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EQUITY UNDER ENTERPRISE BARGAINING

edited by Suzanne Hammond

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Suzanne Hammond
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Preface

As the Australian industrial relations system moves to a more de-centralised bargaining based system the issues most commonly addressed have been productivity, flexibility and efficiency. To achieve its objective of becoming a more internationally competitive nation, Australia is to improve workplace productivity and efficiency through the mechanism of a flexible, enterprise bargaining based system of industrial relations.

While these concepts elicit feelings of national good - after all no-one wants to be known as being inflexible or inefficient many observers watch this evolution to decentralism with trepidation. For those who are interested in issues of 'equity' the movement towards an enterprise bargaining system presents concerns that this different system of industrial relations will have a detrimental impact on some sectors of the workforce: that some workers will not do as well as others. The issue of equity, has to a certain extent been overshadowed by what would seem to be economic considerations. This Conference on 'Equity and Enterprise Bargaining' held in Sydney in December, 1993 aimed at giving voice to various players in the industrial relations community about the issue of equity. A broad range of speakers was sought from the industrial relations academia, government, employer groups, unions, representatives of women's groups and migrant workers and private consultants.

The purpose of the Conference was not only to provide a forum for those who wished to express their concerns about issues of equity but also to see how particular organisations addressed the issue of achieving equity in the enterprise bargaining process. In a less formal and more practical session of the Conference, representatives from trade unions and business organisations discussed how they sought to achieve equity in their own enterprise bargains.

The Conference was extremely timely in that it coincided with the presentation to Parliament of the Industrial Relations Reform Bill. Now proclaimed, this new Act oversees the transition to a more de-centralised system of industrial relations based on enterprise bargaining. It is within this context of bargaining that concerns for equity have been raised. The ability to bargain a satisfactory agreement is very much determined by industrial power. While some might argue that power is evenly distributed between groups in society, inequality is a feature of both economic, social and industrial relations. The notion that all workers are free and equal to bargain is a fiction. So attaining equity in a bargaining system is problematic.

To a certain extent, the *Industrial Relations Reform Act 1993* recognises that some groups do not do well in bargaining systems and it attempts to remedy this situation. The Act retains the award structure as a 'safety net'. It gives the Federal Commission power to apply a 'no disadvantage' test to certified agreements and enterprise flexibility agreements in order to ensure the protection of accepted standards and minimum rates of pay. The new Act also adopts principles set down in ILO Convention 100 on Equal Remuneration, which broadens the provision of equal pay for work of equal value to equal remuneration for work of equal value. The Act also adopts the United Nations' Convention on the Elimination of All Forms of Discrimination Against Women and along with amendments to the *Sex Discrimination Act 1984* allows the Sex Discrimination Commissioner to make application to the Commission to challenge discriminatory provisions in enterprise agreements.

At the time that the conference took place there was general recognition that for equity to be achieved in the workplace positive action needed to be taken. Not only would positive legislation be required but employers, trade unions and workers needed to consider how equity ought to

be pursued in enterprise bargaining. The focus of the conference was how and why equity in the workplace ought to be pursued. The papers presented also deal the impact of enterprise bargaining on particular groups in the labour market.

This collection of working papers begins with a paper from Margaret Gardner. Since the 1972 Equal Pay Case the Australian industrial relations system has provided a reasonably good outcome for women workers. Margaret Gardner's paper sets the concerns about enterprise bargaining in the context of male-female wage differentials in Australia in comparison with studies of wage outcomes in more de-regulated labour markets. However Gardner's paper argues that equity should not just be measured in terms of wages, that equity is about social justice or fairness. She argues that the "problem for enterprise bargaining is not that equity will be ignored, but what mixture of equality with inequality will constitute distributive justice". Gardner contends that equity is important because justice matters and that inequity has tangible effects on work performance.

The next paper addresses the issue of equity and enterprise bargaining from a business perspective. Vernon Winley from the Business Council of Australia argues that the cultural environment in which enterprise bargaining takes place will ensure equity: that the employee relationship is built upon trust and that trust in turn depends upon the credibility of each of the parties. Good business practice rests upon employees believing that their employers whole approach is fair. Winley however concludes that equity and fairness does not mean equality of outcomes but that differences need and ought to be rewarded.

Ann Holmes from the Office of the Status of Women argues that equity is good policy. She argues that equity is efficient and is inextricably linked with efficiency and productivity. She points out the important role that regulation plays in ensuring that lower paid workers are protected from falling wages. She argues that substituting cheap labour for investment capital could hinder long term economic development.

While the first section of this working paper deals with the policy implications of equity and enterprise bargaining, the second section deals with particular groups and how they are, or might be, affected by an enterprise focussed bargaining system.

Meredith Burgmann begins with a spirited analysis of the impact of enterprise bargaining on women in Australia. Burgmann presents a more pessimistic outcome for women workers under an enterprise bargaining system than that achieved in the more centralised system. She highlights data from a preliminary survey of New South Wales enterprise agreements which indicate that the good things to come to women in enterprise bargaining in New South Wales have been "small in number and that bad things are widespread". Burgmann's paper is also of interest because she locates the tensions within the trade union movement on the issue of enterprise bargaining as not being between the left and the right but rather between the weak and the strong unions.

Santina Bertone's paper on immigrant workers and enterprise bargaining indicates that for NESB workers enterprise bargaining could be a double-edged sword. For well organised, skilled NESB workers enterprise bargaining may offer significant benefits but Bertone cautions that the scenario for other sectors of the NESB workforce is far less optimistic. That there will be winners and losers. Bertone argues that a more integrated and sustained approach to policy could lead to substantial benefits to the multicultural workforce.

Attract Lagan from Shannon Human Dynamics addressed the issue of achieving equity for women in management. Lagan draws attention to the fact Australia has the lowest percentage of female managers of all industrialised nations and that of private sector Board members only 3% are female. Lagan argues that to achieve equality we have to take into account the attitudes and beliefs of managements and take a more collective approach. She argues that we need to look at how we evaluate merit and take account of women's values around rewards.

In the final paper I explore the issue of equity and enterprise bargaining in Australia in light of developments in New Zealand. I argue that women workers in Australia can learn from the experiences of their sisters in New Zealand. De-centralisation in New Zealand was achieved by a more radical de-regulation strategy however common traditions, similarities in the nature of the workforce and industrial culture make the New Zealand Experiment useful in assessing likely outcomes of similar policy directions in Australia. A system based on bargaining holds little advantage to women workers and that Australian policy makers, employers and trade unions must have a continued commitment to achieving a fair and equitable outcome rather than just securing a 'safety-net'.

Suzanne Hammond

1 Why Equity is Good Policy or Making Sure Rewards are Just

Margaret Gardner

The focus on enterprise bargaining rests on the assumption that it will be in the words of the Minister for Industrial Relations "innovative, comprehensive, productivity orientated and genuinely focused on the enterprise (Brereton 1992). The Minister also pledged that it would be "flexibility with protection", that is, that these changes would also involve a safety net to safeguard minimum conditions. One of these protected minimum conditions is equal pay for work of equal value. This stands in recognition of the argument that enterprise bargaining may undermine pay equality. This policy stance, while giving recognition to the need to protect equal pay, implicitly casts this as the subsidiary objective to increased flexibility and improved productivity. We are left with the substantial matter of policy implementation, what does flexibility mean for these protections? More importantly for this paper it implicitly suggests justice or equity is different from efficiency - and indeed that one may come at the expense of the other.

This paper addresses two questions. First, why equity is a policy issue in our current wage fixation climate. In doing so I will concentrate on illustrating the inequalities in reward that remain between men and women workers and why these are salient for enterprise bargaining. Second, I will consider the role of equity in enterprise bargaining and point to the problem of securing equity without justice.

Our Just Rewards? Pay Inequality

There is a wealth of research evidence on why females earn on average less than males. Various explanations have been explored including; that women are less educated on average than men and so attract less remuneration reflecting lower skills; that they suffer from the restrictions of family responsibilities thus experience interrupted careers; that they are less unionised and so unable to avail themselves of the benefits of collective bargaining power; that they are concentrated in different occupations and industries; that they are more likely to be employed in smaller firms.

The conclusions of some decades of research can be stated baldly, there remains a degree of sex discrimination in wages even when factors such as education, job tenure, age, unionisation are held constant (Blau and Ferber, Gunderson 1989; Miller and Rummery 1991; Kidd and Viney 1991). For example while the apparent gender gap in wages between men and women is around 15 per cent, even when adjusted for the differences in education and experience between the male and female workforce it remains at around 10 per cent (Miller and Rummery 1991).

Of the inequality in wages not directly attributable to discrimination, a part is due to the different pattern of employment of males and females¹ (Gunderson 1989:51-52). Women are employed in a narrow range of industries and occupations. Those industries and occupations in which women predominate tend to have lower wages than occupations and industries in which men are the major group. This led to the conclusion that 'women's work' was undervalued relative to men's work. Another contributor to male-female wage differences is that the returns to education for men are greater at each level than for women (Kidd and Viney 1991). More important for enterprise bargaining policy, differences in pay between establishments also account for a significant part of the gender gap in wages (Gunderson 1989:52). There are then two aspects to these differences between male and female pay. Some part of the difference is that women gain less reward for the same contributions, and some is that women gain less because they are in areas that are in general worse off than those dominated by males.

Even though Australia has legislation and arbitral decisions that enshrine the principle of equal pay for equal work women earn on average less than men. In 1993 average ordinary time weekly earnings of women were 84.5 per cent of those men (ABS 1993). This is not to say that there has not been significant improvement from earlier decades. In 1972 when the principle of equal pay for work of equal value was adopted women earned less than 70 per cent of male wages. Moreover in comparison to many other countries there is less earnings inequality than Australia. For example, Australia has less earnings inequality than Great Britain, Canada and the United States, although earnings are more unequal than Sweden (Whitehouse 1990; Daly and Gregory 1992). Indeed it is this comparison that has fuelled concern about the effects of enterprise bargaining on earnings inequality in Australia.

The comparative evidence on male/female earnings inequality demonstrates that decentralised bargaining systems have a greater degree of wage inequality than centralised bargaining systems (Whitehouse 1990; Daly and Gregory 1992). The reason centralised bargaining systems provide greater equality is because they coordinate and standardise wage claims. In the case of the equal pay cases, arbitration provided a mechanism for diffusing the principle of equal pay relatively rapidly throughout minimum wages in the Australian economy. This is because a large proportion of the Australian workforce is covered by awards and because it is comparatively straightforward to vary a series of occupational and industry awards. Similarly the recent minimum rates adjustment process² allowed classification that had been traditionally undervalued to be re-examined and new rates set. Only a centralised or highly coordinated system is able to allow wholesale re-examination and realignment of occupational relativities. This process has also contributed to narrowing of earnings inequality between males and females in Australia. In 1990 for example women earned 91 per cent of men's award rates of pay.

Despite improvements in award rates of pay women only earned some 53 per cent of men's overaward pay in 1990. It is difficult to draw the conclusion that inequality of pay is

¹ There is some argument over how substantial this effect is. Gunderson (1989) argues on reviewing a wide range of international literature that occupational effects are significant. Kidd and Viney (1991) examining Australian evidence argue that it is relatively small.

² This process introduced in 1989 allowed new wage relativities to be set on the basis of relative skill, responsibility and the conditions under which work is normally performed. These new relativities were set in relation to a metal and building industry tradesperson.

greater in workplace or enterprise determined aspects of pay. Indeed we see confirmation of this in surveys of earnings of professionals whose pay is determined by the company or partnership.

The evidence on pay inequities between males and females in Australian workplaces can be summarised as follows:

women generally still earn on average less than men, and the difference is marked at the level³ of overawards where a lower proportion of women receive overawards⁴ and the average is less⁵ ;

workplaces with large concentrations of female workers are comparatively low paid; they typically do not pay overawards, or if they do restrict them to a limited group in the workplace;

there is a significant industry and occupational effect evident in overaward pay⁵, there is a tendency for women to have higher average overawards and for a larger proportion of women to receive overawards⁶ in those industries and occupations that are dominated by male workers⁶ ;

women are least likely to be paid overawards as part of collective union-gained bonus whose ostensible rationale is market-related and most likely to be the beneficiary of management largesse distributed on the basis of individual merit (Department of Industrial Relations 1992).

From this evidence we could expect that any increase in the proportion of pay determined at enterprise level will increase the disparities between male and female earnings.

