

Workplace Agreements Survey 2001 Analysis of Results

Working Paper 85

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MAIN FINDINGS - SUMMARY

Distribution of agreement types

The survey respondents are split (almost evenly) between workplaces with agreements (52 per cent) and workplaces without formal agreements (47 per cent).

- Within the agreement making sector, a slightly greater proportion of agreements are collectively negotiated. Individual agreements account for 23 per cent of agreement workplaces, and collective agreements account for 30 per cent.
- Of the collective agreements, just over one third are federal certified agreements made with a union. The remaining collective agreements represent a mix of union and non-union negotiated arrangements.
- Of the individual agreements, most are individual contracts (only 1 per cent of respondents have federal AWAs as their main form of agreement).

Profile of respondents

The survey population comprises (roughly) a mix of blue collar and white collar workplaces.

- Of the white collar workplaces, a large proportion are drawn from two industries (property & business services and banking finance & insurance make up almost half of the white collar industries).
- These industries have a high proportion of managerial and professional occupations, relative to other white collar sectors. This may explain the high proportion of individual contract arrangements represented in the survey.

There is a significant over-representation of small business workplaces in the survey population.

- Almost half of all the respondent workplaces are drawn from the 6-20 employee size workplaces. This feature is also consistent with the high proportion of respondents having individual and non-union negotiated arrangements.

Expectations

A wide range of issues were ranked by managers as important to their agreement-making agenda. These issues represent a mix of workplace performance priorities (productivity

improvements) and HR issues (employee relations). However, the primary motivations for agreement making are, in most cases, modest ones.

- The desire for 'greater administrative simplicity' and to need to 'legitimize practices already informally occurring at the workplace' were named by almost 40 per cent of workplaces as the primary goals for forming agreements.

Statements that could be argued to reflect more 'radical' reform intentions were ranked by a minority of workplaces as being the primary motivation for agreement making.

- Only 6 per cent of workplaces were introducing an agreement to specifically exclude a union or third party, and less than 1 per cent were using the agreement to specifically cut costs or staff.

The qualitative comments provided by managers confirm these findings. Managers were asked to elaborate on the anticipated role of their agreement.

- Overwhelmingly, managers described the administrative burdens associated with managing employees across multiple occupations, work sites and classifications.
- The burden of legal complexity was also voiced by managers to be a particular concern.

Satisfaction

There is a high level of managerial satisfaction with the main workplace agreement currently in place.

- 75 per cent indicated they were satisfied or very satisfied with their current main form of agreement.
- Almost 80 per cent of respondents indicated they would remain loyal to their current form of agreement by introducing a similar form of agreement in the next round of negotiations.

Impact of the main agreement

Managers overall, do not perceive the main agreement at their workplace to have delivered profound or radical change.

- Just over one third of all managers surveyed believe the agreement has played no role at all in workplace change.
- A minority (17 per cent) believe that the agreement has been instrumental or central to the change process at the workplace.

- Around one quarter of respondents believed the agreement had caused substantive change to the way work is organized at the workplace (26 per cent).

On the issue of workplace performance, managers are also unlikely to identify the agreement as being primarily responsible for improvements to key areas of performance.

- Just over half believed the agreement had delivered no improvements to workplace productivity.
- Almost two thirds reported no improvements to service quality, absenteeism or labour turnover respectively.
- On the issue of labour productivity, almost half perceived the agreement to have had no impact. Around half of workplaces did attribute productivity improvements to the agreement however.
- On eight features of workplace performance, 30 per cent or less of managers indicated that improvements had been achieved as a result of the agreement. This included issues that have traditionally been considered pivotal issues for agreement negotiations, such as labour productivity and labour turnover.
- On only one measure did more than 50 per cent of managers indicate that the agreement had achieved improvements. 52 per cent of workplaces indicated that the main agreement had improved relations between managers and workers.

Two conclusions might be drawn from these findings.

1. The single greatest impact of the main agreement, from the point of view of managers, appears to be the change in management-employee relations at the workplace. This finding is consistent with manager's expectations of agreements. It may be that, for managers, the most significant role for the agreement is in creating an environment that will be responsive to the changes desired by managers.
2. As noted previously, a high proportion of respondents are veterans to the agreement making process. It may be that earlier agreements have delivered the most significant impacts, and that the benefits to be received from these negotiations have slowed over time.

Negotiation process

Managers expressed positive views towards the negotiation process overall.

- Just over half of respondents indicated that the process was cooperative and problem free.

- Over half argued that the process provided the opportunity to raise or introduce new initiatives.

The qualitative commentary provided by respondents affirms that managers see a value in the process of making an agreement.

- In particular, managers described a long term perspective on agreement making, and did not indicate high expectations of impact from a single agreement.
- The act of negotiating an agreement appears to provide a structure for dialogue in the workplace by providing an opportunity for management to raise issues of concern with staff.

Employer-instigated agreements

On the issue of negotiation, employer-instigated agreements were generally viewed more favorably by managers than employee-instigated agreements.

- 70 per cent of employee-instigated agreements were seen as irrelevant to the process of workplace change compared to 29 per cent of employer-instigated agreements.
- 65 per cent of employer-instigated agreements were perceived to be innovative compared to 28 per cent of employee-instigated agreements.

Interestingly, employer-instigated agreements were not viewed as any more effective than employee-instigated agreements on the issue of impact.

On most indicators of workplace performance, less than half of employer-instigated and employee-instigated agreement workplaces saw the agreement to have delivered a positive contribution.

The only exception was found on responses to the statement 'employees are better off under this current arrangement'. 96 per cent of employee-instigated agreement workplaces agreed with this statement, compared to 60 per cent of employer-instigated agreement workplaces.

Collective versus individual agreements

Overall, managers showed a preference for a process of negotiation with individual workers, rather than collective groups of workers.

- Two thirds of managers at individual agreement workplaces stated the negotiation process to be cooperative and problem free. Less than half of collective workplaces indicated this to be the case.

- Half of collective agreement workplaces stated the agreement as irrelevant to workplace change. This compares to one-fifth of individual agreement workplaces.

