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Women and Leadership Series

Paper No. 2

**MANAGERIAL WOMEN AND
ENTERPRISE BARGAINING**

**Leonie V. Still and Denis Mortimer
April, 1995**



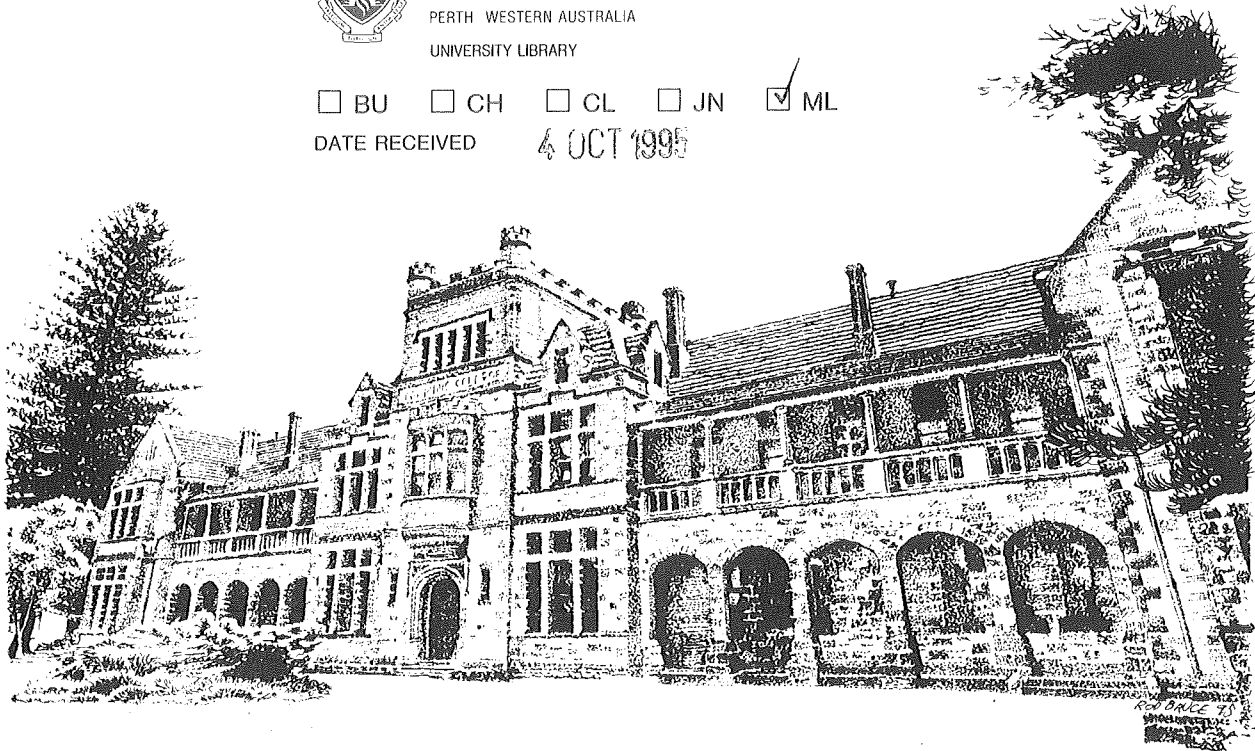
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INTRODUCTION

Enterprise bargaining is an integral part of the government's wider agenda of micro-economic reform. Basically this seeks to reduce economic inefficiency across a wide range of sectors in the economy through the restoration of market forces where appropriate, the removal of barriers to entry in sectors that would benefit from greater competition, and the relaxation of regulations and restrictive practices, particularly in the labour market (Lee, 1994, p189). As part of this scenario, enterprise bargaining is being promoted as the centrepiece of the government's wages and industrial relations reforms and is regarded as critical to increasing growth and improving job opportunities.

While on the surface there is general support for this restructuring of the processes and procedures for determining the wages and conditions of Australian workers, for some time concerns have been expressed regarding the likely effect of this decentralisation on women.

Under the former arbitration system, equity issues were often addressed through inequities and anomalies provisions and/or work value cases outside the main bargaining stream. Under the new system of enterprise bargaining, it was suggested that women came to the bargaining table with a lower level of bargaining power and influence than men because of their well-known low industrial and occupational status, their low level of average earnings and their high rate of unemployment.

These differences, it was felt (mainly by women's groups), would place women in a disadvantaged position and they may end up significantly

worse-off than under the system of centralised wage determination and arbitration despite arguments and assumptions to the contrary. While little has been heard of these propositions of late, they held considerable currency just on a year ago. Interestingly, the discussions revolved around non-managerial and non-professional women, most of whom are protected by awards. With the exception of work by Still (1994) and Still and Mortimer (1994) no concerns were expressed about several other very vulnerable groups of women: the so-called 'elite' women - managers, professionals and self-employed women.