There are a number of conclusions to be drawn from this evidence. First that there are substantial pay inequities in overaward pay in Australia. Second, that where women have received overaward pay, little is the result of collective action or bargaining. This is confirmed by findings from the AWIRS survey that indicated that female employees predominate in workplaces that have little experience or workplace bargaining (Callus et al 1991). Enterprise bargaining has been associated with more rather than less wage inequality for women. Moreover there appears little evidence that workplaces where women predominated are well prepared to embark on enterprise bargaining and therefore are to lag behind male workplaces in wage bargaining, further exacerbating existing inequalities. Indeed studies of enterprise bargaining outcomes at federal level and in NSW, confirm that women were less likely to receive a wage increase than men in large part because they were less likely to be employed in workplaces where enterprise bargains were negotiated (Short et al 1993; NSW Department of Industrial Relations 1993).

³ Overall 8.8% of female employees received overawards in May 1990 compared to 17.5% of males.

⁴ The average female overaward was \$6.90 in May 1990 and for males it was \$13.00.

⁵ This effect is not completely clearcut at industry level because of unreliable figures for overawards in male-dominated industries such as mining and manufacturing. The one group with significant overaward pay is stenographers and typists.

⁶ This pattern also applies to unionisation of women workers.

How do we determine just rewards?

Thus far we have been examining wage inequality between males and females. This is because this has been the major focus of debate on the outcomes of enterprise bargaining. Yet there are a number of equity principles that may have underpinned wage fixation.

Equity is about social justice or fairness - a matter of distributive justice. Equity may concern the process by which rewards are distributed. Equal opportunity policies typically concern themselves with this procedural justice⁷ by focussing on "...equal access, limited only by ... ability, to the opportunities and rewards available in society" (AA 1984:10). The enterprise bargaining legislation is also framed to ensure fair bargaining procedures. These procedures are a legislative statement that "market power" is not the complete basis of bargaining; that attention must be paid to ensuring that equitable procedures are observed.

There is also however the matter of substantive justice that concerns outcomes. It is here that most concern about enterprise bargaining has been expressed. There are a number of principles concerning equitable outcomes. The first principle we will call the 'reward perspective'⁸ that is that people should be rewarded in proportion to their contribution (Adams 1965; Homans 1974). Contribution is to be understood broadly to include skill and work effort of productivity⁹. Thus productivity bargaining or rewarding people in terms of their performance or work effort is an application of an equity principle in wage fixation rather than purely a matter of economic efficiency as it is often portrayed.

The second principle of distributive justice can be called the equality principle. Where there is no clear basis for discriminating among contributions then reward must be equal. It is this principle that underpins equal pay for work of equal value, and that in part justifies traditional relativities between occupations. It also forms part of the justification for realignment of relativities, where it can be demonstrated that work is of equal value.

Three others concern distribution in terms of need, opportunities or historical precedent (Lewicki and Litterer 1985:141). While both need and historical precedent have a long history as principles for determining a just wage, they will not be considered in this paper. In terms of equitable outcomes or substantive justice then there are two different and potentially conflicting principles for ensuring equity or distributive justice in enterprise bargaining.

This makes it clear that enterprise bargaining is not merely a matter of accommodating equity within an overall focus on efficiency. Arguments about what is equitable are fundamental to bargaining. They are the basis of persuasion and the crafting of legitimate outcomes. Enterprise bargaining is about the distribution of rewards and will operate with some degree of procedural and substantive justice. But as Homans (1974:244) noted

⁷ See Braithwaite (1992) for a discussion of the procedural emphasis of equal employment opportunity policies in Australia.

⁸ While I have chosen to call this the reward perspective in this context to avoid terminological confusion - this usually called the equity principle in discussions of distributive justice.

⁹ For a detailed discussion of the normative differences between using skill, effort, productivity and other criteria

"Justice is a curious mixture of equality within inequality." Much of the problem in enterprise bargaining will come, not because efficiency concerns override equity, but because *some equity principles will override others*. The problem for enterprise bargaining is not that equity will be ignored but exactly what mixture of equality with inequality will constitute distributive justice.

The equity principle that provides that justification for enterprise bargaining in Australia is reward, that rewards will flow commensurate with contribution. It is loosely termed productivity, but is clearly a combination of estimations of effort or performance, output, skill and responsibility - in other words the gamut of contribution is assessed and rewarded.

From the evidence on the pattern of overaward pay we can see that reward principle will produce substantial inequality between male and female wages. Most women are gaining no wage increases because they have not concluded enterprise bargains, but where they have, they are much less likely to have been given wage increases (53 per cent female agreements to 58 per cent female) and unlikely to receive productivity increases (NSW Department of Industrial Relations 1993). Existing patterns of discrimination in workplace-based pay are being consolidated and worsened.

Evidence from federally registered enterprise agreements does not, at present, engender hope that issues that are of specific benefit to women and other disadvantaged groups are a high priority. Evidence from ACIRRT's Agreements Data-base and Monitor (ADAM) indicates that only 16 per cent of federally registered enterprise agreements raise equal employment opportunity as an agreement objective. Although the number is increasing, it appears these are currently broad statements of principle rather than tangible targets or benefits. Sexual harassment clauses figure in only 2 per cent of agreements, and a mere 1 per cent provide for discussions of the feasibility of on-site child care. Moreover we can see the beginnings of widening earnings disparity in 48 per cent of federal agreements provided a wage increase of between 1 and 3 per cent, while around 20 per cent provided between 3 and 5 per cent.

Why should concentration on "reward" produce such inequality? First because merit is not gender neutral, as long discussions on equal employment opportunity indicated. Merit or contribution is in the eye of the beholder and the beholder's eye is biased. Women's jobs are seen as involving less ability and effort than men's jobs - responsibility for machines and money is more important than responsibility for people (Burton 1987:31). Men and women tend to rate men's jobs higher than women's and to rate identical performance differentially in favour of men (Burton 1987). Rewards to jobs follow from established patterns, so that men's jobs that have always been more highly paid than women's jobs will tend to continue to accrue higher merit rankings.

Second, because the patterns of inequality discussed above are not easily observable at workplace level. Pay comparisons change with change in bargaining level. Pay comparisons are a complex web of traditional referents. Decentralised bargaining is characterised by comparison to local reference groups (Martin 1992:102). Enterprise bargaining will produce comparisons within the enterprise, and these will be mediated by reference to occupation and position in the hierarchy, as well as importing the traditional assumptions about the worth of various skills and qualifications. Consequently differences

within occupations will be exacerbated by reference to the enterprise comparisons outside the enterprise limited.

Third, changes in the bargaining level alter bargaining power. "The more decentralised the bargaining structure, the more rapidly the effects of bargaining power may be reflected in outcomes" (Martin 1992:131). The earlier cited evidence from the AWIRS survey gives an index of bargaining power. If we accept that active bargaining workplaces are those where employees have significant bargaining power then we find that women are less likely to be found in these workplaces (Short et al 1993). We also have some evidence, but need more, about how effectively women might be in exercising any bargaining power they have. Some have suggested that a preference for harmony in communication may impair women's effectiveness in negotiation (Kolb and Coolidge 1989), while others have argued that gender has little impact on negotiating style (Lewicki and Litterer 1985:259-260). One interesting study suggested that women bargaining to achieve pay equity need to adopt a threatening and aggressive style in order to convey the seriousness of their case and be effective. In contrast men can use aggressive or pleading appeals with equal success (Freedman 1979).

In other words, inequity exists and is easy to perpetuate. Moreover the level of bargaining favours some equity principles over others, and the aggregation of these individual and local decisions is liable to result in greater inequality for males and females.

Why is equity important?

First let us dispose with this idea that talking about pay inequality is a distraction from the main issue which is efficiency. Equity is important to enterprise bargaining because bargaining is fundamentally an institutional process, not a neoclassical market at work. It is just that we have decided thus far to concentrate on some equity principles rather than others.

Justice matters because this is a fundamental moral tenet by which we judge our behaviour and on which we distribute rewards in our society. However, justice does not merely develop naturally from the fair application of equity principles. The importance of justice is the subject of considerable philosophical discourse. For our purposes here we need to recognise that applying fairly certain rules in local conditions will gradually erode overall pay justice. It is important therefore to give attention to institutions that will protect "background justice."

Second, research also suggest some performance reasons why distributive justice matters. Perceptions of inequity have a tangible effect on various aspects of work performance. Perceived fairness or equity in pay and promotions affects job satisfaction (Witt and Nye 1992). It has also been suggested that perceptions of injustice or inequity may lead to higher levels of sickness and compensation costs (Sashkin and Williams 1990). Most recently Cowherd and Levine (1992) have argued that there is evidence that workplaces with greater equity in rewards between workers and managers may have better product quality. One straw in the wind comes from Braithwaite's study which finds some correlation between human resource management best practice and firms with good equal employment opportunity and affirmative action strategies.

Conclusion

Equity is really the fundamental basis of arguments where enterprise bargaining is concerned. In emphasising productivity we are privileging one equity principle over another. If we do not recognise that rewarding productivity is invoking an equity principle over another. If we do not recognise that rewarding productivity is invoking an equity principle then we clothe it in a rationality that inhibits attempts to question what counts in terms of performance and effort and skill. We therefore are likely to perpetuate existing workplace wage inequality.

Institutions count. When we change bargaining levels or increase the prominence of decentralised bargaining we increase the salience of one form of distributive justice over another with consequent deleterious effects on overall wage justice. Wage justice is not about protections from the rigours of flexibility, it must be the cornerstone of our endeavours to ensure just rewards for all.

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2. Why Equity is Good Practice

Vernon Winley

Introduction

Questions of morality and conscience aside, there are very good practical reasons for trying to ensure equity in the enterprise bargaining process. I have been asked to speak about those reasons to-day, and if I do not mention the other issues it is not because I am not aware that they exist.

Enterprise Bargaining and Enterprise Bargaining

Enterprise bargaining, these days, is a bit like democracy and motherhood - practically everybody espouses it, but there are lots of different meanings given to the term.

If we deconstruct the phrase to the ultimate, then it includes the sort of site confrontation over metal union claims to increase over-award payments, that has been a part of Australia's industrial scene for decades, particularly in the 70s.

I want to argue, however, that that sort of "concede, or we'll thump you" approach is neither real bargaining nor really enterprise-focussed. Enterprise bargaining in the sense that I want to talk about it, refers to the management and the employees of an enterprise (with their union, if the employees wish it) bargaining about potentially the whole of the employment relationship and the organisation of the work in that enterprise. Implied in this is the concept that those involved are giving, in the bargaining process, due consideration to the needs of both the business and the individual employees.

At the heart of enterprise bargaining in this sense, is the idea of continually finding more productive ways of organising work and introducing change that enhances the performance of the enterprise and improves its competitive position.

Enterprise Bargaining in the Wider Context

All of the case studies that we have examined in discussions with our members¹ indicate that if a business attempts to engage in enterprise bargaining in isolation from getting right the rest of its relations with its employees - for example, seeking to reach an enterprise agreement in a culture of confrontation and distrust - it is doomed to disappointment.

Suspicion and lack of trust produce an atmosphere resistant to change and resistant to implementation of new ways of organising work. In such a context, either no agreement is

¹

Hilmer, FG, et al: *Enterprise-Based Bargaining Units - A Better Way of Working*; First Report of Industrial Relations Study Commission, Business Council of Australia, 1989.

reached at all, or the agreement reached yields only insignificant or eventually illusory gains to both business and employees.

Enterprise bargaining, then, needs to be undertaken in a framework of having effective and co-operative employee relations in the enterprise. The alternative to this kind of relations - a rigid, confrontational and legalistic brand of industrial relations is, frankly, handled more cost-effectively from the employer's point of view via the old centralised industry and/or occupationally based system, rather than by trying to achieve genuine enterprise bargains.

In this way, effective enterprise bargaining must be a part of a broader employee relations approach that provides the opportunity to forge a relationship of co-operation and commitment between the employer and the employees. The enterprise agreement that results from the process can be seen as the contractual embodiment of the changes that have been generated jointly within the total relationship.

Hence, the actual changes, and the processes that lead to their being implemented, rather than the enterprise bargain itself, are what yield the real benefits in terms of productivity, customer service, performance, etc.

The Increasing Importance of Employee Relations

Everything I have said so far has been relevant for some time - since real enterprise bargaining started to spread in Australia. But in the next few years it will become increasingly vital to the health and growth of the Australian economy.

As sweeping tariff reform is added to our earlier deregulation of financial markets and the exchange rate, the Australian economy is becoming completely globalised. Faced with full-scale international competition, Australian businesses need to be up with world best practice in terms of productivity and overall performance, otherwise they will stagnate, or fail. In turn the whole Australian economy will move backwards relative to the rest of the world, and perhaps, absolutely.

Our research published in August this year² indicates that businesses need an enterprise-focussed employee relations system that allows the rapid introduction of new ways of organising work if they are to lift and maintain their performances at the necessary level. Our even more recently published research shows that the innovatory advances necessary to this sustained level of performance require a culture and approach³ to management based on a very high degree of employee involvement and commitment.