Interestingly, in the qualitative commentary, most managers did not identify unions to be a problematic aspect of collective agreement negotiations. The collective nature of negotiation appeared to cause problems, not the union itself.

On the issue of agreement impact however, the pattern is slightly different. Individual agreements were generally viewed no more favorably than collective agreements.

Veteran agreement makers

Veteran agreement makers showed slightly more positive views towards the negotiation process, on most measures.

- Interestingly, 62 per cent of veterans felt the negotiation process offered the opportunity to raise or introduce new initiatives compared to less than half of newcomers.

In terms of impact, veterans and newcomers provided similar responses to most measures.

INTRODUCTION

This report aims to provide insight into the agreement-making process in Australian businesses. The analysis is based on data drawn from the ABL Workplace Agreements Survey 2001. The survey collected data on four main aspects of agreement making:

- The expectations associated with agreement making. This includes an analysis of the factors affecting the choice to pursue particular types of agreements.
- The operation of agreements. This deals largely with the negotiation process, and the factors perceived by business to shape the effectiveness of this process.
- The level of satisfaction with the current agreement.
- Outcomes. This includes the perceived impact of the agreement overall, and the impact on workplace change and key aspects of business performance.

This report will present the aggregate data findings on all of these aspects of agreement making. In addition, the survey collected descriptive information about the workplace surveyed. This background information allows the agreement-making workplaces to be classified by some key characteristics:

- The type of agreement – primarily whether the agreement is negotiated on a collective or individual basis.
- The workplace level of familiarity or experience with the agreement process.
- The instigator of the agreement process, and whether the agreement process has been driven largely by management or other forces.

These descriptive characteristics are also used to inform the analysis. This report will provide an analysis of any significant trends in agreement making, and whether different types of agreement-makers display different perceptions of the process and the outcomes to emerge from the process.

BACKGROUND

This report represents the final stage of a three year collaborative partnership between ACIRRT University of Sydney and Australian Business Limited. The funding for this project was provided by the Australian Research Council's Strategic Partnerships Industry Research and Training Scheme (SPIRT).

This is the second report to emerge from this research partnership. The first report '*Working it out? Why employers choose the agreements they do – a survey*' analyses the findings of the Workplace Agreements Survey 1999.

SCOPE OF ANALYSIS

This is predominantly a survey of Australian workplaces in seven target industry groups. For more information about the methodology, and the key research questions guiding the development of the survey, see the appendices of this report. At the outset however, some key features should be noted:

- This survey, and its analysis, has placed special emphasis on documenting the views of agreement-making workplaces. The survey did not capture views of non-agreement makers (award minimum and overaward workplaces).
- The low response rate to the survey has placed some limitations on the scope of this analysis including:
 - No time series or comparative analysis will be provided for the results from ABL Workplace Agreements Survey 1999 and 2001. Given the short period of time (eighteen months) between the 1999 and 2001 surveys. It is argued that no meaningful change could be observed within this period.
 - The line of questioning has been modified slightly between the first and second phase of the survey process. This means that not all data items are directly comparably between the two surveys.
 - This report will not provide a disaggregated analysis of workplaces by specific type of agreement, nor by industry or workplace size.

PROFILE OF RESPONDENTS

The ABL Workplace Agreement Survey 2001 collected background information on respondents including the industry location of the workplace, and the employment size of the workplace. The data presented is therefore a count of workplaces (not employees).

This report does not include an industry disaggregated analysis of the data items. For a comprehensive analysis of patterns of agreement making by industry and workplace size, see the first report produced for this project¹.

The reader should remain mindful of the profile of these workplaces when considering how generalisable these findings are to the broader business population. The appendices of this report include supplementary ABS data on industry and employment-size profile of Australian Businesses.

Industry profile of respondents

As Table 1 shows, the survey respondents represent a mix of white collar and blue collar industries. In order to assess the significance of the data findings, it is important to remain mindful of the following key points.

- Not all industries are represented in the survey population. For example, workplaces from industries such as accommodation, cafes and restaurants, communication, mining, electricity gas & water and education did not participate in the survey.
- Just less than half of the survey population (43 per cent) comprises white collar sector workplaces.
- A high proportion of the white collar workplaces are drawn from just two sectors. Property & business services and the health & community services sector make up almost three quarters of the white collar workplaces that responded to the survey.
- Of the blue collar industries represented, the food, and textile, clothing & footwear industries make up half of all blue collar industry respondents.

¹ For a detailed analysis of agreement incidence by size of workplace and industry refer to the first report associated with this project '*Working it out? Why employers choose the agreements they do – a survey*' acirrt, University of Sydney, October 2000

Table 1: Distribution of respondents by industry

Industry	Proportion of respondents %
Property & business services	16
Health & community services	16
Banking finance & insurance	7
Wholesale & retail	4
Total white collar industries	43
Construction	9
Food industries	14
TCF	12
Chemicals, plastics	10
Cement, clay, glass, minerals	7
Total blue collar industries	52
Other	5
TOTAL	100

Profile by size of workplace

As Table 2 shows, the respondents are spread across a range of different workplaces, by employment size.

Just less than half of the respondents are small businesses, with 20 employees or less.

Just over half of workplaces surveyed are from large or very large businesses. Over one-fifth are workplaces with between 20 and 50 employees. Almost one fifth are workplaces with more than 100 employees.

Table 2: Distribution of respondents by workplace size

Workplace size	Proportion %
<5 employees	7
6-20 employees	43
21-50	22
51-100	10
>100	18
TOTAL	100

FINDINGS

Distribution of respondents by type of industrial arrangement

The survey asked respondents to identify the main form of agreement in place at their workplace. The 'main agreement' was defined as the industrial arrangement covering the majority of non-managerial employees. Using responses to this question, it is possible to characterise the survey population by the type of industrial arrangement in place.

Table 3 identifies the respondent workplaces by the type of 'main industrial instrument'.

- Roughly half (47.5 per cent) of all the respondents can be described as 'non-agreement' workplaces. This means that these workplaces did not formally or directly negotiate an agreement to cover the conditions of employment.
- Just over half of respondents (52.5 per cent) did negotiate some form of workplace-based agreement either individually or collectively.
- Within the agreement making workplaces, some types of agreements are more common than others. Around one-fifth of all the survey respondents (22 per cent) identified individual contracts as their main form of agreement. Within non-agreement workplaces, 20 per cent are covered only by the award minimum.