This paper thus has two objectives. First, it reviews the scene to determine if the fears concerning women generally still have currency or are grounded in false premises. The review is necessary given the protections inherent in the 1994 Industrial Relations Reform Act which were mainly introduced in response to some of the expressed concerns.

Secondly, it discusses the impact of enterprise bargaining on managerial women by examining the results of a pilot questionnaire which was answered by 45 women managers across the public, private and self-employed sectors. The study was undertaken to ascertain whether these women were currently involved in the enterprise bargaining process, whether they were being differentially impacted by it, and whether they realised what the process meant as a whole to women in their position. This study was considered important because, as already mentioned, managerial women have been a neglected group in the debate on impact, and the pilot would be a precursor to a major study if results proved significant.

BACKGROUND

Possible Disadvantages to Women in Enterprise Bargaining

Four major concerns regarding the impact on women emerged early in the change to enterprise bargaining (Robertson, 1992; National Women's Consultative Council, 1992; Johns, 1994; Hall and Fruin, 1994) and to some extent still apply to-day. Specifically, they were:

- *decentralised productivity bargaining*: possible widening of 'wages' gap and deterioration of conditions for women.
- *representation and participation*: women being disadvantaged by their inexperience in industrial negotiations, by social conditioning against behaviour which might be interpreted as aggressive and a tendency to agree to less than satisfactory arrangements out of politeness. Also may not be represented by unions or even represented in the bargaining process.
- *productivity measures and reward distribution*: may not adequately reflect women's contribution in the workplace, replication of historic inequities in work and skill value, skill-based classifications may discriminate against women by not defining women's skills in competency standards, and concession bargaining may adversely affect women who have fewer benefits to concede in any trade-off bargaining process.

- *EEO and discrimination:* discriminatory provisions could be carried over from awards, such as working hours, pay structure and outcomes, seniority and experience, job requirements etc. There could also be indirect discrimination effects in employment practices and provisions.

Basically these concerns revolve around the current inequitable position of women in the workforce in general and in certain occupations and industrial sectors in particular. They also reflect that Australian women work in the most highly sex segregated labour market in the OECD countries, a feature which has not altered in the last two decades despite considerable reform and legislative support in the areas of equal opportunity and anti-discrimination. They also reflect a need to improve the employment status women given their increasing participation in the workforce - in particular, 76% of 20-24 year old women work, 64% of women aged 45-54 participate in the labour market and 58% of employed women work full-time and 42% work part-time (Halliday, 1994). Women make up a sizeable proportion of the labour force, yet they do not have full equality because of the pervasive impact of the old framework of inequality which is enshrined in the tax and social security systems, family law, employment arrangements, and terms and conditions (Walpole, 1994, p13).

Have Women Been Disadvantaged To Date?

Given that enterprise bargaining is still in its infancy (1991 being the year when the Australian Industrial Relations Commission, in its National Wage Case decision, endorsed enterprise bargaining as a more decentralised

method of wage determination), is there any evidence to suggest that women are being disadvantaged as predicted? While the jury is still out on this matter, some early research, conducted in both the Federal and New South Wales spheres, suggests that some of the fears are being realised.

For instance, in 1993 the New South Wales Department of Industrial Relations, Employment, Training and Further Education (DIRETFE), conducted a review of 345 enterprise agreements. The review covered possible discrimination in enterprise agreements, EEO in agreements, coverage of women by agreements and the overall position of women in employment as described in enterprise agreements. However, no assessment was made as to whether enterprise agreements were more or less favourable to women than alternative award coverage.

The review found a relatively large number of provisions offering benefits to women. Amongst other things these included: greater security and continuity of employment for casual and seasonal workers; inclusion of child care in pay packaging and provision of child care services; family/special leave for family and other urgent personal business; increased specifications of skills, classification and training requirements with provision for employee involvement and assistance with time and costs of training; improved career opportunities; removal of previous discriminatory award provisions; and extended availability of part-time work (DIRETFE, 1993)

The review also found some potentially negative impacts on women. These included the under-representation of women in enterprise bargaining; a greater variability and extended span and/or number of working hours;

problems arising with enterprise based productivity measure and rewards; pay packaging; job requirements; and provisions affecting specific groups of workers.

While there had been no complaints by parties under NSW enterprise agreements as to their discriminatory impact upon women, up until the review date women had been less involved in enterprise bargaining than men.

