



## WorkChoices Survey - Varied opinions, common themes

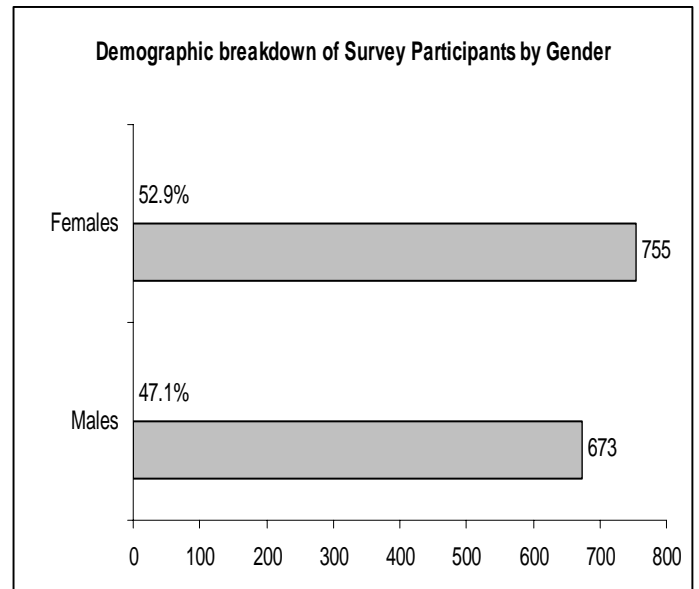
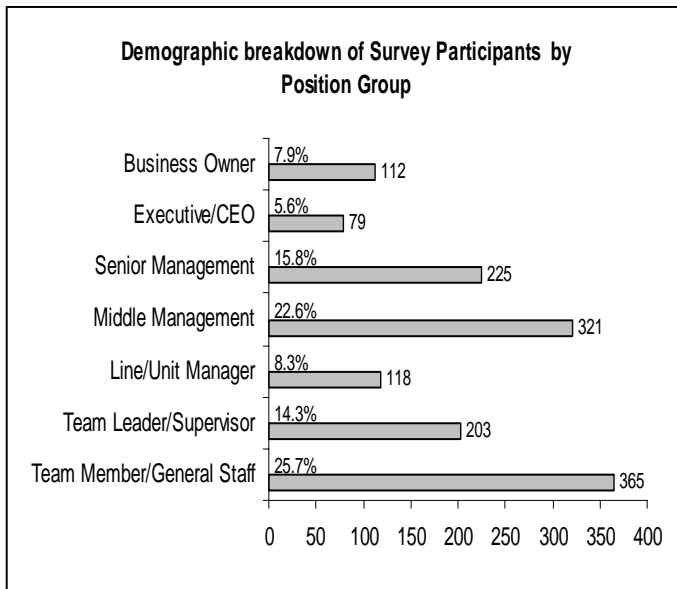
By Serge Sardo,