Table 3: Distribution of respondents by type of industrial arrangement

Agreement type	Covers the majority of non-managerial employees at the workplace
Non-agreement based	
Overaward wages and/or conditions	27.5
Award minimum	20.0
Agreement-based	
Written individual contract	22.0
Federal certified with union	12.0
NSW consent award	6.5
Federal certified made directly with employees	5.0
NSW enterprise agreement	4.0
Unregistered collective agreement	2.0
Federal AWA	1.0
Total	100.0

Characteristics of agreement-makers

The survey collected background information about the characteristics of the agents who participated in the process of negotiation. This information allows the survey population to be understood in terms of:

- The workplace level of familiarity with the agreement process.

- The participants and the instigators of the agreement process.
- The type of bargaining approach used by the participants and whether the agreements was the product of a collective or individual negotiation process.

Level of familiarity with the agreement process

Respondents were asked to indicate whether the main agreement was the first of its type negotiated at the workplace. This allows some distinction to be made between experienced and inexperienced agreement makers, at least in the form of agreement currently in place at the workplace.

Table 4 presents the data findings on this survey question, applying the descriptive categories of ‘newcomers’ and ‘veterans’ to the agreement making process. The majority of agreement makers (63 per cent) were experienced agreement makers, at least in the negotiation of the main form of agreement in place at the workplace.

Table 4: Whether the main arrangement is the first of its type negotiated at the workplace

Level of familiarity	%
Newcomers	37
Veterans	63
TOTAL	100

Negotiators and instigators

The survey data provide some insights into the genesis and evolution of agreement negotiations. Respondents were asked to identify the range of participants involved in the negotiation process, and to identify the main participants where possible. The survey specifically asked managers to identify any distinctions (where applicable) between agreement negotiators and agreement protagonists. Agreement protagonists can be defined as agents or participants who were primarily responsible for suggesting or influencing the choice of main agreement to be pursued by the workplace.

In most cases, the genesis of the agreement making process begins with management or an agent of management. Table 5 sets out the responses to this question, but in summary the main findings include:

- In two-thirds of the agreements, the employer (or agents acting on behalf of management) were identified as responsible for initiating or suggesting the form of agreement process that should be undertaken.
- In 43 per cent of cases, managers themselves initiated the agreement process.

- A range of other instigators were also identified by respondents. In 10 per cent of cases, employer associations had been influential. In 17 per cent of cases respectively, employee agents and external agents were generators of the agreement making process.

As it might be expected, as the negotiation process progresses, more agents and participants are drawn into the process of consultation. As table 5 shows, a range of agents conduct the actual negotiations on behalf of management and workers.

- The employer relies on managers themselves to oversee and directly undertake the negotiation of the agreement on behalf of the business in the majority of cases. Managers at the workplace were nominated by 66 per cent of respondents as being involved in the 'nuts and bolts' negotiation of agreements.
- However, a range of other agents also participated in this negotiation process on behalf of management including, employer associations in 11 per cent of workplaces, and hired consultants and lawyers in 10 per cent of workplaces.

For employees, the pattern of negotiators is slightly different.

- In 28 per cent of workplaces, the employee self-represented in agreement negotiations.
- In 22 per cent of cases a full time union official negotiated on behalf of the employee and 16 per cent the union workplace delegate participated in negotiations.
- In 15 per cent of workplaces, employees negotiated the agreement collectively but without direction from a union.

The spread of this pattern is not particularly significant. The pattern reflects the diversity of bargaining arrangements (refer to table 3). The range of employee participants involved shows that agreements are usually characterised by the type of employee involvement and not the type of employer involvement.

Table 5: Negotiators and instigators of agreements 2001 %

Actor/agent	Participated in negotiation*	Instigator
Agents for management		
Managers at workplace	66	43
Employer association	11	10
Managers beyond	5	4
Consultants / lawyers	10	3
Other employer		2
Tribunal prior to settlement	6	
Workplace JCC	14	
Other workplace JCC	2	
Other	8	
Total (management)	n/a	62
Agents for employees		
Labor council/ACTU/Union from beyond this workplace	3	14
Union workplace delegate	16	2
FTU union officials	22	
Employees acting collectively without union	15	1
Employees acting individually	28	
Workplace JCC	9	
Other workplace JCC	2	
Other employee participants/agents		
Total (employee)		17
Other participants/agents		
Prior industrial arrangement		12
Government initiative		5
Total		17
Other		4
TOTAL		100

*This question was multi-response, so column will not total 100%.

The type of bargaining arrangement

Agreements can reflect a wide range of different legal instruments, with some being administered at the federal level (federal certified and awas) or state level (nsw consent awards and enterprise agreements) (refer to table 6). This analysis does not aim to provide a detailed comparison of the different aspects of specific agreement forms. Instead, a feature that cuts across all of these characteristics is the distinction between collectively negotiated agreements and individually negotiated agreements. Using this distinction, the main data findings include:

- Overall, 23 per cent of workplaces had an agreement based on an individual form of negotiation (federal AWAs in 1 per cent of cases and written individual contracts in 22 per cent of cases).
- Collective agreements were nominated to be the main form of agreement by 30 per cent of workplaces.

Table 6: Distribution of respondents by type of industrial arrangement

Agreement type	Currently in operation for non-managerial employees	Covers the majority of non-managerial employees
Overaward wages and/or conditions	54	28
Individual negotiations		
Written individual contract	25	22
Federal AWA	2	1
TOTAL individual		23
Collective negotiations		
NSW consent award	13	7
Federal certified made with union	12	12
Federal certified made directly with employees	5	5
NSW enterprise agreement	5	4
Unregistered collective	3	2
TOTAL collective		30
Award minimum	20	20
Total	n/a	100

Expectations of agreement making

The survey asked respondents to comment on the anticipated role for the main form of agreement at the workplace. Respondents were asked to nominate *any* important aims for the agreement, and then single out a *most important* aim for the agreement.