Similarly, Hall and Fruin (1994) reported on a major review of the 20 largest enterprise agreements registered to September 1993 in the Federal jurisdiction. These agreements accounted for 80 per cent of all employees covered by enterprise agreements as of September 1993. In sum, the patterns of agreements in industries dominated by women revealed (1994, pp84-5):

- "less participation/representation in bargaining
- lower pay and later increases
- increased management controlled time and job flexibility
- reduced employment access, security and conditions
- systemic bias in productivity and performance measures/rewards
- lower access to new classifications and training
- EEO agenda marginalised"

The Federal research thus resulted in some different results from the NSW review. Apart from these findings, Hall and Fruin's research revealed that male dominated and female dominated industries dealt differently with hours, pay, classifications and training and productivity.

For instance, they found that productivity measurement was not a feature of any of the female dominated enterprise agreements (1994, p109), whereas definitions of productivity and claims for benefits based on productivity were more common in male dominated areas.

The researchers concluded that the agreements show clear evidence of a deepening of the core/periphery divide in the workforce, in part aided by an increasing use of part-time, casual, temporary and contract work. They assert that much of the disadvantage women experience in enterprise bargaining arises from their already disadvantaged position in the workforce and inequality of power. The dimensions which have the most impact are " women's weaker bargaining capacities, fewer opportunities to build strong organisation because of the double burden of paid and unpaid work, the pattern of occupational and industrial segmentation, employment concentration in small workplaces, concentration in temporary and casual jobs and in areas which are less industrially strategic" (1994, p122). Given these dimensions, they believe that the disadvantages to women in decentralised enterprise bargaining are not likely to be easily removed but may also be increased over time.

Alcorso and Hage (1994) examined the effect of enterprise bargaining on non-english speaking women workers. Their findings fall somewhere in the middle of the previous two studies. The results highlighted the generalised belief, and some evidence, that the virtual abandonment of the centralised system leave traditionally weaker workers in an even weaker position when negotiating with employers.

The research also pointed to important problems with the scale and nature of union representation of the interests of industrially weak workers within the bargaining process. Such representation is left to the arbitrariness of the capacity and the willingness of a union to represent those interests rather than being structurally embedded within the system of union representation.

However, NESB women workers' experience of enterprise bargaining was shown to be marginally better than that of women workers largely due to their greater representation in the heavily unionised area of manufacturing. The researchers point out that this is just an incidental benefit: there has been no mechanism which systematically insures the representation of their interests.

Finally, Short, Preston and Peetz (1993), as part of the Workplace Bargaining Research Project, report that female workers (75 per cent or more) are less likely than average to be covered by an agreement, especially a ratified agreement which has involved negotiations at the workplace. Moreover, they are less likely to work at a workplace where such an agreement will even be negotiated. They conclude that employees in workplaces with high female employment are, on average, less likely to have the bargaining strength or support to obtain wage increases as workplace change occurred and productivity increased.

Overall, then, it seems that enterprise bargaining does not result in a total win-win position for women. Depending on the nature of their job, so they can be differentially impacted. The early fears that women would be at a disadvantage have some validity, as these four studies have shown.

Managerial Women and Enterprise Bargaining

The above studies, however, do not recognise or discuss 'elite' women employees. In fact, little attention has been directed towards this group possibly because most people in the community would view them as a privileged group. After all, the cohort of women managers, women professionals and self-employed women comprises the best educated women in Australia; they have come from or have elevated themselves into the middle-class; they have a regular and comfortable income and regular employment; they are becoming members of the decision-making and opinion-making groups within Australian society; they have wide degrees of freedom to move if current employment does not suit their ambitions; and they have a general life-style which is far-removed from working-class women (Still, 1994, p170). Because of their situation, it could be assumed that they would be virtually immune from economic fluctuations and cyclical trends.

However, women in management are in fact very vulnerable to labour market reform. For example, they are non-unionised in the main, have little coverage in awards (the exception being public service women), are widely scattered in industries and occupations, are not widely accepted as part of the male managerial culture (have few 'protectors' apart from legislation), and have to rely primarily on the largess of key decision makers who have given them their chance. Because they are not in any great numbers in organisations, it is also difficult for them to organise to protect their interests or to have their interests included in enterprise bargaining. Any different 'needs' are likely to be ignored because they do not form a

critical mass, are in less important positions in management than their male counterparts, and have little bargaining clout (Still, 1994).