Taken together, these two studies emphasise that genuine enterprise bargaining and the productive employee relations environment that that process needs, are becoming increasingly critical to Australia's economy and indeed our independence.

² Hilmer, FG, et al: *Working Relations - A Fresh Start for Australian Enterprises*; Third Report of Employee Relations Study Commission, Business Council of Australia, 1993.

³ Carnegie, R. et al: *Managing the Innovating Enterprise*; Report of Innovation Study Commission, Business Council of Australia, 1993.

The Cultural Issue

All of this may seem a long way from explaining the value for an employer in having equity in his or her enterprise bargaining. It is, however, a necessary preamble to that issue.

The absolute kernel to the sort of employee relationship that I have explained as being necessary for effective enterprise bargaining is *trust*.

Communication is important. So is consultation. So are all the other elements that you are probably all as familiar with as I am. But they will not work unless there is a relationship of trust between the employer and the employees concerned (and their union).

Trust, in turn, depends upon the credibility of each of the parties. It is my experience that an employer's credibility in this context rests on the employees seeing the employer's whole approach as being fair.

By "whole approach" I mean the actions that the employees experience and see others experiencing, not just the words that they hear.

Translated into practicalities, an employer's being fair means not discriminating against any sub-group, and not being perceived as taking advantage of a lesser capacity in the members of some sub-group for looking after themselves.

At the most basic, then, unless the employees see their employer as being fair and equitable, in action, not just words, they will not enter into the relationship of trust needed to undertake successful enterprise bargaining.

Before our glasses become too rose-coloured, however, I want to recount a cautionary tale about a factory I had something to do with a few years ago:

It was in the days before equal pay was mandatory and women made up about 20% of the workforce. In negotiations for a new site award, the company and the union agreed to phase in equal pay in three stages - this meant that initially all employees would receive a \$7 wage increase, and the women an additional \$3.

The union went to the meeting of employees to get endorsement of the deal they were rather proud of having achieved. The company also felt pleased it had done the right thing.

To the shock of both the union and company, the meeting voted to take immediate strike action!

It turned out that the men in the workforce had rejected an outcome which they saw as giving the women \$10 and them only \$7. It took a lot of time, negotiation and money to get the whole matter settled to everyone's satisfaction.

So trying to be fair, *alone*, is not enough. That site in fact had a long history of lack of communication and some arbitrary management practices which meant that a relationship of trust was a very long way from being possible, regardless of what was done about pay equity.

The Need to Have the Commitment of All Sub-groups

Over and beyond the value of having the generality of employees feeling that the management of the enterprise has a fair approach, there is another need for equity in enterprise bargaining.

The sort of open and consultative employee relations that I have been talking about this morning can only be achieved - or at least maintained - if there is no significant sub-group of employees who feel they have been hardly done by. If there is such an aggrieved group, they will be effectively subversive - whether consciously or otherwise. It may be simply a matter of passivity and lack of commitment, or it may be active undermining of the overall relationship.

At any rate, an employer who creates such an aggrieved sub-group by treating its members inequitably, cannot expect to achieve as good and productive employee relations - and hence enterprise bargains - as could otherwise have been done.

The potential problem was less important in an authoritarian regime, but it is significant as the employee relations climate becomes the means of achieving effective enterprise bargains.

The Broader Issue of Social Cohesion

A third reason that equity is good practice in enterprise employee relations and bargaining is a more indirect one. What happens in regard to equity in each workplace in Australia is one stitch in our national social fabric.

If all workplaces have a climate where the employee relations - which includes the enterprise bargaining done within those relations - are conducted with equity, then the whole of our society is more equitable. I would argue that this effect makes our society more stable and cohesive.

In terms of investment and long-term growth, a stable and cohesive society is a demonstrably more attractive place for businesses. This makes equity in his or her own back yard part of a long-term strategic plus for enterprise managements.

What Do I Mean by "Equity"?

My paper has come this far without my saying what I meant by "equity", beyond implicitly equating it with fairness.

Let me say that by equity, I do not mean complete equality. There need to be differences in rewards, in working time arrangements, in conditions, etc., and these are likely to increase in their spread with enterprise bargaining. If they do not, then all of our advocacy of the need for greater enterprise flexibility has been meaningless.

The key, however, is that such differences must be able to be justified. Differences in performance, in competencies, in responsibility accepted, in supervision needed, in personal needs, and in many other variables can warrant differences in reward or conditions. But it is vital to maintain consistency of approach and to avoid discrimination on illegitimate grounds.

Conclusion

In this paper I have been looking at equity within an enterprise, and, in that context, have outlined three reasons why equity is essential, not just good practice - essential, that is, as a prerequisite for the sort of productive employee relations that are needed for effective enterprise bargaining.

There are, of course, other dimensions of equity - including that vis a-vis those employed and those unemployed - but that is another paper.

3. Why Equity is Good Policy

Anne Holmes

Equity is an end in itself, in our workplaces and our society generally.

This is a value judgement, but it is not a purely individual one. We have human rights legislation and subscribe to international conventions guaranteeing equality because equity for individuals and groups is widely valued in our society. It is probably enough that the laws have been passed, but if it is not, the relevant silence during election campaigns on the subject of such legislation suggests that equity is a value for the whole society.

Equity is good policy for reasons other than its value for its own sake.

Equity is also efficient. In fact, equity is inextricably linked with efficiency and productivity. There are two aspects to this efficiency, the local efficiency of a particular workplace and the efficient functioning of the whole society. It is possible that there will be cases where an individual employer could maximise profits by treating a group of workers harshly. It does not necessarily follow that it is efficient for society for government to allow this to happen. But, in general, equity is good policy for both governments and firms.

Government has intervened in firms, through the Training Guarantee Levy, to ensure that the quantity of training provided to employees is greater than some employers would otherwise provide. It has done this on the basis that it is efficient for promoting the public good. In the same way, it has intervened to provide a greater 'quantity' of equity than might otherwise happen. The basic premise is that it is efficient as well as equitable for our society and economy to make the best use of the whole range of talent available, including the full use of women's talent. Otherwise we risk missing out on using the skills of more than 50 per cent of the population. This would not be efficient.

There are a number of public policy initiatives in Australia based on this premise.

Affirmative action legislation in Australia, which promotes a systematic means of achieving equal employment opportunity, is based on this view.

Equal employment opportunity in a very large employer, the Australian Public Service, to the year 2000 has the two objectives of achieving greater equity and, flowing from that, improved efficiency and greater productivity. The Australian Public Service and other Commonwealth agencies have promoted equality of opportunity at the same time as making staffing cutbacks and large gains in productivity, thus demonstrating that equity and efficiency are at least compatible.

In macroeconomic terms, equity is important because inequities and inconsistencies in the wage system, or perceptions of them, can give rise to wage instability and jeopardise the effective operation of the system. While we have not yet explored the effects of unstable enterprise bargaining in a period of high demand for labour, the experience of catch-up

bargaining between awards could easily be repeated if there is not a wide acceptance that rates of pay and conditions are fair.

At the enterprise level, pay equity contributes to the recognition, development, and efficient deployment of skills, thereby enhancing productivity.

A wages system that is biased in terms of gender distorts occupational choices for all workers and the selection of employees by employers. This impedes labour market efficiency. For example, women tend to have had less on the job training, at least partly because women's jobs were not rewarded adequately. If clerical workers do not invest in their training because the returns are not great enough, the take up rate of new office technology might be slow. This could impede the introduction of new management techniques, and therefore of improvements in efficiency. Over time, this could adversely affect the productivity of whole industries.

This is the 'pure' economic argument that tying wages to work value is efficient. It is inefficient to reward work of the same value with different levels of pay.

Many people, especially women, have pointed out that the danger of enterprise bargaining is that it will increase wage dispersion - that is, that the more powerful workers will secure enterprise deals, while workers who do not have industrial bargaining power, and these are often women, miss out on pay rises. It is important that there are regulations to protect lower paid workers like women.

The Government acknowledges that the move to workplace bargaining may have important implications for women workers, whose industrial position makes them less powerful (They tend to work in labour intensive industries, so they cannot hold up large capital installations.) They generally cannot use the industrial relations system to ensure that they get equitable wages. But it is just as important for efficiency that they are properly rewarded as it is that we pay engineers properly.

The reforms to the Industrial Relations Act which were passed by Parliament late in 1993 provide that workplace agreements must not disadvantage employees in their terms and conditions of employment as a whole. The legislation introduces minimum entitlements, including a guarantee of equal pay of work of equal value. The Australian Industrial Relations Commission will be able, on application, to make orders to ensure that equal remuneration, including overaward payments, is established without discrimination directly or indirectly based on sex.

If these protective regulations did not exist, it is likely that wages for low paid workers would fall. Over the longer term, it has been suggested that this process might result in an increase in the number of firms with low productivity and low wages. This appears to have happened in Britain and in the United States, and in some industries, notably clothing, here. Then employers substitute cheap labour for investment capital (including human capital). It is easy to make an argument that this could hinder long term economic development.

Many of the working conditions that might be included in an enterprise bargain should be of benefit to both employers and employees at the local level.

For example, casual part-time positions might be changed into permanent part-time positions. This would give staff job security, and increased access to career paths and training. The result of the improved skill levels would be improved service to customers, and thus a competitive edge for the firm. This is the logic underlying the agreement at the Sheraton Hotel, which is one of the best known enterprise bargains. There are no casual staff at the hotel, which is quite extraordinary in the hospitality industry. The permanent part-time staff have access to training on an equal basis with the full-time workers.

Women still make up approximately 80 per cent of part-time workers. Today, one in four jobs are part-time, and more new jobs are part-time than full-time. The number of part-time jobs is on a steady incline. It therefore makes sense that enterprise agreements should address the needs of part-time and casual workers.

Another area with implications for both equity and efficiency is training. Increasing emphasis on training is often part of workplace reform and enterprise bargaining. There is evidence that some workers, particularly part-timers and casuals, often miss out on training. But it could be argued, for example, that English language training for shop floor workers from non-English speaking backgrounds would enhance productivity more than, say, another course in management for a senior executive.

An important area for equity is for workers trying to balance their paid work with their family life. The changing demographics of the workforce are an important reason for this.

There has been an influx of women, particularly mothers, into the paid workforce. The proportion of all women in the workforce is rising, while the proportion of men in the workforce is declining. Labour force figures in October this year showed that the number of women employed in Australia is at an all time high.

It is a concern of public policy that, largely because of the ageing of the population, the ratio of workers to non-workers is shrinking. To reverse this, we need to increase workforce participation, and the area where this can be done is among women with young children. Obviously, a workplace that caters for family responsibilities is more likely to attract such women.

As it is, more than 40 per cent of both employed women and men have dependent children. Also, the ageing of our population means that many men, especially younger men, want to take a more active caring role in their families. The days of the male breadwinner-female housewife system of family life have disappeared - though this model still lurks in some of our work structures.

Productivity and competitiveness will be affected by the ability of women and men to balance their roles as workers and carers of family members. This concern for workers with family responsibilities reflects a fundamental shift in our culture.

It is happening as much for efficiency as for equity. Concerns about child care, sick children, other dependants, marital and other family problems can interfere with concentration at work and increase absenteeism, lateness, and leaving early.

A cost benefit study on employer sponsored child care, published by Office of the Status of Women, shows that employers could benefit through improved motivation and efficiency (especially among young women workers who perceive they may have a career in the enterprise), improved industrial relations, a positive public relations and corporate image, and a competitive advantage in attracting the best staff.

The retention of skilled workers can save businesses the costs of recruiting and retraining new staff, estimated in some cases to be between 20 per cent and 150 per cent of the annual salary of an employee.

Several companies in Australia, like Esso and Lend Lease, provide assistance with childcare, which has resulted in an increase in the number of women returning to work after maternity leave from just over half to one hundred percent.

In Australia, IBM estimated that the introduction of an extended leave of absence program, and availability of part-time work saved the company over a million dollars in 1990. This was calculated on the basis that twenty women did not resign because they had the opportunity to take on part-time work.

When the Honeywell Corporation in the United States calculated the reduction in absenteeism from providing sick child support, they found the program had saved the company \$65 000 in the first nine months.

For employers to recruit and keep the best-skilled, most loyal, motivated and productive workforce they have to take the concerns of workers with family responsibilities into account.

There is a third reason that equity is good policy and practice. It is pragmatic. There is legislation that requires employers to safeguard equity in the enterprise bargaining process, and to practice equal employment opportunity.