A wide range of issues were ranked as important by the workplaces surveyed. Table 7 sets out the full range of responses to these questions.

- Around half of all workplaces nominated formalizing existing arrangements, consistency in coverage, productivity, payment of overawards, enhancement in management/worker relations and a reduction in the role of third parties as important to their current agreement making agenda.

When workplaces are asked to nominate the issue that is ‘most important’, the pattern of responses changes dramatically.

- Two goals – formalizing existing arrangements and bringing all employees under the same arrangement – were ranked as most important by 21 per cent and 18 per cent of workplaces respectively.
- The rest of the issues were nominated as ‘most important’ by less than 15 per cent of all workplaces on each issue.

Table 7: Management aims for agreement, All respondents 2001, %

Aim	Important	Most important
Formalise the existing arrangements	49	21
Bring all employees under same arrangement	43	18
Increase productivity	43	14
Enable the payment of overawards	50	10
Part of the corporate plan	37	8
To deal with issues beyond the scope of the award	39	8
Reduce the role of third parties	35	6
Improve relations between employees and management	44	5
Increase quality of product or level of service	24	5
Reduce costs	18	<1
Increase skill level of employee	8	<1
Reduce staff turnover	25	<.5
Follow our competitors	10	-
Other	13	4
Total	n/a	100

Table 8 groups these responses into five main categories to give a better picture of the types of priorities that are important in agreement making.

- Formalising existing arrangements and the need to bring all employees under a consistent industrial arrangement can be considered to be motives associated with administrative simplicity. Simplicity was the main motive for forming the agreement in 39 per cent of cases.
- A category called 'bottom line' represents any goals that are primarily concerned with improving the efficiency of the organization and cutting costs and accounted for 20 per cent of workplaces. Increasing productivity, product quality, cutting costs and reducing turnover have all been grouped under this 'bottom line' category.
- 15 per cent of workplaces identified the main motive for the agreement was to deliver positive gains to the employee. This category included those who indicated the agreement would enable overaward payments, improve relations between employer and employee and improve the skill level of the employee.
- Motives associated with the corporate plan and the desire to prevent third party interference in the negotiation process have been put in the 'management philosophy' category and accounted for 14 per cent of workplaces. This simply means that the agreement played a central role in substantially reforming the regime or convention at that workplace which did not necessarily stem from a set of specific economic or business goals.

- 8 per cent of workplace indicated the agreement to be a specific response to an inadequate award.

Table 8: Management motives for agreement making, All respondents 2001, %

General motive	%
Administrative simplicity	39
Bottom line	20
Enhance the conditions or status of employee	15
Considers the current award inadequate	8
Management philosophy	14
Other	4
Total	100

Additional qualitative material

The survey offered an opportunity for respondents to provide qualitative comment on the aims of the agreement. Analysis of responses to these open-ended questions provides greater insight into the reasons why managers are in search of greater administrative simplicity.

The managerial desire for greater simplicity in industrial arrangements seems to stem from five different workplace concerns. This qualitative material is consistent with the findings (outlined previously) that many managers seek modest reform through their agreements. The ability of the agreement arrangement to deal with the five following workplace issues appears to influence the choice of agreement chosen. Managers see agreements in playing an important role in:

- Achieving greater clarity in current working arrangements;
- Dealing with the issue of multiplicity of occupations and job roles at a workplace;
- Perceived complexity associated with particular agreement forms;
- Achieving formality or legitimating current work practice
- Giving reassurance that all legal and administrative requirements have been adhered to.

Clarity

A number of managers noted the important role that agreements played in clarifying confusion over current job tasks, responsibilities, conditions and remuneration. For some workplaces it appears that the process of agreement making provides the impetus to start a dialogue between management and employees where none previously existed. Many managers obviously felt this attribute of agreement making to be as valuable as any formal 'proven' outcome.

“The most important outcome is that work conditions are documented” (Enterprise agreement workplace in health and community services).

“Employees are more fully aware of their accountabilities and responsibilities” (Individual contract workplace)

“Clarity of employment arrangements is greatest benefit” (Individual contract workplace in light engineering business)

“All employees know what is expected from them and of them in the workplace (Written collective unregistered agreement in steel manufacturing)

Multiplicity

The difficulties associated with negotiating arrangements across a broad spectrum of occupations and job roles, and in some cases work sites, is clearly a burden for the managers affected. Many managers commented that the main form of agreement was chosen largely because of its flexibility in dealing with a wide range of work circumstances. In other words, the terms of employment for a large number of employees could be consolidated into a single document. Managers argued that the administration and negotiation of a single form of agreement is far less time consuming. It is interesting that different managers found different agreements to be most effective in this regard. For some, the enterprise agreement suited workplace needs, for others the consent award, for some the individual contract.

“The benefit is the simplicity of contract, and equity across all disciplines” (Individual contract workplace in the health industry)

“All under one award. Centralised management is positive outcome” (Certified agreement workplace in chemicals and plastics)

“One agreement instead of twelve agreements. Streamlined employment conditions” (Federal certified agreement with union in utilities)

“Ability to point out conditions in one document” (AWA in manufacturing)

“Employees on different work sites are equal in respect of conditions and pay” (AWA in food industry)

“General application across a broad group of employees” (Consent award in energy industry)

“There are no awards available that completely cover the broad nature of our work” (NSW enterprise agreement in health sector).

“...chosen because of perceived complexity of range of occupations we employ” (Individual contract in food industries)

“It was able to put most shop floor employees under one system” (Federal certified agreement with union involvement in manufacturing industry)

Complexity

The legal complexity associated with making agreements appears to be a burden for many employers. For many, the agreement chosen was selected because it was perceived to be the easiest for managers and workers to understand and for managers to administer.

“Simple to administer state and federal awards. All the work is done for us” (Federal certified agreement with union, health and community services sector)

“I now have a document I can understand without needing a law degree” (AWA in food industry)

Formality and assurance

Managerial concerns about complexity appear to stem from, in part, the fear that the agreement will not conform to current legal standards. In other words, managers fear that, without protections, they will be vulnerable to litigious employees.