The Pilot Study

To assess whether enterprise bargaining is likely to, or is having, an impact on managerial women, a pilot interviewing study of women managers from the public and private sectors and self-employment in New South Wales was undertaken in early 1994 by third year Honours and Masters' Employment Relations students from the University of Western Sydney, Nepean. The pilot study was conducted to test the veracity of the following hypotheses which had been formulated by Still and Mortimer (1994):

- Public sector professional and managerial women will be the **least** vulnerable to enterprise bargaining because they are protected by awards or salary classifications (exception being SES women), have union representation, are protected by anti-discrimination legislation and have access to training and development and career paths.
- Of the public sector women, the SES group is the most vulnerable as they are on individual contracts.
- Private sector professional and managerial women are the **most** vulnerable because are relatively few in number, scattered across industries and occupations, do not have protection of unions, awards or industrially-recognised salary classifications.
- Self-employed women are not affected unless they employ other people. Main impact could be in the form of salary differentials which could widen in comparison to earnings of women from other sectors.

A total of 45 women were interviewed, with 15 women being drawn from the public, private and self-employed sectors respectively. The interview schedule covered such matters as personal and organisational details, the participant's understanding of enterprise bargaining; perceptions of implications of enterprise bargaining for their organisations and employees; employees covered by agreements and awards; productivity measures; whether the women had been involved in negotiations; the nature and form of negotiations; whether the women felt their interests had been well represented; feelings about gains and losses; any 'trade-offs' provided for in the agreement; perceptions of disadvantage to certain groups; perceptions of impact of enterprise bargaining on women in the organisation; and whether or not the agreement specified skills required for certain positions, classifications or salaries.

Results

1. Public Sector

Of the number interviewed, 70% had an agreement coming through, 20% were likely to bargain in the near future, while the remaining 10% would not be involved in enterprise bargaining or feel its effects. Most were covered by State jurisdiction, while one Federal coverage respondent was covered by an agreement which included service-wide 'structural' matters as opposed to enterprise specific issues. The women without an agreement had had the concept of enterprise bargaining discussed with them.

Overall, the women displayed a good knowledge of bargaining with 80% mentioning or implying productivity increases (or performance increases),

and conditions/salary/rewards and wage increases. There was good understanding of the need for management and employees to develop trust and to work to obtain greater flexibility and efficiency. There was a general acceptance of a 'give and take' approach.

Productivity measures identified in the agreements varied, but 50% mentioned less administrative work. Few mentioned any personal impact to date, but some were vocal that they had traded less sick leave, longer hours, less overtime, 'faith in the whole process' and a loss of ability to access wage decisions (that is, through no extra claims commitments). One woman felt she had been disadvantaged in terms of flexibility of hours - trading longer hours for better working conditions - as she had young children.

However, the consensus on the definition of enterprise bargaining was not mirrored in their view on the effects of bargaining. All the women expected to receive more pay, but there no other clear trend in respect to conditions. Expectations appeared to be linked to the individual organisation, a situation reflective of the aims of enterprise bargaining. The majority felt that positive effects would be felt in the areas of child care, parental leave, rostered days off, multiskilling, job sharing, management development training, flexible hours and overtime arrangements. However, a few felt that nothing would change, while still others felt there would be a negative impact on a number of these areas.

Level of position apparently influenced some of these responses - that is, the more senior women could not see the same benefits as less senior women. This gives an indication that even in the public sector not all women's

'needs' are going to be satisfied in enterprise bargaining. The more senior the women are, the more difficult it is for them to take advantage of the 'benefits' e.g. more flexible working arrangements, as the job requires that they put it first and family second. Some also saw their roles being compromised under job sharing arrangements.

A surprising result was the negative perceptions attached to management training. The women generally felt that their opportunities in this area would be less although no reasons were given.

Some also believed that men would benefit more from an agreement although two women thought the agreement was of benefit to their career options. A large number of the respondents were aware of the possible differences in benefits to women depending on whether or not they worked in either a male or a female dominated area.

Although other research work and the hypotheses suggest that women will lose in enterprise bargaining through lack of negotiation experience or bargaining power, this was not confirmed by this small pilot study. Most of the public sector women felt the effects of their particular agreement would be distributed equally between genders, although structural factors in place before the agreement was negotiated could lead to possible causes of inequality.

The managers appeared confident of their negotiation abilities, several indicating that the fact that they held managerial positions was testament to their abilities in this area. One respondent believed that women's

negotiation skills were in no way inferior, citing being able to negotiate two year olds into eating their dinner as the prime example!

Surprisingly, a number of women resented their enterprise bargaining negotiations being commenced through a government directive. They felt that this was against the spirit of enterprise bargaining.