The Sex Discrimination Act has been extended to apply to new Federal awards and enterprise agreements. If an employee or relevant union believes that an enterprise agreement discriminates, directly or indirectly, against women, she or they can refer it to the Sex Discrimination Commissioner. The Commissioner may refer it to the Industrial Relations Commission to ask them to consider amending the agreement.

Failure to meet the needs of workers with family responsibilities could amount to indirect discrimination against women, unless it could be argued that it was unreasonable to meet these needs. Ignoring the needs of casual and part-time workers (for example, for training) might, in some cases, amount to indirect discrimination.

It has also been suggested that shareholders will begin to exert pressure on firms to demonstrate that they are equitable employers, just as they have had to demonstrate that they are environmentally aware. And it is possible that consumers will avoid the products and services of firms whose dealings with staff are inequitable.

But probably the most important effect of equity in itself will be on the attitudes of workers. Equitable bargaining will result in positive attitudes and a willingness to work hard. It will make it easier to attract and keep staff. It will elicit commitment and therefore care on the part of workers. It will tell the workers that they must treat each other with respect, and co-operated to achieve the best outcomes. These attitudinal effects are an end in themselves, but they are also conducive to efficiency.

4 Women and Enterprise Bargaining in Australia

Meredith Burgmann

Today I want to talk about why enterprise bargaining inevitably produces poor wages and conditions for women and secondly I want to look at the NSW legislation and examine the recent survey on women and enterprise bargaining under the new Act.

Two important decisions of the Industrial Relations Commission in 1969 and 1972 delivered a great increase in women's wages. The 1969 decision delivered "equal pay for equal work" and the 1972 decision brought about "equal pay for work of equal value."

Women's wages (hourly rate for the job) leapt from 65% of the male wage in 1972 to 79% of male wages in 1977 (when the main effect of the equal pay cases had petered out). Overseas they see this increase as an enormous achievement and they still ask us to talk about this process. I always stress that the decisions were achieved through the unions. It was an industrial road to redress rather than a legal one.

Historically there are different ways that the wages gender gap (difference in hourly rate) has been redressed. Originally in Australia women put a great deal of emphasis on the process of equal opportunity and affirmative action. The women's movement and the government put in place programs which are all now familiar to us, such as the opening up of career structures, offering of training, non-discriminatory procedures on promotion and appointment committees, provision of child care and so on.

The problem with equal opportunity is that there has to be a career structure to start with. The majority of women's jobs in Australia are what are called "flat" jobs, where you have fifty women on a chicken processing line and one supervisor. So no matter how much in-service training and non-discriminatory practices are implemented for the fifty women on the chicken line, one of them becomes the supervisor and there are still forty-nine down the bottom of the chicken line. This is why Affirmative Action has been criticised as a middle-class solution because the sorts of jobs for which it is appropriate tend to be white collar, more educated jobs.

Affirmative Action is also - and this is one of my criticisms of it - an individual solution, in that it is effective for the individual woman who manages to rise up the ladder because of good equal opportunity strategies. But it continues to leave at the bottom of the ladder a pool of low-status, low-paid work which is inevitably done by women.

The National Pay Equity Coalition has looked at how much of the present wages gender gap (at the moment it is about 15%) would be removed if perfect equal opportunity existed and women rose to the top in their industries in the same proportion as men. Perfect equal opportunity would only remove about 6% of that 15%.

A second way in which the problem can be redressed is by encouraging women into non-traditional occupations. Once again, this has been a women's movement and to some extent a government strategy. You have all seen the posters: "You too can be a bricklayer," etc. But it implies that in order to get male wages you have to do male work. Once again it is an individual

solution, in that the individual girl who decides not to be a dressmaker but to be a plumber gets higher pay, but it still leaves the low-paid, low-status work she's decided not to do.

My other problem with the "non-traditional occupations" approach is that maybe women are right to believe that being an accountant or an engineer is intrinsically boring and that being a child care worker is intrinsically fulfilling. So the real problem is not that we should be encouraging women to do "men's work"; we should be making certain that the work that women do is properly valued and therefore properly paid.

However, I want to stress that both equal opportunity strategies and "non-traditional occupations" strategies are worth continuing. They are having good results in themselves. In fact the problem of the wages gender gap is like the cure for cancer - it will not be cured by one big discovery but by a lot of little redresses.

Why is women's work undervalued and underpaid? Historically society, and hence the Tribunals have under-valued it. They have under-valued it because the sort of work that women do in the workforce tends to reflect what they do at home. Women work as nurses, teachers and child care workers and so on, which is basically just being "Mum" so this is considered unskilled. Everyone knows that being a machinist in a clothing factory is considered an unskilled job, whereas being a machinist in a metal factory is an extremely skilled job and therefore has to be paid as such. Consider the situation of a female worker in a clothing factory and a male worker in a metal factory with about a 30% difference in award wages, when they have the same responsibility, training, onerousness of task, and so on.

Some time ago New Zealand feminists had a wonderful propaganda coup on this issue. The front page of the local paper showed a picture of a woman child care worker holding a baby and a male zoo-keeper holding a gorilla. The award wages were printed underneath them. Of course the male zoo-keeper was getting twice as much as the female child care worker. It says a lot about society and how we value people who look after our children and people who look after our gorillas.

Obviously the major problem for women is where they are located in the economy. Australia has the most sex-segregated workforce in the OECD. Women are in a small number of industries and occupations, mainly retail, clerical and personal services. These areas are inevitably the weakest and least unionised. However women are not "bad unionists", it is just that they predominate in poorly unionised industries. The only predictive factor for whether a man or a woman is in a union is what industry they are in. If they are in a highly unionised industry they will be highly unionised, both men and women, and if they are in a poorly unionised industry they will be poorly unionised.

Women's industries also, are not strategically important. By that I mean they are not petrol tanker drivers, or baggage handlers or train drivers. They are geographically diverse - the typical woman's job is three women working in a boutique or one woman as the receptionist for a doctor, or ten women in a child care centre. You do not often have situations like a large group of men on a building site or in a metal factory, which makes it much easier to bargain. If women are in manufacturing, which is not often, they are in the lowest value-added manufacturing areas.

My gist is obviously becoming clear: this is why the shift away from a centralised wage-fixing system towards an enterprise-based wage-fixing system is a great problem for women workers.

But other factors must be taken into account. Many women are in a low status position in their workplace so they find it hard to bargain; the general socialisation of women is to be accepting, accommodating and pleasant. It is much harder for women to say "I want a wage rise." Women are less assertive. It is very hard for women to go in and see the boss and say "Look I am absolutely wonderful, you must pay me more money." Women find it very hard. Women from non-English speaking backgrounds are less likely to speak English than are men from non-English speaking backgrounds. Many women also have a problem of loyalty to the employer, because of the fact that they are often in one-to-one situations like the receptionist for the doctor. It is very hard in those situations to be unpleasant to your boss. And the possibility of harassment or intimidation by the employer is greater for women. So these factors must be added to the problem that they are in the wrong industries to start with.

It is precisely those groups that I have just described who have in the past been protected by centralised wage fixing. Under centralised wage fixing, the wage rises won by the strong unions eventually flowed through to the weak unions. Under enterprise bargaining however, a free-for-all develops which is most aptly summed up by the music hall adage, "the rich get richer and the poor get poorer."

Everything which applies to women workers is exactly the same for low-status, low-wage male workers, but the majority of the low-status, low-wage work is performed by women. It is easy to follow what is happening to relativities in Australia by looking at male-female wages, because an expansion of relativities can be shown by a drop in women's wages.

I want to discuss the two debates that have become almost indistinguishable. The real problem about enterprise bargaining is that unions are typified as saying it is evil and terrible when Kennett and Greiner do it, but that it is terrific when Keating and Kelty do it. There is a crucial distinction, and it is that the New Right agenda involves union-busting and wage-lowering.

Professor John Niland who put in place the strategy for enterprise-based bargaining in NSW is not an adherent of the New Right. He is an old-fashioned deregulator and what he was trying to do just fitted in neatly with what Greiner wanted to do.

It is important to point out that deregulation has not historically been a right-wing position. Do not forget that in the 1940's, after the War, it was the Communist Party and the left in the labour movement that were arguing for no arbitration, no regulation and no centralised wage fixing. The left unions knew there was money out there and they were going to go out and get it. So it is important to remember that it is only in this historical situation of severe recession that deregulation is seen as a right-wing position.

In fact, when Niland held workshops on the Green Paper and women unionists pointed out that an enterprise-based focus would be bad for women, he actually agreed but believed that the problem could be redressed with good anti-discrimination legislation. Legislative measures are doomed to failure because wages discrimination is essentially an industrial problem and those countries which have tried to solve wage discrepancies by legal or bureaucratic means have simply failed. This fact was reinforced for me when I visited Canada in 1990. Most of the Canadian and American states have tough equal pay legislation backed up by well-resourced

and pro-active pay equity bureau, yet they have failed to dent their wages gender gap at all. Canada has a wages gender gap of 34% and America 29%. Complaints-based legislation cannot solve an industrial problem at the macro level; individual women can achieve redress of their grievance but the class of low-paid work remains.

For a long time the debate was totally confused because people used enterprise bargaining to mean two different things. In the NSW situation, "enterprise bargaining" was used to mean exactly that, enterprise bargaining with direct workplace negotiations between employer and employee. In NSW it included the fact that there was to be no union input (s.119C of the new legislation). Basically it can take place with no union knowledge at all. A bargain could also fall below award wages (s.122) and there was no public interest argument (s.129). So those factors were distinctive and crucial. The legislation provided for sub-award wages and conditions and circumvented union involvement.

At the Federal level (the Kelty-Keating model) when the words "enterprise bargaining" were used, they were not really meaning enterprise bargaining, they were meaning over-award negotiations involving national unions which resulted in agreement at an enterprise level. There was however a tremendous amount of confusion about it all even among the unionists themselves. When the union movement was complaining about what was happening in NSW Kelty said, "Look, enterprise bargaining's been going on in the building industry in the form of site agreements for 50 years. What are you complaining about?"

The women in the National Pay Equity Coalition who have been some of the main proponents of the anti-enterprise bargaining argument have attracted some criticism for their stand. Martin Ferguson had this to say about us at a Women and Management conference: "There is no benefit for women, in terms of gaining the support of the collective trade union movement, in denying, or trying to deny, other workers in a position to gain wages increases, the capacity to gain those increases. It is a matter for regret that the recent National Wage Case bench could cite the Australian Society of Business and Professional Women as supporting their rejection of this component of Accord Mark VI." He saw women who pursued an anti-enterprise bargaining position as very definitely the enemy. But it is easy to see what the worry of the men in the trade union movement is. They are moving into enterprise bargaining and the terrible women are saying, "If you do this, relativities will increase and women's wages will fall," but to the male workers who are going to get the increases that is not a very pleasant piece of news. I see it as a real problem, because I do not like being in the position of saying to male workers, "Don't go out and get a wage increase," because you are therefore saying to the employers, "Have that extra money that would otherwise have been the wage increase."

There are two ways in which women's wages will fall under enterprise bargaining. One way is that a particular bargain will fall below the award level. In this case the scenario is the manager of the biscuit factory saying, "Oh, listen dears, we're going to have to close next week unless you all take a \$25.00 cut in your overtime rate," which under NSW legislation is allowed; so they fall under the accepted standard. The other way in which women's wages fall is that militant areas of the economy, the "hot" shops, go out and get their own wage increases. The hot shops of course are all men. Once the militant areas are hived off there is no way in which the general standard can be raised. The award then deteriorates. So some workers go above the standard, who are the men, and other workers fall below the standard, who are the women.

Some within the ACTU reason that they had to embrace enterprise bargaining because it was going to come anyway, "so we had to make certain that it came on our terms and not on the bosses' terms."

The National Pay Equity Coalition found that if you looked at overseas experiences you could set up a spectrum with Australia and Scandinavia at one end with reasonably centralised wage fixing systems and fairly strong unions and a low wages gender gap and at the other end, the more enterprise bargaining-based countries, like Japan. You could actually place countries along the spectrum according to the nature of their wage fixing system and predict their wages gender gap. Recent academic work by Gillian Whitehouse has borne out these statements.

If you want to investigate what happens to women's wages in Australia under decentralised bargaining, you only have to look at the monstrous dip in women's wages that occurred in 1987, during the second tier 4% industry by industry bargaining. In the August quarter following that decision men's wages went up 1.9% and women's wages went up just 1.5%, and in the November quarter men's wages went up 1.6% and women's wages 0.8%.

It is still too early to see what is happening to women's wages in our present situation. Only a small proportion of the Federal Award workforce are covered by section 134 agreements and the NSW situation is still mostly anecdotal. However, the survey of women and enterprise bargaining carried out by the NSW Department of Industrial Relations, which was released earlier this week, has certainly given us some interesting information.

