO, have to take this into account. Whether it be a breakdown in traditional cultural norms in the workplace, a change in the relative value of employment attributes or the very big shifts which are taking place in the structure and organisation of work.

Whatever the impact of these issues, what is true however, is that more than half of women now work and they are not going to stop working. We are in the workforce to stay. We may not be 'at its heart' but we are certainly in it. Equally in relation to another key area of EEO, cultural diversity is also a fact of life. Australia is a multi-cultural society. While there may be some red-neck detractors of this rich reality, over one in four Australians are born overseas and if we don't want our economic potential to be stunted, we are going to be forced to continue to pursue an active immigration programme.

So the focus on EEO is not going to go away and, of course, it goes beyond the gender and productive diversity debate. We need smart and energetic EEO policies and approaches which recognise that 'market failure' or '....accidents of history' which result in a wasting the resources of minority groups such as women impose an economic cost which business and the economy can ill afford.

I would also like to suggest that while many might think that it is desirable to return to more regulated and centralised labour market practices to promote workplace equity, this is not going to happen. If unscrambling the GST is regarded as difficult to say the least, unscrambling the shift towards enterprise bargaining would be near nigh impossible. The move to more deregulated approaches has been driven by globalisation and technological change which is irrevocable. Anything other than an enterprise based focus for establishing wages and conditions of employment is incompatible with this and will not be sustainable. These shifts have now been reinforced by cultural change in the workplace which makes them even harder to reverse.

This is not to say there is not a requirement for a fair and just safety net or appropriate regulatory frameworks and I will make some comments on this issue later in my address.

With this background in mind I would like now to turn to some of the key Industrial and workplace issues and their significance for EEO policy.

### **Today's Workplace.**

The facts about the structure of today's workplace are undoubtedly well known to you all. The participation of women, the increase in part-time and casual employment, the growing reward for skill and the associated predominance of service industries in employment generation, to name but a few issues.

The mood of the workplace is another issue altogether.

We are all aware of the enormous economic and technological change which has occurred over the past 15 or so years in Australia and its implications for employment.

I don't intend to go over this ground today - it is indeed well trod but many commentators.

Yet it is clear that the changes were not just about opening up of markets, floating exchange rates and accelerating world capital flows. Very significantly these changes embodied an ideology which had an inherent bias towards competition rather than co-operation, nervousness rather than comfort, precariousness rather than security and, as it has turned out, individualism rather than collectivism.

While many might dispute it, a decade of reform has rendered substantial economic benefits to Australia: low inflation, high economic growth, low interest rates and strong productivity growth to name a few. Emphasising these is an important part of driving home the benefits of reform per se.

Many, however, still say Good news but...and many of these are women and others that find themselves in low skilled employment..

Against this economic background, Ai Group commissioned Australian National Opinion Polls (ANOP) to conduct a research study on the community mood and attitudes to the workplace and to industry.

14 Focus groups were undertaken around all states; several in the regions.

The major and abiding themes:

- Despite the good economic news - we have a fragile, precarious middle ground - the 'OK ....Buts'. While there is distinct and vocal group of winners, these are in the minority. The middle ground is comprised of people are uncertain.  
  
'So, the economy is meant to be in good shape. Okay. But ...my job isn't safe...what about if interest rates go up again...but what if the GST comes in....'
- Australians are tuning out.... the focus is off the big picture and onto self absorption.
- Political leaders have stopped the economic education process of previous years. The national economic health is measured by the daily movement of the dollar or/on? Wall Street.... Highly volatile indices, a characteristic which reinforces the sense of precariousness.
- Competition policy is affecting ordinary people's lives - national insecurity is the mood.
- And it's a paradox when consumer confidence is so high. ANOP puts it down to 'comfort spending', spending without confidence about the future. I'm not so sure of this. People really do feel wealthier on the back of low interest rates, gains from demutualisations and the wealth effect of the

strong stock market.

- So ingrained, in their analysis has the spirit of competition policy become, that **individualism is replacing mateship**.... emphasis is now on the need to compete and promote oneself.

While this climate suits the confident minority, and may seem potentially good news for women who traditionally haven't been in the 'mate's club', many employees feel less well equipped to promote themselves and to negotiate their pay and conditions. Those least confident in this regard appear to be part-time women and younger workers.

“You go to the boss and you say you are there to re-negotiate your contract and he'll bring up an incident and say you can't get the money. You know, there are not many people that can sit there and argue the case; they are just not skilled negotiators and it is a skill.”

“If I really felt strongly about it, maybe I could actually say that I think I am worth more, but he keeps telling me I'm getting more than I am worth anyway. You have to have the confidence in yourself to be able to do that. I mean it sounds easy doesn't it, but it's not.”

“I think bargaining is going to be to the downfall of a lot of people. My daughter-in-law is a personnel manager. She works 70 odd hours a week and she is on a bargain of 38 hours - that's what her contract says, and she gets no overtime.”