2. Private Sector

Only four of the 15 managers interviewed were covered by an enterprise agreement. All were from the finance industry. Overall, the women's conditions of employment determined their remuneration package while most were on contract. Only one woman had had enterprise bargaining discussed with her, while few acknowledged that they would be involved in the process.

Despite the disparity in coverage, most of the women had an understanding of the process and outcomes of enterprise bargaining. This was because non-managerial women in their companies were covered by agreements. Most viewed enterprise bargaining as negotiation over terms and conditions of work at an enterprise level, while two saw it as the matching of organisational needs.

Unlike the public sector women, the private sector women managers felt there would be no 'trade-offs' re child care provisions, parental leave, job sharing etc in the enterprise agreement. Some organisations already had the provisions so no further change was expected. However, a number of women believed more flexible working hours would result. Few of the

women reported any personal implications, probably because only a small number were at this stage involved in or impacted by enterprise bargaining.

It is interesting to note that some of the private sector women saw their career options being adversely affected by enterprise bargaining, mainly through fewer opportunities for lateral and vertical movement due to career path streaming.

Overall, however, few of the private sector women felt that enterprise bargaining applied to them because they were in award-free conditions. Most of the women made reference to the fact that there were few women in senior management within their companies. However, they did acknowledge that enterprise bargaining could result in more flexible working hours allowing them to balance better the demands of job and family.

3. Self-Employed Women

The women owners had been in business between 3 months and 18 years. They followed the usual norm (Still and Guerin, 1990; MacDiarmid and Thomson, 1991), with most employing between one to four employees. Despite employing staff under awards, personal agreements or by contractual arrangement, none of the businesses had an enterprise agreement. In a large number of cases the employees were known to the owner before employment and were either family and/or friends.

Unlike the other two groups, the women owners generally had a poor understanding of enterprise bargaining. In fact the self-employed women

revealed a large degree of ignorance and awareness about the whole process. This affected their responses to many of the interview questions: they were either unable to answer, did not know enough to think through issues, or did not see the relevance of the new workplace arrangements to either themselves or their business ('there's no need to have formal agreements with staff'). Overall, they seemed protected and detached from the changes going on in the workplace. Only 25% of the women understood that enterprise bargaining was employer and employee negotiation attempting to agree on working terms and conditions.

In general, it was concluded that the lack of knowledge of enterprise bargaining amongst this group of self-employed women was due to two main reasons:

- there was a perception that there would be no real benefit to them as employers so it was not worthwhile pursuing.
- the benefits to be gained in the industry sectors represented by the participants were perceived to be less than those in the manufacturing and hospitality sectors.

However, due to the close working environment of most of these small businesses, a certain form of enterprise bargaining does exist even if only in the informal sense. There is a high level of communication generally between the woman owner and her staff, leading to informal negotiation on certain terms and conditions of work (for example, flexibility of working hours). Staff also often give suggestions for improving the business. Hence, while the self-employed sector saw no need for enterprise bargaining (some women were vehement about such an 'intrusion'), they do actually

practice a form of it through the type of working environment that prevails in small businesses.

CONCLUSION

Overall the pilot study revealed that while most of the managerial women could quote the rhetoric commonly associated with the enterprise bargaining process, few demonstrated more than a shallow level of understanding when questioned more closely about the implications of the process. This may be due in part to the fact that enterprise bargaining is a relatively new concept for the Australian workforce. In each case where the interviewee was covered by an enterprise agreement, it was the first time that this had been negotiated, suggesting that inexperience may have played a large part in the answers received.

This small pilot study also did not give any definitive answers as to the hypotheses mentioned on page 9. This is probably due to the small sample size, its unrepresentative nature, and the fact that enterprise bargaining is such a new process to most employees, managerial or otherwise.

Nevertheless, some small indicators occurred. The study did reveal that public sector women managers and professionals are much better informed about the concept and its process and are participants in agreements through government directive. The private sector women understood the process but had not yet realised any impact, while the self-employed women viewed enterprise bargaining as irrelevant to their businesses. Thus, certain differences did emerge between the three groups, which in a sense support

the hypotheses. A larger study is now required to test these propositions further.

The study did reveal one thing: namely, that the public service has an exemplar approach to the introduction of enterprise bargaining. Originally this acknowledgement referred to its efforts in the equal employment opportunity and anti-discrimination areas (Moore, 1994; Stawyskyj, 1994). Now, it also applies to the field of enterprise bargaining. While it is still too early to conclusively state that enterprise bargaining does impact managerial women differentially, the public sector women suggest that, as expected, they are the least vulnerable group. It is to be hoped that their conditions will remain untouched as enterprise bargaining becomes a more common feature of the Australian workplace.

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