First of all, the document was meant to come out in August and the Minister for Industrial Relations, Kerry Chikarovski, who is also the Minister for Women's Affairs, obviously felt that the preliminary survey was not to her liking and ordered a more extensive survey. When the final large survey was produced it arrived with a smaller executive summary, which glossed over many of the important issues raised in the larger document. There is of course the suspicion that she hoped that journalists would not read the larger document.

Despite the hopeful gloss put on the document by the Minister, it is quite clear that the good things that have occurred for women in enterprise bargaining in NSW are small in number and that the bad things are widespread. The greatest problem is that an increased spread of hours is being considered to be "ordinary-time" hours. The figures however speak for themselves. Of agreements which achieved a wage rise, 77.5% were in male-dominated industries and only 18% were in female-dominated industries; so in other words, you were four times more likely to receive a wage rise if you were male than if you were female. Of the bad agreements, (those which included no increase, but which involved a loss of penalties and allowances) the male-dominated industries accounted for 27% and the female-dominated industries for 46%. Therefore half of female-dominated agreements involved no wage rise to the employees.

There are three sorts of agreements under the NSW Act. There are union involved agreements; there are works committee agreements; and there are individual agreements. As could be expected the best agreements were those negotiated by the union and the worst were those negotiated by individuals. The best agreements really went to the unionised men in grey cardies - some in fact achieving wage rises of up to 18%.

Anecdotal evidence from a detailed study of the agreements also produces horror stories. In the Bathers Pavilion enterprise agreement for instance waiters had to hold themselves available

for service on their day off up to midday or on some occasions up to 6.30pm. That is, on their day off they still had to be ready to go in and work, presumably on a phone call. They had to provide all but their first t-shirt themselves, even though it was considered part of the uniform, and the junior waiter's rate was only 64% of the award rate, whereas the junior waiters rate under the award was 75%. In another agreement, the Murramarang Caravan Park agreement, older employees were obliged to provide evidence at their own expense that they were medically fit.

The Minister's basic response to this information has been that what the women need is education about their rights under enterprise bargaining. However, the real problem is that education and information will not change the power relationship between workers on the shop floor and the employer; and from my previous material I've obviously shown that women are in a weaker position than men when it comes to bargaining on the shop floor. The Minister's major problem is that as the Minister responsible for both Industrial Relations and Women's Affairs, she is responsible for presiding over a form of industrial relations which can only further bring about an expansion in relativities and a reduction in women's wages.

Finally, the tensions that are present in the trade union movement over the issue of enterprise bargaining are not between the left and the right, but between the strong unions and the weak unions. This also mirrors the division between men and women workers. The leaders of the strong, efficient, well-organised traditionally militant unions, like the Metalworkers are not fearful of a move towards enterprise bargaining because they know they can deal with it because they have been, in the past, a good efficient union. The unions that have most to worry about in a move towards enterprise bargaining are the conservative non-militant unions, like the Clerks and the Shop Assistants. The workers, of course who will suffer under these conditions are women.

5. Immigrant Workers and Enterprise Bargaining "Breaking the Shackles of Ethnic Stereotyping"

Santina Bertone

Introduction

In Australia, we don't often associate the drive for improved productivity and export performance with multiculturalism. The two paradigms tend to be regarded as separate; one emphasising national economic goals, and the other, being concerned with the valuing and recognition of cultural diversity within the community.¹ As a society of over three million immigrants, Australia has for some time embraced a policy of cultural pluralism ("multiculturalism") which explicitly recognises ethnic differences in the context of an overarching Australian identity. The policy of multiculturalism, which has attracted bipartisan political support, dates back to the 1970s, when the (then) Whitlam Labor Government adopted it as the nation's official ideology. Since then the persistent economic troubles associated with the 1980s and '90s have all but eclipsed institutional concerns with the policy and practice of multiculturalism. While the rhetoric of multiculturalism continues, the real focus has turned instead towards more pressing and urgent issues: unemployment, the current account deficit, trade imbalances and the poor export performance of Australian industry in general. Like many other social issues, multiculturalism (in resource terms at least), has had to take a back seat to the economic imperatives of the day.

This economic pragmatism has extended to the industrial sphere, where the issues associated with a multi-ethnic workforce have received little prominence in the industrial relations changes which have accompanied economic restructuring. It is true that these issues have never gained much of an airing in the industrial sphere, either because of assimilationist tendencies within the relevant institutions, or because of the failure to include immigrant issues in mainstream industrial relations practice. However, it might have been hoped that progress in adopting a more multicultural approach in recent years had led to greater change (Bertone & Griffin, 1992; Foster et. al. 1991). Some government and academic literature exists which identifies the needs of non-English speaking background (NESB) workers in the context of award restructuring and enterprise bargaining. Commonwealth policy on the provision of English language and literacy training also recognises the needs of NESB workers in industry sectors targeted for export expansion (MacDonald, 1993). However, even a cursory examination of the evidence now emerging on enterprise bargaining in industry shows clearly the relative insignificance of these issues to the major industrial parties - employers, government agencies, unions and tribunals.

This separation or schism in policy - between multiculturalism on the one hand, and micro-economic reform on the other, is ironic. Given the demographics of manufacturing industry, where the primary concern for improvement of Australian export performance has centred, the reality of multiculturalism at the workplace should be foremost in any efforts to introduce genuine and lasting workplace reform. Figures from the Australian Bureau of Statistics at

¹

An exception is the work of the Commonwealth Office of Multicultural Affairs, which has included the production of brochures and seminars extolling the economic benefits of productive diversity in the workplace

August 1990 show that immigrants made up 26% of the workforce. Of these, 14% were of a NESB, that is, born in a country where English is not the main language. In short, more than a million Australian workers have a non-Anglo Celtic background. In the manufacturing industry, the proportion of non-English speaking workers rises significantly - approximately 23% (or 201,300) in manufacturing as a whole, and as high as 60-70% in specific sectors such as textile, clothing and footwear and vehicle manufacturing (Levine et. al. 1993, p.xiii; Yeatman, 1992, p.35). Against these figures, it can be seen that the economic "pragmatism" mentioned earlier is in fact misguided - social and economic issues, as always, are inextricably linked. The cultural diversity found in industry cannot be overlooked as some minor factor in the productive system. In many workplaces across Australia it is unavoidably a dominant or *the* dominant factor.

This paper examines the prospects of NESB immigrant workers achieving any equity or benefits from enterprise bargaining in industry, and argues strongly for a more integrated approach to policy on the ground. The paper also argues that sustained attention to the challenges and requirements of a multicultural workforce would lead to substantial benefits, both economically and socially, for all parties concerned.

Role of NESB Workers in the Labour Market

To understand the effect of enterprise bargaining on NESB workers it is important to gauge the nature of this group's participation in the labour market.

In this paper, the focus is on NESB workers in aggregate, although it is recognised that there can be substantial intra- group differences based on such factors as country of origin, category of immigration, period of residence in Australia and possession of occupational qualifications. For example, recent evidence has shown that immigrants from certain Asian countries such as Hong Kong, Malaysia, Singapore and India perform significantly better in the Australian labour market than the Indochinese (Cambodians, Vietnamese, Laotians). This is presumably due to the greater proportion of professionals and fluent English speakers in the former group, and their entry to Australia as skilled immigrants rather than refugees (BIPR, 1992, p.25). Similarly there are differences in the labour market performance of different country of birth groups. This can be partly related to their period of residence in Australia, with those having lived in Australia longer generally faring better than the more recent arrivals. Furthermore, it has long been recognised that NESB immigrants from Northern Europe and Scandinavia have had more success in the Australian labour market than Southern Europeans, Middle Eastern and Latin American groups, reflecting in part their favoured status in previous immigration policy and presumably greater acceptability to Anglo Celtic Australians.

Notwithstanding these differences, it is still possible to distinguish an NESB group, as defined in the introduction, which exhibits distinct labour market characteristics as a group, relative to ESB workers (those born in a main English speaking country) and Australian-born.

There is a considerable body of literature which analyses in detail the labour market characteristics of NESB workers (see for example, Collins, 1981, 1984; Castles, 1988; Taupin, 1986; Foster et. al. 1991). This section summarises in brief the major findings of that literature. The findings are based on various labour force indicators such as employment status, industry and occupation concentrations, earnings relativities and labour mobility.

The data show that immigrant workers from English-speaking backgrounds consistently operate more successfully in the Australian labour market than both the Australian-born and immigrants from NESB, with the latter experiencing the poorest outcomes. (Foster et. al. 1991, Stephens and Bertone, forthcoming). NESB immigrants experience lower labour force participation rates, higher unemployment rates and lower mean weekly earnings than their ESB counterparts and the Australian-born. They are significantly over represented in the dirtiest, most menial jobs in industry, viz. plant and machinery operators and drivers and labourers, relative to their proportion of the workforce. NESB workers (particularly females) are also more highly represented in manufacturing than ESB persons and the Australian born (ibid).

As noted in a recent report by the Bureau of Immigration and Population Research:

"Immigrant workers (particularly those from NESB countries) are concentrated in those industries and occupations generally considered to require comparatively low levels of skills, such as the manufacturing and construction industries, plant and machine operators and drivers, and labourers and related workers..it is clear that NES immigrants are disadvantaged in the Australian labour market" (Foster et. al. 1991, p. 61-62).

It should also be noted that many of the industries in which NESB workers are found are those which are currently in decline (manufacturing in general, the TCF industry being a prime example); or battling economic recession (building, engineering, community services); and/or facing major structural upheaval due to a combination of international factors and tariff reductions (such as vehicle, food, engineering production).

In addition, NESB immigrants have the lowest access to work-related training, receiving less training of all kinds than ESB and Australian-born workers. (Baker and Wooden, 1991). Of these, NESB women workers have the poorest record in this area. Where they do receive training, NESB workers are more likely to participate in unstructured on-the-job training with no accredited or transferable outcomes, than their ESB and Australian-born colleagues (DIR, 1990). Concentrated in production areas as they are, NESB workers have generally lacked the advantages of apprenticeships or company-sponsored training, such as enjoyed by tradespeople, supervisors, technical and managerial staff in industry.

NESB workers have also suffered for many years from the inability to gain recognition of qualifications gained overseas, employers and accreditation bodies preferring to recognise those qualifications gained in main English speaking countries in preference to NES countries (Iredale, 1988). Finally there is the longstanding problem faced by many immigrants concerning English language and literacy ability, where substantial numbers have difficulty with even basic English (ibid; Hill, 1992).

All these characteristics place NESB workers at a structural disadvantage in face of an enterprise bargaining agenda which emphasises skills training; portable, nationally accredited competencies; work reorganisation and career paths. NESB workers have traditionally had little experience of these concepts, having been relegated to the same routine, repetitive jobs for most of their working lives.

The question of union involvement is pertinent here, as enterprise bargaining - at least in those sectors where NESB workers are concentrated - is a matter of collective negotiation, between highly organised unions and employers/employer associations. NESB workers have higher

levels of union membership than the ESB and Australian-born, primarily due to their concentration in more highly unionised industries and occupations (such as manufacturing, blue collar jobs). The general attitudes and participation of NESB unionists in shopfloor unionism are also not dissimilar to those of their Anglo Celtic colleagues (Bertone and Griffin, 1992). Further, Callus and Knox have shown that workplaces with a "high" NESB component (more than 25% of workers from NESB) have more active union structures, more delegates, and more negotiations and meetings with management than "low" NESB workplaces. Managers at "high" NESB workplaces generally enjoy higher levels of autonomy from corporate management than those in "low" NESB workplaces (Callus and Knox, 1993). This suggests that NESB workers are better served by unionism, or at least better placed to take advantage of the representation provided by unions, due to their location in the more highly organised sectors of industry.

On the negative side, however, NESB unionists tend to be under represented in positions of influence within the union movement, with relatively few of them becoming organisers or union secretaries². Moreover, only a minority of unions offer consistent service provision targeted to the specific needs of NESB unionists (for example, translated information, interpreters, English language classes). This renders the participation of NESB workers in the policy making and negotiating aspects of enterprise bargaining considerably problematic, given the language and knowledge barriers referred to above. Of course, in all this, NESB women suffer the greatest disadvantage as they are the least well represented group in union hierarchies, and are offered virtually no services targeted to their specific needs (Bertone and Griffin, 1992, p. 98).

In summary the data clearly show that, except for union representation and shopfloor participation, NESB workers experience pronounced disadvantage in the labour market. This is a position which must have implications for the capacity of this segment of the workforce to participate in, and benefit from, enterprise bargaining.