“Individual contracts have never fully been tested by dissatisfied employees. AWAs are being introduced as better protection for both employer and employee” (AWA in property and business services)

“We are meeting our legal obligations” (NSW consent award in construction industry)

Some employers voiced dissatisfaction, even with their current agreement. Although they expressed satisfaction about other aspects of their current agreement, they remained fearful that, by omission, they would not correctly conform to the required standards.

“No agreement seems to allow enough flexibility without the fear of under or overpaying”
(Individual contract workplace in construction)

Overall level of satisfaction with current agreement

The survey required managers to comment on the perceived overall impact of the agreement, and indicate the level of workplace satisfaction on a number of measures. Overwhelmingly, respondents were satisfied with the overall impact of the agreement (see Table 9).

- In just over one quarter of workplaces, managers indicated a very high level of satisfaction, and in 75 per cent of workplaces managers indicated they were satisfied.
- Only 10 per cent of respondents indicated they were dissatisfied or very dissatisfied with the current agreement.

Table 9: Overall satisfaction with the main arrangement All respondents 2001 %

Level	%
Very satisfied	26
Satisfied	49
Neither satisfied nor dissatisfied	9
Dissatisfied	4
Very dissatisfied	6
Too soon to say	6
Total	100

Respondents were also asked to indicate their intention at the expiry of the current agreement. Although this question does not directly ask managers to provide reasons for their choice, it can be used as a proxy for overall satisfaction with the agreement (see Table 10).

- Approximately 80 per cent of managers showed loyalty to their current form of agreement making.

- Almost half of all respondents stated they would actually continue with the same arrangement, and almost one third would use the same arrangement with some alterations.
- Only 6 per cent of managers were sufficiently dissatisfied with the arrangement they intended to introduce an entirely new form of bargaining arrangement.

Table 10: Intention at the expiry of current arrangement All respondents 2001 %

Intention	%
Continue with current arrangements	46
Negotiate same type of arrangement	32
Negotiate a different type of arrangement	1
Negotiate a new type of arrangement	5
Revert to award coverage	6
Don't know	4
Other	5
Total	100

Impact of current arrangement

Managers rated their level of satisfaction on a number of specific workplace issues relating to workplace change and performance.

Workplace change

The data allows insight on two aspects of workplace change:

- The manager's assessment of the effectiveness of the agreement in facilitating workplace change; and
- The major outcomes perceived to have emerged from this change.

As table 11 shows, more than one third of managers (39 per cent) believed their current workplace agreement had played no role at all in the process of workplace change.

The results to these questions show that the agreement appears to facilitate change which is already occurring, and does not act as the instrument of change on its own. In summary:

- 17 per cent of managers believed that the agreement itself had been instrumental in the change process by 'making change possible where none would have occurred'.
- More than one third (38 per cent) believed the greatest overall impact of the agreement was in formalising or assisting a change process that was already ongoing in the workplace.
- Overall however, more than half of the respondents (55 per cent) did believe the agreement had played some constructive role in the process of change.

Table 11: Perceived overall impact of main arrangement on workplace, All respondents 2001, %

Statement	%
Made change possible where none occurred	17
Assisted change that was likely to occur	10
Formalised change that was occurring	28
Had little or nothing to do with change	39
Other	5
Total	100

Managers were asked to rate the effectiveness of their own agreement on a number of key aspects of workplace change. A complete account of the results are available in table 12. A summary of the main findings includes:

- On the issue of employee benefits, 68 per cent of managers believe the current agreement delivers a better package of wages and conditions than other industrial arrangements.
- Just over one third (38 per cent) believed the agreement has fundamentally changed the nature of management-employee relations.
- Around one quarter (26 per cent) of managers believe the agreement has resulted in substantive changes to the way work is organised at the workplace.
- Just over one half of managers (54 per cent) believe the agreement has enabled wages and conditions to better suit the needs of this workplace.

Table 12 Perceived impact of main agreement on workplace change, All respondents, %

Statement	Agree	Ambivalent
The main arrangement has made a positive change at this workplace	40	25
Employees are better off under this arrangement than other arrangements	68	19
Workplace agreements have fundamentally changed the nature of management-employee relations at this workplace	37	29
Workplace agreements have resulted in substantive changes in the way work is organised at this workplace	26	31
Workplace agreements have enabled wages and conditions to better suit the needs of this workplace	54	17
Union influence has declined as a result of this workplace implementing a workplace agreement	26	17

This data does appear to be consistent with the agreement goals, as identified by managers in tables 8 & 9. As noted by the data findings on agreement aims, a significant proportion of managers (almost 40 per cent) did not identify radical change to be part of the agreement making agenda. Modest change, or adding a legitimacy to changes already taking place appeared to be the goal of most agreements.

As an interesting comparison, the table below (Table 13) compares some key indicators for workplace change. The level of agreement voiced by managers is consistently stronger (greater than 50 per cent) on those indicators for 'facilitating change'. Statements or indicators that relate specifically to the agreement as a formative instrument of workplace change received consistently less positive responses from managers (less than 40 per cent).

Table 13: Comparison of key indicators of agreement impact

Agreement is perceived to be formative instrument of workplace change		Agreement legitimates current workplace practice	
Statement	Agree	Statement	Agree
Made change possible where none would have occurred	17	Employees are better off under this arrangement	68
Fundamentally changed management-employee relations	37	Enabled wages and conditions to better reflect this workplace needs	54
Substantive change to the way work is organised	26		

Workplace performance

Managers were asked to indicate the degree of agreement impact on a number of key features of workplace performance. Table 14 provides a more detailed summary of these results. However it is important to note that, in most cases, the majority of managers indicated the agreement had 'no real impact'.

- More than half of respondents did not perceive the agreement to have had any substantial impact on workplace productivity.
- On the issue of labour turnover and absenteeism, almost two thirds of managers (in each case) reported the agreement to have had no real impact.