- Loyalty between employer and employee is being eroded. In ANOP's view the concept of collective action is becoming increasingly anachronistic.
- Consistent with this, there is for example, a decreased sympathy for the newly redundant and an awakened appreciation of the changed mood of the workplace.
- There is a strong awareness of the growing incidence of part-time and casual work and employers are not seen as the only group who are benefiting. Many cited the advantages and only a minority saw drawbacks of increasing casualisation. Significantly the latter saw these mainly in terms of reduced job security and conditions of employment. Women, in particular, often cited the advantages of the increased flexibility of this type of work in

combing work and family commitments.

- While a strong and fortunate minority are very optimistic and positive about the future, in both urban and regional centres there is evidence of a feeling of tiredness or weariness related to a belief that the workplace has become much tougher. Employees are feeling battered by continual change and the demands of increased productivity. Particularly among women, there is a recognition of the difficulties and stress of trying to juggle work and family.

“There are other responsibilities, but you can just see here that there have been a couple of ‘burn-outs’. There are a lot more stresses.”

“I think women are stressed, I’m not being sexist, because I know men work very hard. But with women I always think it’s difficult when you work a 10 hour shift. We have to look after the kids, we have to come home and cook dinner, you have to pack lunches, make sure they have done their homework, get them in the shower.”

- Those who have adapted to current workplace practices are likely to place greater importance on the benefits of education training.

“One of the buzz words these days is multi-skilling. Employers expect employees to be multi-skilled. So the only way they can do that is to continually train them in different areas.”

“Jobs encourage you to do further education these days.”

“You need to do a course for everything these days.”

“You’ve got to do training to position yourself for the next step on the ladder.”

- Interestingly the spontaneous impression of management is that they are doing it tough as well. They are perceived as working harder, longer and as facing the same job insecurities as the employees they manage. However, there is also a perception that management is in a stronger position in this tougher environment because the workers are more dispensable. There is also a view that employers care less about their employee’s well being than in days gone by.
- And the attitudes to Trade Unions were equally illuminating. It was clear

from our study that changes in the workplace and the changing attitudes of employees have significant implications for the union movement. The growth of individualism is at odds with the concept of collective action. I think unions are also caught up in the general decline in support for institutions evident not only in Australia but also internationally.

- If asked if should Unions exist, the majority would say yes, definitely. But asked if they would join and pay dues voluntarily, the voice wavers.

‘I think it’s up to the individual to make their lifestyle the way they want and not rely on the union to help them.

- The union movement is increasingly seen as **personally** irrelevant, especially by young workers and those in part-time employment. While there is recognition of past union achievements, these gains appear to be associated with a previous and more regulated era.
- There seems to be a lack of understanding of their role. Human resources departments, employee representative committees are seen as by-passing unions. Sacked workers are seen as having recourse to unfair dismissal legislation, while anti-discrimination and anti-harassment boards and regulations are seen to give protection to victimised workers.

“You used to hear years ago - anything went wrong, and the union stepped in. Now you hardly hear about them.”

- Another trend in Australian workplaces which is impacting on attitudes to unions is the increased emphasis on customer service and client focus. At a time when many Australians are being encouraged to adopt a service orientation, there is also an expectation that trade unions should deliver better customer service to their members.

“My union is lousy - you have to chase them all the time. They never return your calls.

I sense, by the way, that many of these messages are equally true for employer organisations.

### **So What Does this Add Up To?**

There will be little let up in the pressure for change. Infact one can see the pressure accelerating in a number of sectors in manufacturing.

The National Institute of Labour Studies did a study late last year among employers on what changes were likely in IR in workplaces in five years time and on the factors promoting further change.

- Main IR changes expected in five years time:
  - New technology (92%)
  - Competition in product market (81%)
  - Average skill levels of employees (81%)
  - Incidence of outsourcing (69%)
  - Relevance of awards (8.7%)
  - Degree of union influence (7.3%)
  
- Relative importance of various factors driving change:
  - Need to reduce costs (90%)
  - Need for more flexible workforce (89%)
  - Employee expectations (85%)
  - Need for more skilled workforce (79%)
  - Legislative change (67%)
  - Union activity and pressures (23%)

It is clear from this study that the major factors expected to drive change in the future are the very same factors that have been in the drivers seat over the past five years: competition, the drive for lower cost and the need for a more flexible and skilled workforce in response.

### **Implications for EEO and IR.**

There are many.

When put in an EEO context and in the context of the current debate about the future of the IR system, the findings highlight a number of things.

They highlight the need for a strong and just safety net. Ai Group has been a strong advocate of the need to maintain a safety net of minimum standards to

protect disadvantaged groups in the workforce and we have been very lonely among employer groups supporting regular adjustments to it.

Whether, in the future, the safety net needs to be met by the traditional award system remains open to argument. No European country has a system of awards but few would argue that the safety net in France or Germany or the Scandinavian countries is inadequate compared to Australia.

Clearly skill levels and participation in training are going to be major determinants of future workplace success. Ai Group has been a long

supporter of skill-based career paths in industry awards. It is now proposed that these be deleted from awards.