The Prospects for Enterprise Bargaining

In this paper, enterprise bargaining refers to formal processes conducted under Division 3A of the Industrial Relations Act 1988, as reflected in enterprise agreements. The federal system of enterprise bargaining has been operating since the introduction of the Enterprise Bargaining Principle by the National Wage Bench of October 1991 (DIR, 1993, p.1). It is a system which was initially slow to produce results. By July 1993, however, the Australian Industrial Relations Commission had ratified more than 1100 workplace agreements, covering around 76000 workers or 36% of wage and salary earners covered by Federal awards (DIR, 1993, p.ix). When we turn to the available evidence on enterprise bargaining, of which at this stage there is relatively little, two themes emerge.

The first theme which is evident is that most of the enterprise bargaining activity is occurring in the manufacturing sector (providing 63% of the ratified agreements), particularly in the male-dominated sector of manufacturing. This reflects institutional concerns with the need to "revitalise" manufacturing and raise export performance. It also flows from early efforts by

² An interesting reversal of this tendency is the finding made by Bertone and Griffin that Italian and Greek-born males were overrepresented in Victorian full-time union positions relative to their membership proportions, suggesting advantages associated with greater length of residence in Australia. Other NESB groups, regardless of gender, were significantly underrepresented.

manufacturing unions and employers, through structural efficiency bargaining dating back to 1987, to stem the tide of industry decline.

The second theme is the difficulty of interpreting what is actually occurring at workplaces, since our only data source at this stage is the formal content of agreements. The content of negotiated agreements not infrequently goes well beyond the reality at the workplace, espousing principled commitment to concepts quite removed from the day to day practice of workplace relations (see for example, Stephens and Bertone, forthcoming).

A further limitation on the data is the unavailability of statistics relating to gender and ethnic composition of workplaces covered by the agreements.

This data limitation has not prevented Callus and Knox from making some useful observations about the involvement of NESB workers in workplace bargaining, based on data from AWIRS (Australian Workplace Industrial Relations Survey). An examination of this data, along with that emerging from the first 1000 enterprise agreements, could lead at first reading, to a reasonably sanguine outlook on the prospects for NESB workers.

The AWIRS data show that more workplaces with a "high" NESB workforce component were involved in workplace bargaining (75%) than those with a "low" NESB workforce (61%). Not only was a high proportion of NESB workers not a barrier to workplace bargaining, but the two factors were in fact positively correlated (DIR, 1993, p.31).

Similarly when we examine the industry sectors where most enterprise agreements were ratified, it is the manufacturing industry, where NESB workers are most concentrated in which the majority of agreements have been ratified. The metals-related industries (with 24% of their workforce being of NESB) are most prominently featured. Nevertheless workplace agreements have also been ratified in other sectors throughout the manufacturing sector (ibid, p.6).

Given the high unionisation levels in these industries, and the higher than average unionisation of NESB workers, the data would seem to augur well for these workers. At the very least we know that many NESB workers will receive pay rises associated with the ratification of enterprise agreements, ranging from 4% to 6%, and some even more (DIR, 1993, p.11). An unpublished report by the Apibus Network (1993) also shows that 62.2% of agreements examined provided for some level of access to training, although just under half of these provided a commitment to training only, or training which was subject to operational requirements (p.22).

So the picture for NESB workers appears to be relatively bright. Or does it?

There are at least five reasons for avoiding any premature optimism based on these figures, and ample evidence to suggest that, on balance, enterprise bargaining could have more negative than positive consequences for this group.

To begin with, we don't know at this stage how the agreements will be implemented and what effect this will have on workers. Who will gain from access to training? Will workers be able to take advantage of skill-related career paths in the new awards? Will the reorganisation of work result in better, more satisfying and secure jobs? Or will employers make use of enterprise bargaining to intensify work routines and impose short-term cost cutting measures? Will some

groups in the workplace benefit more than others? The content of agreements is not always the best predictor of such outcomes. Words on paper may demonstrate the intentions of the negotiating parties at the time of agreement, as well as certain compromises which were necessary to reach agreement, but cannot guarantee the ability of the parties to translate often lofty sounding principles into practice.

A second consideration is the disadvantaged position of NESB workers in the current industry hierarchies. The same concepts which enterprise bargaining is meant to implement, such as training, career paths, team work, greater worker responsibility for quality, more communication at work, are precisely those areas where NESB workers have been traditionally excluded. Enterprise bargaining does offer the potential for disadvantaged workers to access training and other work benefits in ways that were not possible under the old, Tayloristic work structures, but it may also entrench the position of disadvantaged workers. At worst it could leave such workers out of the equation altogether, by "restructuring" them out of work and into long-term unemployment.

An example of the way NESB workers tend to be left out of important workplace changes is provided in a small case study conducted by Bertone and Griffin in 1992, as part of a larger study on immigrant workers and trade unions. Union officials from six unions were asked what measures were being taken to address specific needs of NESB workers in award restructuring. NESB union members were asked through a multilingual survey about the extent of their knowledge of award restructuring. Despite awareness by many officials of the problems experienced by NESB workers (such as language barriers, discrimination, inadequate access to training), a substantial number had little awareness, and fewer could cite concrete steps adopted by unions or employers to tackle the problems faced by NESB members. For their part, NESB unionists were often ignorant of award restructuring, a substantial proportion (44%) reporting that they knew "nothing" about it. While a large percentage of ESB unionists also lacked information about award restructuring, a significantly higher proportion of NESB unionists were ignorant of the major changes about to take place at their workplaces. (p. 69, 70). Findings by Stephens and Bertone in a forthcoming book on immigrant women workers and training provide further evidence that NESB workers are significantly uninformed of the issues involved in the change process, including enterprise bargaining and associated training arrangements. These findings are particularly disturbing in light of the scale and depth of change being heralded within the enterprise bargaining process. The complexities involved in such change, and the demands for informed participation by a skilled, flexible workforce, are such that those who continue in ignorance of their rights and responsibilities will be severely prejudiced in the workplace. The introduction of consultative committees, total quality management, team-based work - all suppose the ability to interact effectively and exercise some power in the workplace. Unfortunately NESB workers, and NESB women workers in particular, often lack those vital prerequisites.

The problems faced by NESB workers can be overcome by training and other special measures. Here again, however, the available evidence on training and affirmative action measures for NESB workers paints a gloomy picture of what can be expected within enterprise bargaining. In relation to training, it has been noted above that NESB workers consistently receive less of all forms of work-related training than ESB and Australian-born workers. It is also known that for many NESB workers, the ability to access training will depend on efforts to provide English language and literacy training. This applies not only to NESB workers, as many ESB workers also suffer literacy barriers. However, recent evidence collected by Bertone and

Griffin found that, while a number (34%) of Victorian unions surveyed had lodged claims for English classes on the job, only a third of these had been successful in their claims (p. 34). These findings are supported by Callus and Knox, who reported that only 14% of "high" NESB workplaces provided English on the Job classes, and 6% of all workplaces did so. (1993, p.16). Similarly, the available evidence from DIR and the Apius Network on enterprise agreements suggests that only a handful include provisions for literacy and numeracy training (Apius Network, 1993; DIR, 1993).

To add to this scenario is the difficulty some NESB workers have in gaining specific advocacy and representation of their problems by unions. While there has been a significant improvement by Victorian unions at least in this regard, many unions continue to approach the involvement of NESB workers at the workplace in terms more reminiscent of the old assimilationist doctrine of the 1950s than the multicultural approach appropriate to the '90s. Employers unfortunately are usually no better (Bertone and Griffin, 1992).

Finally, the conjunction of ethnicity and gender factors experienced by NESB women workers is such that they experience all these problems and more. As women, they face barriers associated with childcare and domestic responsibilities, sexual harassment and workplace discrimination. But they also face the language and other difficulties suffered by NESB workers in general (ibid).

To conclude, enterprise bargaining offers significant potential benefits to NESB workers, such as access to nationally accredited training and career paths. The development of the Engineering Production Certificate in the metal and engineering industry, and the Vehicle Industry Certificate, are examples where production workers (many of them NESB) are now able to access, for the first time, a nationally accredited certificate. However, there is considerable evidence to suggest that the implementation of enterprise bargaining arrangements following on award restructuring will not necessarily deliver these benefits, or deliver them equitably to all groups in the workplace. The "winners" are likely to be the male, skilled, mobile workers who have always held power in the workplace, while the "losers" (including NESB workers) may find their position further exacerbated.

The Value of Involving NESB Workers

It need hardly be emphasised that the successful implementation of enterprise bargaining will require the full understanding and co-operation of all workers. It is only through widespread commitment to positive reform measures at the workplace, such as job redesign and semi-autonomous work groups, that the prospects for manufacturing lifting its performance to international standards can be achieved. Both the employer associations and the unions recognise this. The irony is that little understanding and effort has been expended on ensuring that NESB workers, who make up a substantial proportion of the manufacturing workforce, are sufficiently motivated and involved. If attention to this issue is not forthcoming, however, the prognosis for manufacturing will be predictably poor, and for NESB workers it could be much worse. More job loss for them is hardly inconceivable. At best, they could be excluded from any positive outcomes of enterprise bargaining.

In referring to the special needs of this group, which is clearly marked as disadvantaged in the labour market, we need not dwell only on the deficiencies, such as English language problems.

There is a considerable amount of human capital possessed by NESB workers, such as fluency in non-English languages and knowledge of overseas markets and cultural aspects, which could profitably be harnessed for use in export industries. This human capital is in addition to the possession of overseas qualifications, usually overlooked or inadequately recognised. The problem is that many employers tend to view an NESB workforce as a liability rather than an asset. In these changing times when English language and literacy skills have become pre-eminent considerations in workplace restructuring, NESB workers without such skills can easily be seen as a barrier to effective change.

This paper argues strongly for a change in attitude to the role of NESB workers. The traditional role played by NESB workers is not only inequitable, it will not serve the demands of modern workplaces any more than the Taylorist production methods which are currently under challenge. Just as production philosophies are having to change, so should the utilisation of that most important workplace resource, the NESB worker.

Some strategies which may assist employers and unions to achieve greater participation and involvement by NESB workers in the workplace changes encompassed by enterprise bargaining could include: English language and literacy training; recognition of skills held by NESB workers, including linguistic ability and overseas qualifications; provision of information in different languages, including audio and video presentation; commitment to non-discrimination in the workplace and freedom from racial/ethnic stereotyping; cross-cultural training; specific encouragement to nominate for consultative mechanisms; and increased access to training of all kinds.

In a world where our export markets are increasingly non-English speaking markets; and where the drive to participate in the Asian region is a pre-eminent national goal of economic and political policy, it would be ridiculously wasteful and inefficient to overlook the immense reservoir of skills and knowledge held by NESB workers. Just as we have come to acknowledge the role that gender plays in the workplace, and the inefficiency of gender stereotyping of work, it is time that more recognition is given to the potential damage to our economic interests of ethnocentric stereotyping at work.

Our internationally-known record as a multicultural society should be merged with our industrial program to achieve a truly synthesised approach to workplace reform. This is the only way that we can ensure that the program works, and provides benefits to all workers rather than the privileged few.

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6 Equity for Women in Management

Attracta Lagan

Equity for women in management? I pose this concept as a question rather than a statement because, I don't believe that in the present state of our industrial system women can achieve equity in any negotiating situation.

In the first half of this presentation I'd like to look at the framework of organisations and then move on to how women can be included at enterprise level. I'll begin by making a distinction between *Equity and Equality*.

Equity is the quality of being fair or impartial: *Equality* is the state of being equal, in quality, degree, value rank, ability etc.

In enterprise agreements, I think women would rather seek to achieve equality than equity, they would rather be treated *as equal to, but not the same as, men*.

So, if it's equality in enterprise agreements that we're talking about, we have to recognise that *Equality is Systematic*, in other words it has to be seen within a wider context.

We have to look at the culture of the organisation and the nature of relationships within each organisation. We have to take into account the attitudes and beliefs of managements. Managements around the country are struggling to come to grips with the new skills required to create the workplaces of tomorrow; to transform themselves from supervisors of repetitive work to facilitators of self-initiated endeavours. They're having to come to terms with new orders within their companies, uncertain economic and customer environments and rapid increases in the sophistication of competition, both local and international.

What this means is that we have to challenge the very question of *Who Decides Merit?* and ask can such judgements be spread across the whole organisation, irrespective of gender mix?

We also have to look at where women are starting from in seeking equality in organisations. If they're coming from a situation of working within a male model of business, then surely in enterprise bargaining we must allow for a collective re-definition of the business's structure to ensure that women are fully involved in creating the new enterprise.

This also may require a re-definition of MERIT and how rewards are determined. Is it on productivity or output; contribution to the whole enterprise or individual efficiency, initiative and innovation or adding value to the work team?