Table 14: Perceived impacts of main agreement on issues of workplace performance, All respondents 2001

Feature of workplace performance	No real impact	Improved
Workplace productivity	54	28
Labour productivity	44	46
Quality of service or product	65	31
Absenteeism	62	17
Labour turnover	62	20
Relations between management and employee	37	52
Job security	53	32
Lost time due to industrial action	82	13
Lost time due to injuries	90	5

Process of negotiation

The survey contained a number of questions dealing specifically with the negotiation process. As table 15 shows, managers reported a moderate level of satisfaction with the actual negotiation process overall.

- More than half reported the process of negotiation to be cooperative and problem free.
- Less than one quarter indicated agreement to the statement ‘the main arrangement took too much time to make’.
- More than half of respondents (56 per cent) indicated that the negotiation process had permitted an opportunity to raise new initiatives.

Table 15: Perceptions of negotiation process for main agreement, All respondents 2001, %

Statement	Agree	Ambivalent
The process of negotiation was cooperative and problem free	52	5
The main arrangement took too much time to negotiate	22	25
The agreement making process has been largely irrelevant to workplace change	38	21
The negotiation process has fostered a trade off mentality among employees	27	27
The negotiation process provided the opportunity to raise or introduce new or innovative initiatives	56	26

Additional qualitative material

The qualitative comments provided by managers throughout the survey provide additional insight into the problems associated with the negotiation process. The comments also reveal that managers see an intrinsic value in the negotiation process and do not perceive the process to be simply a means to an end. Three main themes emerged from the qualitative comments.

1. Strong views on the role or contribution that unions should play.

Employers showed a high degree of frustration with the administratively complex and time consuming nature of agreement making. Some employers see unions as contributing to these problems.

“The existing agreement is a renegotiation of an earlier agreement. It is no longer a truly competitive labour arrangement. There is too much baggage and old conditions from the past” (Federal certified with union TCF)

Other employers demonstrated that unions had no historical, or present role in their industry, so were irrelevant to the negotiation process.

“Unions are of no significance as our staff are mostly professionals used to negotiating their own individual contracts” (Individual contract in property & business services)

Other employers took a different view to union involvement. Some perceived union involvement as alleviating some of the stress associated with the negotiation process. Some argued that unions assisted employees in becoming better informed of their rights and responsibilities in the workplace. For some employers, this made the negotiation process easier. Other employers noted that unions can give a structure to the discussion that is not always present when attempting to negotiate directly with employees.

“We wished to negotiate an agreement with our employees but with the employees having their union present to provide support when needed” (NSW enterprise agreement workplace in cement industry)

“A union certified agreement is significantly less trouble for the business” (Federal certified with union in utilities)

“As long as we follow our industry award there is no dissatisfaction. It is convenient for a medium sized organisation like ours...We have no direct involvement in negotiating directly with our employees” (Federal certified agreement with union in rubber & plastics sector)

2. Benefits and improvements that the negotiation process can bring by establishing new ways of relating to staff.

The negotiation process seems to have an intrinsic value for many employers as it provides a regular opportunity to review the current arrangements at the workplace. Employees can also feel acknowledged and valued through the agreement. This appears to be an issue in areas where staff flight is a particular problem.

“Employees feel valued in that they have an individual contract that is drawn just for them”
(AWA workplace in property & business services)

“Each employee knows where they stand, and with individuals it is much easier to respond to issues like poaching of staff” (Individual contract in information technology)

3. Agreement making is seen as a long term process, and a single agreement may form part of a wider long term agenda for change in a workplace.

“...The foundation is now in place to move to more productivity based agreements”

(Individual contract workplace).

In other words, many managers see the current agreement as part of a long term process of reform. Although immediate benefits may not be delivered from the current agreement, benefits of the change process may be delivered down the track.

Opting out

As noted in the introduction, this survey focused on collecting data about ‘agreement-makers’. This means that workplaces that had chosen not strike a formal agreement did not follow the main line of questioning in the survey. However, those workplaces who did not participate in a bargaining process were questioned at the conclusion of the survey. The reasons for not striking an agreement, as identified by managers are (see table 16):

- Just over one third of non-agreement workplaces indicated a satisfaction with the existing award.
- Just over one third also indicated that they perceived no advantage to making an agreement.
- One fifth of managers indicated that they believed their current workplace did not have sufficient expertise to be able to undertake the negotiation and administrative responsibility required to draft an agreement.

Table 16: Reasons for not making a workplace level agreement all respondents 2001

Reason	%*
Comfortable with the existing award	37
No perceived advantage	34
Insufficient information and/or expertise	20
Negotiations too costly or time consuming	12
Don't know	5
Union resistance	3
Employee resistance	3
Other	7

*This question was multi-response, so column will not total 100%.

Differences between agreements

As outlined previously, the survey collected background data about agreement-makers. Three main distinctions can be made about the survey respondents:

- 63 per cent of the agreement makers were veterans to the agreement making process associated with their current agreement.
- 62 per cent of agreements were employer-driven, or instigated by management or an agent of management.
- Among agreement makers, collective agreements were slightly more common than individual agreements. 30 per cent of all survey respondents were party to a collective agreement, 23 per cent were party to an individual agreement. Almost half of all respondents were outside of the formal agreement making process (28 per cent used overaward arrangements, and 20 per cent relied simply on the award).

Using these three different character profiles, the data can be disaggregated to see if there are any significant differences between agreement makers. These responses can be assessed in consideration of the two broad subject areas featuring in the survey: perceptions of the negotiation process and perceived impacts of the agreement.

Employer-instigated agreements

Not surprisingly, managers indicated a higher level of satisfaction toward their agreement, if the agreement had emerged from a process instigated by management. These statistics are detailed in table 17 and 18, but a summary includes:

- When considering the negotiation process, just over half of managers party to employer-instigated agreements agreed that the process was 'problem-free', this compares to 39 per cent of managers at employee-driven agreement workplaces.
- More than 70 per cent of managers at employee-driven workplaces argued the process was irrelevant to workplace change, compared to 29 per cent of employer-driven workplaces.
- The majority of employer driven agreements (65 per cent) were argued to be 'innovative' versus only 28 per cent of employee driven agreements.

On the issue of agreement outcomes, the pattern changes slightly. Neither employer-driven nor employee-driven agreement workplaces were strongly favourable about their agreement outcomes (with a few exceptions).