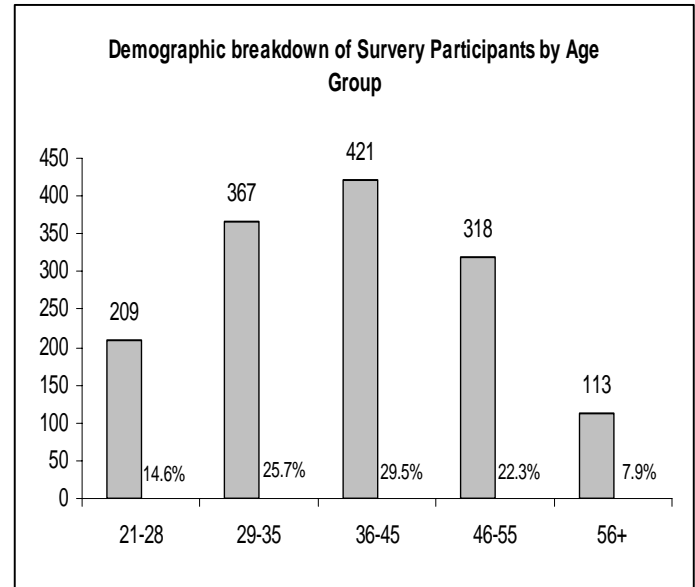
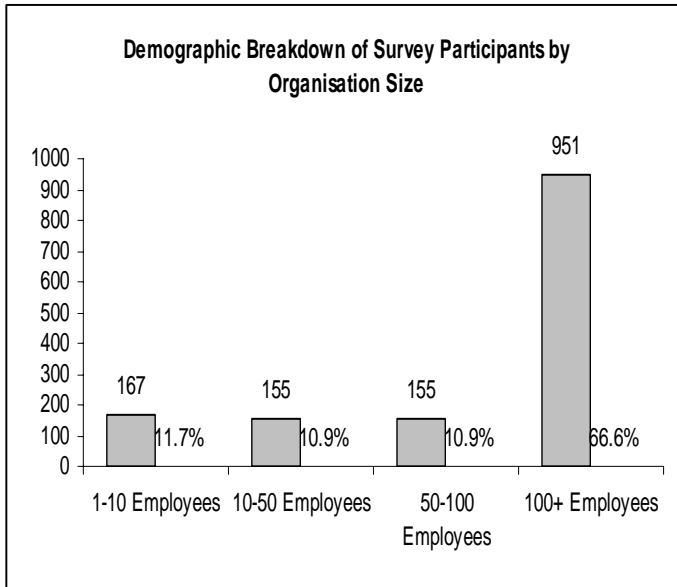
Director of Business Development, AIM

The Australian Government's changes to industrial relations legislation, known as WorkChoices, have been introduced as a plan for a modern workplace relations system that will give Australia a flexible labour market, allowing economic growth and employment opportunities.

The first in the *AIM Managing the Future Survey Series* focused on the WorkChoices legislation, seeking views from over 1,400 people Australia-wide. The survey produced a broad range of comments – positive and negative, with attitudes varying from outrage to acceptance.

*The charts below show the breakdown of participants by demographics including gender, age group, position type and organisation size.*





There has been much controversy surrounding the introduction of the changes due to overwhelming opposition from the community, and what has been noted as a significant impact on employee rights and entitlements at work. The changes have appeared to slide into society before Australian workers have been educated as to the exact nature of the changes and the relevant influence they may have on the business community.

The significance of the AIM survey and the interest in the results was demonstrated by the immediate attention from media across the country, including ABC, SBS, Sky Business and Triple M. The research was also featured on Lateline and in several articles in Melbourne's *The Age* and *The Australian Financial Review*.

**Standardised employment conditions** have been introduced as one of the major changes to workplace agreements. The main focus of this particular change is to ensure that five basic conditions must be incorporated into all workplace agreements as a standard. These conditions include a minimum wage (set by the Australian Fair Pay Commission), 4 weeks annual leave, 10 days sick/carer's leave, 52 weeks unpaid parental leave and a 38 hour working week that can be averaged over an annual period.

The controversial aspect is that all other conditions such as RDOs, paid maternity leave, public holiday payments, overtime and penalty rates can be negotiated both in and out of workplace agreements by employers and employees alike.

Survey respondents pulled no punches with comments on the newly negotiable conditions:

*"Australia is going backwards, completely ignoring research showing that our quality of life and good work conditions encourages and enables workers to produce high standards of work... and the more hours we work with few breaks or holidays actually produces lower standards of work"*

*“The changes were meant to simplify work place relations but in fact have made them more complicated. These changes will eat away at workers conditions over the next few years, the real impact of these changes will not be felt for a number of years as more and more contracts come up for renewal.”*

Males are more likely to have a ‘moderate to strong level’ of agreement with this particular change as their overall result was 58.4% in comparison to that of females at 48.2%. The associated figures also suggest that females are more likely to ‘disagree’ with changes to employment conditions, with a total of 44.4% of females indicating a level of disagreement with this change compared to 32% of males. It is possible that alterations made to the unpaid parental leave period, and now ‘negotiable’ agreement for a period of paid parental leave have had a negative impact on how females feel towards the changed employee conditions.