We must look beyond the enterprise and take into account *Who Sets the Wider Agenda*. It seems that most of the models so far put forward for enterprise deals assume we have only big corporations with major unions. The reality and future trend however is towards smaller enterprises, a gradual disintegration of big business and real growth coming only from the small business sector. We're now a "post-industrial" society and live in a *service economy* where 52% of people employed in private enterprise are employed by small business. It's the small

business sector that's providing job growth and women are much more prominent in small business ownership and management than in big business.

In terms of equity, we also have to look at what governments are actually *doing*, rather than saying. Despite all the EEO policies of both Federal and State Governments, women are badly under-represented at all levels. We only have to look at the Olympic Organising Committee fiasco and the subsequent apparent admission of tokenism by the Premier to see that governments do not "walk the talk".

So I have to ask,

"Is there a genuine commitment to an equitable system of enterprise bargaining that reflects the current state of Australian enterprise?"

To finish this first half, let's look at where Australian women are at. If we accept that the public sector has a direct influence on creating the environment for enterprise deals, it is interesting to note that, while 46% of the Public Service are women, only 12.6% of the Senior Executive Service are (women)!

In the private sector, only 3% of Board members are female which adds a wholly different picture to the prospect of equity at the enterprise level, since Boards appoint managements and directly influence the culture of organisations.

Even in the Trade union movement, women are poorly represented in influential positions. Only 10% of "management" positions being held by women.

Women managers are paid less at every level, in business and according to a recent study by the International Labour Organisation, Australia has the lowest percentage of female managers of all industrialised nations.

So what we have is a strong case for arguing that, if we are to achieve true equality in our enterprise system, we need a complete system re-design.

To include women in the process of re-design, it may be useful to have a clearer understanding of what women in the 90s are coming from. This has a lot to do with their *socialisation*.

Australian women are still predominantly socialised into a belief system that values relationships and thinking of others' interests as well as one's own. This is in sharp contrast to the male socialisation process that urges males to separate and create an identity for themselves of their own making. Females are conditioned to look after others, men to look after themselves. This alone has important ramifications for negotiation contexts.

Again through socialisation, females have complex value systems around motivation and rewards for example, they place greater value on *equality of reward than the quantum of it*.

Women mean something different when they talk about networking than men. They're looking for mutual respect and emotional support rather than business opportunities. If

they cannot get it within their own workplace they will seek it through informal networks outside. They do not see a separation between work and family; rarely can they leave their emotional selves at the factory gate or office foyer and so they generally operate at their optimum in organisations that allow the integration of both.

There is a genuine fear that the existing FRAMEWORK OF ENTERPRISE BARGAINING takes no account of these considerations and that women will overall fare badly if we move to an industrial system based solely on individual enterprise deals worked through on *existing models*.

What women would like to see in enterprise deals are:

- Equality in reward systems/ Recognition of child care, aged and other dependent care obligations
- The ability to balance home and career obligations, BUT not exclusive to females
- A more holistic approach

This can now be more easily be achieved at an individual enterprise level than through a centralised system. *The conditions are right for such a change.*

We are seeing a broad redefinition of how enterprises are organised. This needs to be accelerated and women need to be involved in the design. The collective values, or mission or vision, need to be revisited and a more collective approach taken. We need to look at how we evaluate merit and take account of women's values around reward. We need to give power of making these decisions to the work groups themselves.

Managers need to redefine their role and become much more consultative and much less directional. Lastly we need to recognise that women are different to men and ask women what they think rather than make the decisions for them. All we ask is to be heard.

Let me conclude by saying that we now have the opportunity to use this watershed in our industrial system to bring a little imagination and innovation into the new system we create.

The centralised wage fixing system has been in place for more than 50 years. What we replace it with should endure for just as long, but more importantly should be forward looking. Women now account for 42% of the total workforce and 60% of women work. We are the fastest growing sector of the workplace and will inevitably become more influential in the future. It would be a massively wasted opportunity if we cannot achieve equal status now in the process of redesigning the nature of workplaces.

Men have as much to benefit from a radical redesign as women. We will be working alongside each other in increasing numbers so let's see each other for who we really are. We have more in common than we have differences from each other. At our core we are both trying to create a better working environment within a better world.

So I'll finish with one of my favourite quotes:

"By yourself, there is little sense to things. It is like the sound of one hand clapping, the sound of one man or one woman, there is something lacking. It is the collective that is important to me, and that collective is based on certain guiding principles, one of which is that everybody belongs to it and that you all come from it."

Carol Gilligan "In a Different Voice".

7 Equity and Enterprise Bargaining - Lessons From The Experiment

Suzanne Hammond

In 1993 the Australian government continued its commitment to reshaping the Australian industrial relations system by enacting the *Industrial Relations Reform Act*. This Act along with previous amendments to the *Industrial Relations Act 1988* and decisions handed down by the Australian Industrial Relations Commission have resulted in the transformation of Australian industrial relations from a system based on centralised wage fixing to a more de-centralised bargaining system which is focussed at the enterprise. Industrial relations reform in Australia has been directed at moving away from longstanding principles of comparative wage justice and the sharing of productivity increases on a national and industry level to a system of wage bargaining which is specific to particular workplaces and organisations. In the second reading of the Industrial Relations Reform Bill it stated that reform is designed to promote "a system based primarily on bargaining at the workplace, with much less reliance on arbitration at the apex" (1993:1). According to the Minister for Industrial Relations, Mr. Laurie Brereton, the reformed industrial relations system will be based on 'bargaining'. This paper argues that a system based on de-centralised bargaining will have a detrimental impact on the pursuit of wage equity in Australia. It does this by examining the impact of de-centralisation on women workers in New Zealand. The paper points out the similarities and differences in industrial relations reform in the two countries. It draws upon both qualitative and quantitative data on the impact of reform on women workers. The paper then attempts to make some suggestions on how Australian women workers might avoid some of the inequitable outcomes that appear to be emerging from the more radical path taken by the New Zealand Government to de-centralisation.

It is important to note that while both the Australian and New Zealand governments have pursued policies designed at re-structuring their industrial relations from centralised to de-centralised systems, the actual processes adopted by the two countries have been quite different. While these strategies have been different, common traditions, similarities in the nature of the workforce and industrial culture make comparative analysis of the two countries useful in assessing likely outcomes of similar policy directions in Australia.

Historically, there has been a 'closeness' between Australian and New Zealand industrial relations. In both countries the state has played an interventionist role in the labour/capital relation with the New Zealand Government introducing compulsory arbitration in 1894 (the *Industrial Conciliation and Arbitration Act*) and the Australian Commonwealth Government passing the *Conciliation and Arbitration Act 1904*. Both Acts pursued similar objectives, although the structure of the systems varied. Both systems gave formal recognition to trade unions; provided a system of legally enforceable 'awards' which set basic wages and conditions for workers; and created quasi legal bodies which would handle negotiations and disputes about the employment relations. Awards from both the Australian and New Zealand systems were national, industry or occupational and were based on principles of 'needs' and 'comparative wage justice'.

While over time both systems underwent significant change, they remained 'like' systems. In the mid 1980s the international push for greater labour market flexibility caused both countries to re-examine and reform their industrial relations systems and it is at this point that we find the two systems taking divergent paths. Buchanan and Callus point out three approaches to labour market regulation. The first approach they call the 'free-market deregulationist', the second approach they label as being that of 'managed decentralism' and the third approach is labelled 'co-ordinated regulation'(1993:521). It is within the two paradigms of free market deregulationist and managed decentralism that one can encapsulate the different strategies adopted by the two countries to industrial relations reform. New Zealand adopted the 'free-market deregulationist' approach of limiting the role of external regulation and creating a framework based upon the individual employment contract. The *Employment Contracts Act* 1991 abolished the award wage system, removed state support for the encouragement of unionism and collective bargaining. New Zealanders were left with minimal employment rights and the newly enacted *Employment Equity Act* was repealed.

The Australian strategy has been less radical and appears to fit into what Buchanan and Callus label as the 'managed decentralism paradigm'. This approach sees the need to decentralise industrial relations to a system based upon individual or collective bargaining between employers, employees and unions at the enterprise level while maintaining minimum wages and conditions through the award system. While the Australian strategy has been a more evolutionary process, the *Industrial Relations Reform Act* heralds a more radical attempt to push enterprise bargaining on to both the unionised and non-unionised workforce. These latest attempts to de-centralise wage fixing have caused concern in groups interested in wage equity. The Women's Electoral Lobby, The National Pay Equity Coalition, the Human Rights Commission and various politicians and academics have pointed out that wage equity will be adversely affected by the move towards enterprise bargaining (Women's Electoral Lobby: April:1992, National Pay Equity Coalition, Human Right Commission 1993). With these particular concerns in mind an examination of a like system which has undergone similar changes will be particularly helpful.

The New Zealand Experience

This section of the paper examines the impact of the radical changes in the industrial relations system on women workers at both a macro and micro level. Firstly it examines quantitative data collected on the contents of collective contracts of employment to ascertain what is happening to wage equity in New Zealand. Then two case studies will be presented. The case studies help explain why a decentralised system of industrial relations which affords little in the way of protections will widen male/female differentials and will be disadvantageous to women workers.

Prior to discussing the position of working women in New Zealand at the macro level it is important to point out that it is difficult to obtain an accurate picture of what is actually happening. This is due in part to fact that the Act itself makes data collection difficult. The Department of Labour only collects collective contracts which cover over 20 workers. The contents of individual contracts are largely unknown. However as Harbridge(1993a), and McAndrew (1992) point out those on individual contracts are faring worse and have given greater concessions to employers than those on collective contracts.

Unionisation

Overall the desired aim of reducing the employment relation to the individual level has to a fair extent been realised. Harbridge estimates that there has been a 45 per cent collapse in collective bargaining in just two years and the industries where bargaining has collapsed are Agriculture, Food and Beverage Manufacturing, Textile clothing, Retail, Restaurants and Hotels (Harbridge 1993b:46).

As suggested above one of the main objectives of the Act is the individualisation of the employment relation and the de-collectivisation of the workforce. The Act in fact makes no mention of trade unions and it makes access to workplaces reliant upon the approval of the employer. In the period from May 1991 to December 1991 trade union density fell from 65% of the workforce to 56% of the workforce (Harbridge and Hince 1993). Some unions such as the Service Workers Union and the Retail Industry Union suffered as much as a 40% decline in membership, while others such as Finsec increased its members, this however was the result of the folding of the Clerical Workers Union. This trend towards de-unionisation will further worsen the position of women in the workforce. McAndrew in his study of bargaining under the ECA found that where employees were well organised in effective unions collective contracts were more likely to be secured and that workers in these contracts sacrificed less in the way of concessions to employers (McAndrew:1993:281). A recent study conducted by the New Zealand Council of Trade Unions on women in New Zealand unions found that there had been little change in the proportion of women in public sector unions, however in the private sector, there were big losses. There was a loss of 35,200 women union members in the private sector in clerical, service and retail occupations (NZCTU:1993). The report indicates that there 'is a clear picture of de-unionisation of particularly vulnerable women workers' (1993:15). One can only conclude from these studies of unionisation and bargaining that New Zealand women working in poorly organised sectors will not fare well under a decentralised, deregulated industrial relations system.

Wage Relativities

In order to make some assessment of how women are faring under a de-centralised system it is necessary to examine wage movements. According to Harbridge, wages are moving at annual rate of 1.0 per cent (Harbridge 1993). However Harbridge's data indicates that the raw wage movement for women is a full 1.0 per cent below that calculated for men. Table One indicates that in all sectors of the workforce, except for Public administration, women are obtaining smaller wage increases than men. Of particular interest is the data on the sector identified as Trade, Retail and Hotel, sectors with a relatively high proportion of women workers, where the gap is quite alarming. The weighted raw wage increase for men in this sector was 4.6% whereas there is a negative figure of .06% for women.

These figures confirm a consistent disparity between men's and women's wages. An earlier study on the effects of the ECA on women conducted by Hammond and Harbridge also indicated that men were doing much better than women. The study of 1101 collective employment contracts covered 187,000 workers and some 8300 employers. The sample representing 31 per cent of the unionised workforce as at 15 May, 1991, represents 17 per

cent of the full-time workforce. Of the 187,000 workers covered by the contracts examined 89,000, or 47.5 percent were women. The contracts were grouped into contracts covering 'mainly women', 'mainly men' and 'mixed'. Mainly women contracts were those where 65 per cent of workers are women, mainly men contracts are those where 35 per cent are women and mixed contracts are those inbetween. The study found that women received on average, wage increases approximately 0.4 per cent lower than did men. Furthermore, contracts where wages increased by more than 4 per cent were more likely to be 'mainly men' contracts. Men were more likely to be the recipients of larger wage increases. The data demonstrated that women were more likely to be covered by contracts that didn't contain 'clock hours' provisions and so were less likely to attract overtime or penal rates for inconvenient working time. The study also indicated that women were more likely than were men to be covered by a contract that required them to work for ordinary rates of pay on any day of the week, losing the opportunity to boost basic pay rates with penalty rates for Saturday and Sunday work. To further exacerbate wage differences, women were also less likely than men to attract productivity payments.