- For example, less than half of both employer driven and employee driven agreement workplaces felt the main arrangement had made a positive impact at the workplace.

However, employer driven agreement workplaces were more favourable. 39 per cent of employer-instigated agreements believed the arrangement had made a positive change, compared to one fifth of employee-instigated.

- The results on one indicator show radically different responses from employer versus employee-instigated agreements. Managers at employee-instigated agreement workplaces believed the enterprise agreement strongly favoured employees (96 per cent stated the employees were better off). This compares with 60 per cent of managers party to employer-driven agreements arguing that employees were better off.

Table 17: Perceptions of negotiation process for main agreement, by main instigator, 2001, %

The process of negotiation was cooperative and problem free	Agree	Disagree
Employer agent	53	24
Employee agent	39	59
The main arrangement took too much time to negotiate	Agree	Disagree
Employer agent	25	40
Employee agent	25	31
The agreement making process has been largely irrelevant to workplace change	Agree	Disagree
Employer agent	29	22
Employee agent	71	12
The negotiation process has fostered a trade off mentality among employees	Agree	Disagree
Employer agent	21	24
Employee agent	59	15
The negotiation process provided the opportunity to raise or introduce new or innovative initiatives	Agree	Disagree
Employer agent	65	8
Employee agent	28	15

Table 18: Perceived impact of agreement on workplace change, by main instigator, 2001, %

The main arrangement has made a positive change at our workplace	Agree	Disagree
Employer agent	39	13
Employee agent	21	46
Employees are better off under this arrangement than other arrangements	Agree	Disagree
Employer agent	60	2
Employee agent	96	2
Workplace agreements have fundamentally changed the nature of management-employee relations at this workplace	Agree	Disagree
Employer agent	37	18
Employee agent	26	19
Workplace agreements have resulted in substantive changes in the way work is organised at this workplace	Agree	Disagree
Employer agent	31	33
Employee agent	8	21
Workplace agreements have enabled wages and conditions to better suit the needs of this workplace	Agree	Disagree
Employer agent	56	7
Employee agent	38	49
Union influence has declined as a result of this workplace implementing a workplace agreement	Agree	Disagree
Employer agent	14	17
Employee agent	57	32

Collective versus individual agreements

Employers at individual-agreement workplaces indicated a higher level of satisfaction overall with the agreement negotiation process. However, this difference does not hold out when considering the question of agreement impact. Table 19 and 20 provide a detailed summary of these statistics. The most notable findings are outlined below.

- Just over half of collective agreement workplaces stated that the negotiation process had been irrelevant to workplace change. This compares to one fifth of individual agreement workplaces.
- Less than half of collective agreement workplaces stated that the negotiation process was ‘problem free’ compared to around two thirds of individual-agreement workplaces.
- More than two thirds of individual agreement workplaces said the agreement had offered the opportunity to raise new initiatives compared to less than one half of collectively negotiated places.

When the issue of agreement impact is considered, the pattern of responses becomes more even across the two categories.

- Less than half of both collective and individual-agreement workplaces believed that the agreement had delivered a positive change to the workplace.
- Around two thirds of collective and individual agreement workplaces respectively, believed employees were better off under the main arrangement.

Table 19: Perceptions of negotiation process for main agreement, by mode of negotiation, 2001, %

The process of negotiation was cooperative and problem free	Agree	Disagree
Collectively negotiated	44	41
Individually negotiated	63	9
The main arrangement took too much time to negotiate	Agree	Disagree
Collectively negotiated	28	27
Individually negotiated	13	48
The agreement making process has been largely irrelevant to workplace change	Agree	Disagree
Collectively negotiated	51	17
Individually negotiated	20	25
The negotiation process has fostered a trade off mentality among employees	Agree	Disagree
Collectively negotiated	39	13
Individually negotiated	11	30
The negotiation process provided the opportunity to raise or introduce new or innovative initiatives	Agree	Disagree
Collectively negotiated	49	9
Individually negotiated	67	10

Table 20: Perceived impact of agreement on workplace change, by mode of negotiation 2001, %

The main arrangement has made a positive change at our workplace	Agree	Disagree
Collectively negotiated	38	25
Individually negotiated	42	4
Employees are better off under this arrangement than other arrangements	Agree	Disagree
Collectively negotiated	68	<1
Individually negotiated	67	6
Workplace agreements have fundamentally changed the nature of management-employee relations at this workplace	Agree	Disagree
Collectively negotiated	41	12
Individually negotiated	32	20
Workplace agreements have resulted in substantive changes in the way work is organised at this workplace	Agree	Disagree
Collectively negotiated	27	29
Individually negotiated	24	23
Workplace agreements have enabled wages and conditions to better suit the needs of this workplace	Agree	Disagree
Collectively negotiated	50	18
Individually negotiated	59	10
Union influence has declined as a result of this workplace implementing a workplace agreement	Agree	Disagree
Collectively negotiated	39	27
Individually negotiated	7	4

Newcomers versus veterans

Tables 21 and 22 present a detailed account of the data findings for these agreement-makers. The responses given by newcomer and veteran agreement makers are similar on many measures.

- Similar proportions of veteran and newcomer agreement makers believed the negotiation process was problem free (roughly half in both cases).
- Between one quarter and one third in both newcomers and veterans believed the negotiation process had fostered a trade off mentality.
- 36 per cent of veterans agreed that the process was irrelevant to workplace change, compared to 42 per cent.

The more distinct differences are found in the following issues:

- Less than half of all newcomers said the process provided the opportunity to raise new initiatives versus 62 per cent of veterans. One possible explanation for this may be found in the qualitative commentary of employers. The qualitative comments revealed

that some employers have a long-term approach to agreement making. A single agreement may not necessarily represent the only opportunity to raise new initiatives at the workplace. New agreements may be perceived as important for 'laying down the ground rules'.

- 16 per cent of newcomers compared to 26 per cent of veterans believed the agreement took too much time to make. Although this is not an extreme difference in response rate, it may raise the questions: Does the tolerance for the negotiation process go down over time? Do veteran agreement makers have higher expectations that the process should run more smoothly because of the experience of the negotiators?