The survey shows that among business owners, CEOs and senior management, 68.4% have some level of agreement with these changes. This compares to a result of 47.1% from positions such as general staff, team members and low-middle management. Similarly, the level of agreement increases with each increase in age group: 49.3% of participants in the age group 21-28 ‘moderately to strongly’ agree with this change, compared to 64.1% of participants over the age of 56.

These results suggest that the less senior employees and the younger generations, those at the beginning of their working life, can foresee several workplace agreements to make in the future and are more concerned about the changes to employment conditions.

Controversy has also surrounded the introduction of **individual contracts**, known as Australian Workplace Agreements (AWAs), as the Howard Government has abolished the ‘no disadvantage’ test. Again, the survey respondents showed concern over the changes and the lack of control employees will have over their contract:

*“The promotion of the idea that people can negotiate their contract seems far fetched: really, how much control do individuals have over their own working lives? Surely it will be a case of the employer saying ‘well if you don't want a job on our terms then look elsewhere’.”*

When this data is cross interpreted against gender, it appears that females are again more likely to disagree with these particular changes than are males. Females indicate a disagreement rate of 56.8% compared to 45.2% for males, and an agreement rate of 33.9% compared to 47.4% for males.

And once again, participants in high level management positions are more likely to agree with the changes than participants in low level positions, where business owners, executives, CEOs and senior management indicate an agreement level of 53.6% compared to general staff and low-middle level management with a result of 35.4%. This may be because employees that fall into high level management positions are

more likely to be delivering the individual agreement to a lower level employee, not negotiating for better conditions. A certain element of power has been given to employers that can negotiate conditions in their favor and maintain a “if you don’t like it, leave” approach to recruitment.

**Union visits** now have to be declared 24 hours before access will be granted, an employee must give written permission to a union member to check their own records, and the union member must declare what they are checking and the employee that requested the check to management. Union action can now only be sought after a secret ballot has been undertaken at the Australian Industrial Relations Commission (AIRC), as any unapproved union action (i.e. strikes) is deemed illegal which means that both the individual member and the union can receive fines and other penalties.

The comments around union influence were varied:

*“I believe they go too far in attempts to reduce union influence, a proverbial “throwing the baby out with the bath water”. Whilst they need to curb the excesses of some of the larger construction-based unions, some union access is warranted, and it will be at the expense of employer-employee relations for the majority caught out in the middle.”*

*“In general terms if it improves the employers’ ability to sack substandard and crooked workers, as well as reduce over the top “special conditions” that have been unfairly won by unions in the past 20 years, it has to be a good thing.”*

The pattern continues that participants in high level management positions are more likely to agree with the restrictions placed on unions than participants in low level positions. Business owners, executives, CEOs and senior management indicate an agreement level of 59.4% compared to general staff and low-middle level management with a result of 36.0%. Unions have previously been distantly accepted by businesses as supporters of employee rights and protection for workers, but given the option, it is obvious that management would prefer to increase their own power and decrease union rights.

The changes to **unfair dismissal laws** now exclude claims by employees working in businesses with less than 100 employees, trainees, employees on probation, employees earning \$94,900 or above and those dismissed for genuine operational reasons (i.e. restructuring). All employees will however continue to have legal protection against unlawful dismissal (i.e. Discriminatory reasons).

The response to these changes indicates that most respondents welcome the opportunity to remove ‘unwilling’ employees:

*“Changes to Unfair dismissal laws haven’t helped Employers with in excess of 100 staff - you should be able to get rid of employees who either can’t or won’t do the job they are employed to do, without the threat of being taken for unfair dismissal”.*

*“With the removal of unfair dismissal issues for SMEs they will employ more increasing the demand for good employees, increasing employment and increasing remuneration where good employers wish to retain good employees. And productivity will increase with "slackers" able to be dismissed.”*

*“That the unfair dismissal laws would exclude employees of a business with less than 100 employees is outrageous.”*

The gender difference in opinion is greatest regarding these changes, than for any other question posed in the survey, with a difference of almost 18% between males and females, on both the agreement and disagreement results. Females indicate a disagreement rate of 59.9% compared to 43.7% for males, and an agreement rate of 30.7% compared to 48.9% for males.