A further indication that certain groups in the labour market are particularly vulnerable in de-regulated, de-centralised environments has been the marked increase in reports of minimum code violations. In July 1992 there were more reports than for the whole of 1990. The industries were rural workers, fast foods, hairdressing and retailing and restaurants (predominately areas where women work). The lack of employment protection was highlighted by a New Zealand Parliamentary Select Committee Inquiry into the effects of the Act. The Minority Report concluded that "The Act has failed to provide fair and equitable working conditions" and it found that the Minimum Code was weak and that this legislation had not prevented exploitation or ensured basic rights (Minority Report:1993).

At this point, having examined the more quantitative data, the paper will explore the bargaining process and its outcome in two particular occupations, those of retail sales worker and motor mechanic. The reason for choosing these occupations is that retail sales workforce is predominantly made up of women whereas the motor mechanics workforce is male dominated. The two occupations provide good areas for studying how different groups 'bargain' and what the outcomes of these bargaining processes are. These case studies might help us understand why quantitative data indicates a consistent male/female wage disparity and it also enables Australian women workers to draw some lessons on how they might tackle issues of equity in a decentralised bargaining industrial relations system.

Retail Sales workers

The industrial relations picture of the retail industry is a rather bleak one. This is an industry which one would expect to be greatly affected by the changes in the legal regime. If we recall the figures presented in Table 1, Trade Retail and Hotel industry women are doing much worse than men, men gaining a 4.6% increase and women suffering a 0.6% decrease. From case study data wages in the industry are low. The union rate is \$8.40 per hour for workers over 20, \$5.20 per hour for those under 20. While most firms were not keen to discuss pay rates the base rate for sales workers was about \$7.90 and \$4.50 for under 20 year olds. The minimum rate in New Zealand is \$245.00 per week, the mean minimum adult weekly wage for women is \$352.65, for men it is \$360.00. If one multiplies

the base rate of \$7.90 by 40 hours per week then the base rate for a retail sales worker is \$316.00, a very low paid occupation. Most firms had removed overtime and penalty rates for new employees and had restructured hourly rate payments for existing employees. This might mean that while no worker should lose out they may have to work different, longer hours.

Weighted raw wage increases by gender and industry

Factor	Males	Females
All contracts	2.4%	1.4%
All manufacturing	3.3%	1.9%
Food manufacturing	4.4%	2.8%
Textile manufacturing	3.7%	1.9%
Metals manufacturing	3.2%	1.8%
Other manufacturing	2.8%	1.5%
Trade, retail, hotel	4.6%	-0.6%
Transport, communications	1.1%	0.8%
Finance, insurance	1.3%	1.3%
Public admin and services	1.1%	1.9%
Under 1000 workers covered	3.1%	1.9%
1000 or more workers covered	1.4%	1.2%

Source: Infometrics, (1993) *The Employment Contract*, Issue 7, December.

The case studies conducted as part of this research indicate that within the retail industry, the desired aim of the ECA to promote freedom and choice through bargaining is a fiction at both the individual and collective level. Most retailers did not enter negotiations with trade unions and in most cases pre-determined contracts were presented to workers and their contents 'explained'. Policies were determined by managers whose discretion in matters of wages and conditions were paramount. Most employers had relied upon advice from the Retail Employer's Association and had used the Federation's pro-forma contract as a guide. The policy of the Employer's Association was to encourage the use of individual contracts. Even in large workplaces individual contract were favoured by retail employers. Only two retailers surveyed used a collective contract, these were large employers, one who had the union 'as a party' to the contract, the other just consulting the union during the negotiation process. (NOTE Being a party to the contract is important for enforcement purposes. It is much easier for a union to enforce a contract than an individual). One firm had instituted a joint management/worker committee. The role of the committee was to develop a collective contract and to explain the contract and the changes to pay structures to the staff. However this was the only retail firm in the study that had adopted this type of joint consultative process.

A fairly stark indication that a system of decentralised bargaining will be detrimental to some groups in the labour market emerged from one case study in particular. One of New

Zealand's largest supermarket co-operatives had placed all retail sales workers on 'their own' individual contracts which were 'supported' by a collective contract. The collective contract more or less set the framework for grading systems, leave entitlements etc. The contract was drafted by management, with the assistance of the employers association. No bargaining took place, there was no union involvement and workers were 'advised' about the contents of contracts. Penalty rates for Saturday and Sunday work were abolished, overtime entitlements were reduced and long service increments were also abolished. Within the same enterprise, a mainly male unionised workforce, employed at an abattoir, had negotiated a collective contract which in essence was based on the old award. The union negotiated the contract and workers did not concede penalty and overtime rates as had been conceded in the sales workers contracts.

Officials of the main union that covers shop workers in Wellington stated that there had been a 40% decline in union membership. This study of workplaces revealed that some workplaces had gone from 90% of employees unionised prior to the Act to some having only 10% of staff now unionised. The larger workplaces were more likely to retain union numbers, however losses had still occurred in these larger sites.

Some employers believed that the ECA had created tension and worry amongst the workforce and some stated that the Act did allow workers to be exploited. While job security has never been a feature of the retail industry, the ECA has made the termination of staff a much easier task as most contracts made no mention of notice and termination periods. Only one 'older-style' paternalistic firm showed any commitment to offering employees a secure working future.

In sum, the ECA had significantly increased the power of employers in the bargaining process. In fact it would be fair to say the 'bargaining' rarely occurred in the retail industry. Some of the large retail companies entered negotiations with the retail workers union and the union managed to obtain collective contracts which recognised them as being party to the contract. However many retailers simply unilaterally determined wages and informed staff of what their contracts would be, bargaining was not entered into. Not only had the ECA significantly increased the power of employers, the removal of the 'award' system had meant that many workers had their terms and conditions of employment severely reduced. The effect of the ECA on trade unions which represent retail sales workers had been quite dramatic with many employers, particularly small retailers, reporting declines in union membership among their staff.

Motor Mechanics

There is less cause for pessimism with motor mechanics. This is one of the few occupations in which the union, the Engineers Union, had managed to secure a multi-employer collective agreement. Most of the smaller workplaces visited looked upon the agreement as being the 'award'. Motor mechanics earned between \$13.00 per hour to \$15.00 per hour. They worked a 40 hour week and in most establishments worked about six hours overtime. The overtime rate varied from time and a quarter to double time. There was, however a concession that Sunday work be reduced from triple time to an hourly rate which included a penalty. Most motor mechanics were paid over the 'award' (they still called it the award).

The bargaining processes differed markedly from enterprise to enterprise. Some of the larger companies entered into negotiations for a collective contract with trade unions, others stated that they would bargain themselves without involving a union, and others just accepted the industry wide agreement. The firms that chose the industry agreement said that workers felt happy with the deal and that while the Act caused initial concern the 'award' had allayed their fears. The policy of the Employer's Association was to encourage the use of the multi-employer agreement as they believed the process of preparing individual contracts was too expensive for small businesses and that they lacked the expertise to enter negotiations. They believed that the multi-employer contract would level out the playing field, in that workers would be employed on an equal basis.

In most workplaces there had been little change in union membership, while some workplaces had strong union membership, others had few members, but basically the Act hadn't changed union membership. This was confirmed by an industrial officer at the union.

In sum, the change in the legal regime did not have too many adverse consequences for motor mechanics. In most cases wages and conditions did not vary, although some firms thought that more flexible work practices could be introduced. It was acknowledged that the skill associated with motor mechanics and the market power that flows from this meant that 'concessions' were not as easily achieved in the industry as they had in some others. Employers reported no real changes in unionisation of workers and while many workplaces did not adopt formal bargaining processes, the industry wide agreement bargained by the Engineers Union provided the basis for wages and conditions in the industry. While it would be fair to say that, like the retail industry, there was not a lot of bargaining happening at individual enterprises, the 'centrally bargained' industry wide agreement did at least give workers through their union some say in the determination of their wages and conditions.

Both the qualitative and quantitative data presented indicates that in New Zealand de-regulation and a move towards decentralised bargaining does not offer any advantage to women workers and, in fact, it has clearly disadvantaged women workers. Quantitative data indicates that men have done much better than women in their wage packets. Men are more likely to receive larger increases than women and the male-female differential is likely to widen owing to the gender pattern that has emerged in changes to clock hours. Men are more likely to attract penal and overtime rates whereas women have lost these allowances. While changes in clock hours have allowed for greater flexibility in the variation of working time, for women this has come at a cost of allowances. Men are also more likely to receive productivity based payment. In a system that purports to encourage individual incentive and performance based pay, women's under representation in collective contracts offering these arrangements will worsen the position of women in employment (Hammond and Harbridge 1993). As unionised workers covered by collective contracts have managed to not concede as much as those on individual contracts then we can only conclude that the movement towards de-unionisation of the retail sector and the high occurrence of individual contracts will mean retail sales workers will be vulnerable in this type of system. That structural inequalities in the labour market will only be exacerbated.

The Australian Context

The *Industrial Relations Reform Act* indicates a continued movement away from a centralised wage fixing system to that of a system based on decentralised enterprise bargaining. The evidence from New Zealand together with studies such as those of Gregory and Daly (1992), Whitehouse (1990) Hammond (1992) and Gilson (1992) demonstrate that women do not do well in decentralised industrial relations systems. It also highlights the fact that Australian women workers need to be concerned about the direction in which industrial relations policy is proceeding. Furthermore, early evidence from studies in Australia also indicate that women are faring worse than men in enterprise bargains (Workplace Bargaining Survey and the NSW DIRETFE). This is despite the continued commitment of the Accord partners to the 'advancement of equity' (ACTU/Federal Govt 1993:3).

I contend that a system based on bargaining will be detrimental to women workers and will increase inequalities in the workforce. Bargaining is based on power relations. Women lack power in a patriarchal society where the appropriate persona for a woman is to be polite and non aggressive and to defer to men. A worker has been traditionally perceived as being the male, full-time breadwinner. Women will be disadvantaged in a bargaining system because of structural features in the labour market. Industrially, women are located in the less strategic industries, such as retail, clerical and the public sector. They are more likely to be in smaller workplaces than men. Quite often women are unable to participate in the bargaining process as they work part-time and still carry most of the responsibilities of the home. Part-time workers are not perceived to be serious workers and are often excluded from bargaining processes. Women often work in personalised situations where industrial bargaining is awkward. The New Zealand Parliamentary Minority Report mentioned above states that in industries where women work 'many employers never negotiate they insist'.

Working women's ability to effectively bargain is also constrained by their position within the trade union movement. While women's representation within the movement has improved it is estimated that only 11% of Australian trade union officials are women with only 29% of all delegates being women (AWIRS). Women in the workplace are more likely to be represented by males, male unionist may have problems in understanding women's work issues and may place less importance on issues of equity.

What can Australian working women learn from the New Zealand experience? That structural inequalities in the labour market and unequal power relations cannot be ignored. Women workers are unlikely to achieve 'freedom' and 'equality' in an industrial relations system which is grounded in the notion of freedom of contract. There must be a continued commitment by policy makers, employers and unions to achieving 'equity'. This would entail relying on legislation such as the Sex Discrimination Act, promoting Equal Opportunity and Affirmative Action policies and pursuing comparable worth cases. It is also important that productivity measurement and concepts of skill be redefined on a more gender neutral basis. The New Zealand experience also indicates that women don't do well in individual bargaining arrangements and that women's best interest might be better sought through collective organisation. Women must not only have a greater say in the higher echelons of the trade union movement but they must be better represented in the workplace delegate structure. If Australian women are not be disadvantaged under an

enterprise bargaining system it will be necessary that contents of agreements be publicly available and that proper monitoring processes be developed so that labour market outcomes can be assessed. It is also important for the tribunals to have a say in the vetting of agreements to ensure that they are not inequitable. Minimum standards must be maintained and there must be adequately resourced enforcement bodies. We also need to refocus the debate about awards providing minimum standards and a so-called 'safety net'. Australian working women and weaker groups in the labour market rely more heavily on award increases for increases in their pay (Workplace Bargaining Survey), by allowing awards to become merely minimums we are condemning weaker groups to low wage outcomes. I would conclude that we need to refocus the debate to the what may seemingly be an old fashioned notion of the 'fair, equitable and just' outcome, not merely a minimum.

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