Table 21: Perceptions of negotiation process for main agreement, by familiarity with the process, 2001, %

The process of negotiation was cooperative and problem free	Agree	Disagree
Newcomers	49	34
Veterans	53	45
The main arrangement took too much time to negotiate	Agree	Disagree
Newcomers	16	40
Veterans	26	32
The agreement making process has been largely irrelevant to workplace change	Agree	Disagree
Newcomers	42	26
Veterans	36	18
The negotiation process has fostered a trade off mentality among employees	Agree	Disagree
Newcomers	30	24
Veterans	26	28
The negotiation process provided the opportunity to raise or introduce new or innovative initiatives	Agree	Disagree
Newcomers	45	15
Veterans	62	6

Table 22: Perceived impact of agreement on workplace change, by familiarity with the process 2001, %

The main arrangement has made a positive change at our workplace	Agree	Disagree
Newcomer	44	21
Veteran	38	14
Employees are better off under this arrangement than other arrangements	Agree	Disagree
Newcomer	65	8
Veteran	71	-
Workplace agreements have fundamentally changed the nature of management-employee relations at this workplace	Agree	Disagree
Newcomer	30	15

Veteran	40	16
Workplace agreements have resulted in substantive changes in the way work is organised at this workplace	Agree	Disagree
Newcomer	21	24
Veteran	27	29
Workplace agreements have enabled wages and conditions to better suit the needs of this workplace	Agree	Disagree
Newcomer	52	23
Veteran	54	10
Union influence has declined as a result of this workplace implementing a workplace agreement	Agree	Disagree
Newcomer	30	11
Veteran	24	22

DRAFT CONCLUSIONS

The results of this survey provide some insights to the perceptions and attitudes of managers at agreement making workplaces. These insights relate largely to the expectations and impacts associated with the *main* agreement in place at the workplace surveyed.

A wide range of issues were ranked by managers as important to their agreement-making agenda. These issues represent a mix of workplace performance priorities (productivity improvements) and HR issues (employee relations). However, the primary motivations for agreement making are, in most cases, modest ones. The desire for 'greater administrative simplicity' and to need to 'legitimize practices already informally occurring at the workplace' are examples of these modest motivations. The qualitative comments provided by managers provide some additional insights to these motivations. Some managers noted the administrative burdens associated with managing employees across multiple occupations, work sites and classifications. Perceived legal complexity associated with the current suite of agreement making options was also noted by managers in the qualitative commentary.

In terms of impact, the single greatest impact of the main agreement, from the point of view of managers, appears to be the change in management-employee relations at the workplace. This finding is consistent with manager's expectations of agreements. It may be that, for managers, the most significant role for the agreement is in creating an environment that will be responsive to the changes desired by managers.

Overall, managers showed a preference for a process of negotiation with individual workers, rather than collective groups of workers.

Interestingly, in the qualitative commentary, most managers did not identify unions to be a problematic partner in collective agreement negotiations. The collective nature of negotiation was perceived by managers to create difficulties, but not the union itself.

APPENDICES

A: Methodology

The survey & its intentions

The ABL Workplace Agreements Survey 2001 is a structured questionnaire, based on a 'closed' response technique. This means that, in most cases, respondents were required to select the most appropriate answer from a list of alternative responses.

The survey had two main aims:

- To understand the factors that influence workplace decisions to choose specific industrial instruments to regulate the employment of staff
- To understand the impact of different types of industrial arrangements on the negotiation process and outcomes

Background

This research was originally envisaged to be a longitudinal analysis of agreement making with surveys to be distributed in 1999, 2000 and 2001. This original intention has been modified to cope with a number of problems that have emerged during the course of the research process. A poor response rate to both the first and second round of surveys have meant that a longitudinal study would not be advisable. A change in the line of questioning in the second survey to focus exclusively on the views of workplaces with formal agreements has meant that the responses to survey 1 and survey 2 are not directly comparable.

Sample & respondents

The sample for this survey was drawn randomly from ABL's membership database.

The sample targeted seven industry categories: food industries; TCF; chemicals & plastics; cement, clay, glass & minerals; banking, finance & insurance; property & business services; and health & community services. These industries were selected because they contain the largest proportions of ABL membership.

Weighting

A 'workplace weight' has been calculated and applied to this data. The weighting was calculated to take into account two main features:

- It was necessary for the proportion of survey responses from the seven industry groups to approximate the spread of industry groups in the broader population.

- Workplace size was also taken into account in the weighting, so that the five separate size categories would approximate the employment size distribution of the workplace population.

Unit of analysis

For the purposes of this analysis, the workplace has been used as the unit of analysis. The 'respondent' referred to throughout this report is the workplace. A manager (in most cases a human resources manager) completed the survey. The manager's views refer to the 'main agreement' (the agreement covering the majority of non-managerial workers at the workplace) at the workplace.

Data analysis

The quantitative data from this survey was analysed using the SPSS package.

A series of qualitative open-ended questions were peppered throughout the survey. Not all respondents elected to complete these questions. These qualitative comments were analysed for any discernable themes. The input of these comments is designed to complement the quantitative findings.

B: Supplementary ABS data

Employing businesses by industry & employment status

Industry division	'000	%
Mining	1.9	<1
Manufacturing	51.1	9
Construction	67.5	12
Wholesale	44.7	8
Retail	98.8	17
Accommodation, cafes & restaurants	29.4	5
Transport & storage	26.9	5
Finance & insurance	14.0	2
Property & business services	122.9	22
Education	9.9	2
Health & community services	49.5	9
Cultural & recreational services	14.8	3
Personal & other services	31.8	6
Total employing businesses	566.5	100

ABS Number of business by employment category of business 199-00

Employment category	'000	%
Less than 5 employees	365.7	64
5-19 employees	167.1	29
20-99 employees	33.2	6
100 or < employees		<1
Total of all employing businesses	572.4	100

These figures are calculated as a proportion of all employing businesses. For the purposes of this analysis, non-employing businesses have not been included. Source: Small Business in Australia Update 1999-2000 Cat no. 1321.0.55.001