Perhaps not surprisingly, people in high level management positions are nearly twice as likely to agree with the changes to unfair dismissal laws than participants in low level positions. Business owners, executives, CEOs and senior management indicate an agreement level of 59.0% compared to general staff and low-middle level management with a result of 32.2%. The highest result comes from business owners, at a 61.6% result for level of agreement, and the lowest is from team members and general staff at 29.4%, which is no surprise as they would be the group most likely affected by the particular changes.

In terms of the overall impact on **employee job security**, the comments from respondents ranged from harshly condemning to mildly critical, but were nearly all negative:

*“This is really UNFAIR. There is no more job security, no more permanent employment. Everything is contract work and it is really unfair to the employees!!”*

*“These laws are unjust and an attack on family security and welfare”*

*“I feel it is good that work places have the option of removing "dead wood". Workers can no longer be complacent, but I have concerns re lack of job security.”*

*“Some of the changes are valid but the two main issues are job security and wages and employees need to be protected on these two issues.”*

*“I am very fortunate to work in a corporate environment in the public sector where ones job security is hopefully assured. But I fully sympathise with anyone that works in the private sector, especially those who work in trades or retail, factory workers, etc.”*

*“Australians need job security to ensure performance is at its best - the new laws will only ensure a highly transient workforce, with more costs incurred by both the employer and the employee”*

While the agreement rates are generally low, participants in high level management positions are more likely to rate the impact on employee job security more positively than participants in low level positions. Business owners, executives, CEOs and senior management indicate a positive impact of 19.3% compared to general staff and low-middle level management whose agreement levels were only half that, at 10.1%.

On the question of impact on **employee wages**, the respondents were philosophical in their comments:

*“The emphasis should be on education and training, not reducing wages through lower benefits.”*

*“With the current low unemployment, the employment market is very competitive and people will go to where they get good conditions. The market forces will ensure good wages and conditions, not basic awards. It has done so for years.”*

It appears that males believe the impact will be more positive (17.7%) than that indicated by females (9.9%). A significant 66.5% of females indicate that the impact on employee wages would be negative, compared to 53.6% of males.

Interpretation of the fact that 47.9% of business owners, executives, CEOs and senior management believe there will be a negative impact on employee wages, suggests that employers are looking into using the recent changes to their advantage.

One respondent summed up the **overall impact of the changes** with a comment that is generally reflected in the survey results:

*“The structure and overall thrust of the new laws is poorly thought through and have created a level of distrust and climate of fear that was not there before the new laws came in. The new laws provide most protection for those who don't need them - those who are able to protect themselves via higher education, more skills, better understand of the law etc. Low paid workers, young workers, migrants etc will no doubt be heavily exploited by employers utilising the power provided by these laws.”*

The theme is consistent throughout the survey that those in high level management positions are more likely to agree with the changes than participants in low level positions.

Overall, business owners, executives, CEOs and senior management indicate an agreement level of 56.1% compared to general staff and low-middle level management with a result of 27.9% (under half!!). The highest result comes from Executives and CEOs with a 60.8% result for level of agreement, and the lowest is from team members and general staff at 24.7%, which is no surprise as they would be the group most likely affected by the particular changes.

The WorkChoices legislation has come at an interesting time in Australia's labour market. With the shrinking labour pool and impending talent crisis, employment levels are high. Opinions on how Workchoices will impact recruitment and retention particularly on smaller businesses is still varied and divided. What we do know however, is that good talented employees are becoming very hard to attract and retain. Perhaps this climate will make it harder for some businesses to take advantage of the Workchoice changes.

As one survey respondent noted, *“Good employers will continue to pay the same wages and provide the same conditions in the future despite any WorkChoices. Bad employers will take advantage of the WorkChoice changes to the disadvantage of employees.”*

And perhaps it will be those 'bad employers' who will ultimately pay the price?

### **About the Author**

Serge Sardo is currently the Director of Business Development for the Australian Institute of Management. Serge is an Organisational Psychologist with over 14 years experience as a management consultant. His qualifications also include an MBA and he has held various managerial positions throughout his career. Serge has worked with global companies in such industries as mining, manufacturing, finance and insurance.

**For the full detail of our report on our recent Managing the Future Survey “The New Industrial Relations Laws” [click here](#)**