It is difficult to see the reasoning underpinning this given the industry based approach to ITABs and the establishment and maintenance of Training Packages. One would have thought the encouragement of skill based career paths would be priority. Skill based progression is going to be hard to achieve if it is up to individual businesses who, on latest evidence, would rather recruit than train.

One wonders whether the deletion of skill based career paths is cutting off your nose to spite your face. On the other hand, some unions have not helped their cause. Too often unions have failed to provide leadership in this area and have allowed, indeed encouraged, members to pursue short term gain of increased wages through reclassification rather than the long term benefits of improving the skills base.

As well, the sheer complexity of the system is an impediment.

I would say however, that whether competency standards are embodied in awards or not, they will still be available as a invaluable objective measurement of individual and relative skill levels. This is particularly important issue for women.

In relation to work-time arrangements, these are clearly changing with mixed views in the market. We would like to have a constructive dialogue with the unions on these issues. I don't think either side has really put enough effort into generating that sort of dialogue. Simplistic solutions proposed by some unions like increasing casual loadings to deter employers from taking on casuals or reducing working hours or setting up costly trust funds to allow for portability of employee entitlements, will, in our view, only exacerbate the problem. What is needed is a rethink of our whole approach to work, education, retirement and

family life and the linkages between these.

I would say also, however, that women themselves have to be active in seeking a better deal out of part-time work. I think part-time involvement can dilute the strength of such efforts. One foot in the workplace and one foot planted more heavily at home, tends to make you a 'price-taker' and less interested in seeking advancement. There is considerable research to this effect.

In relation to the unions, Jennie George has been a major champion of women's issues. And lifting the profile of EEO issues at the ACTU will be one of her abiding legacies and she has a numerous.

At the same time, a lot of the unions we deal with, which are heavily male dominant, show scant interest in these issues. They don't seem to think it is a priority. Unless there is a female union official involved in the negotiations, EEO will be quickly relegated to last position on the list of claims. This is clearly an issue for unions if they wish to be relevant to women in the workforce.

On a positive note I would estimate that 80% of new recruits to HR management in manufacturing are young females with fresh and progressive ideas and the tenacity to 'hang-in there' to influence their more conservative male superiors' ideas and visions.

## **EEO AND ENTERPRISE BARGAINING**

And, as evident from the slide, the move to enterprise bargaining has, in recent times at least, given EEO issues - especially work and family - a significant boost. When conducted against an award which provides a number of important flexibilities in this regard, genuine gains have been achieved.

Enterprise agreements should be the major instrument of reform in this area, and the signs, at least in our industry are more positive.

Clauses of particular relevance in this regard include:

- 2 days extra carers leave over and above the annual sick leave allocation (2 days not cumulative);
- the ability to take carer's leave, sick leave as carers' leave (and sick leave too) and annual leave in hours for part day absences;

- to accumulate RDOs and use for school holidays and emergencies;
- a moderate usage of time off in lieu of overtime payments for personal absence;
- the ability to cover lateness by make up time or credits from the foregoing as an alternative to LWOP with a corresponding reduction in stress on employees;
- and where all of the above may be used to maximise leave credits, there is increasing incidences in CAs and AWAs of partial cash out options for sick leave balances which poses interesting possibilities for winding back absenteeism currently 4.5%.

Male carers' and partners have also been beneficiaries of these newfound flexibilities.

While only time will tell the value and durability of these gains, the enthusiasm of employers for greater flexibility is proving a neat fix with a workforce with similar aspirations.

The big challenge for our industry is to assist existing women of all backgrounds to take a more active role in their workplace especially through EBA negotiations.

The fact that so many women in the workforce lack access to enterprise bargaining remains, however, a key impediment in our system. This again highlights the need for a strong and fair safety net.

## **The Future**

Women are innately well placed to succeed in the workplace of the future. Their strengths - good communications and inter-personal skills, their strong involvement and interest in education are the attributes which are replacing the emphasis on physical strength and the strongly hierarchical and paternalistic approaches of the past.

However, OECD statistics indicate that the fastest growing occupational groups nationally and internationally are those in which women are under-represented.

This large and relatively highly skilled group of professional and technical workers has increased its share of total employment in every country. Yet women seem to be trapped in two occupational groups: clerical and sales and personal services. Women also remain lower paid than men. The last AWIRS survey shows that, in relation to wage rates, there is a higher proportion of women in the lowest paid group in every occupation.

Women can sometimes seem to be stuck in what Catherine Harris often refers to as the 'pink ghetto'.

Yet progress is occurring.

The rapidly rising and broader interest in family friendly workplaces in enterprise bargaining is very significant. As discussed earlier, everyone can gain from enlightened and flexible approaches in this regard. We believe that interest in putting these provisions in place will continue to strengthen.

Today's workplace, like that of the past, is a place of winners and losers, of hassle and opportunity, of limitations and possibilities. I'm optimistic about the future and the opportunities it will render women.

Dan Quayle, with characteristic eloquence, once coined an immortal phrase, 'If we don't succeed, we run the risk of failure'. The only response to this seems to be to keep trying.

Thank you.