

BenchmarkingHR

BEST PRACTICE IN HUMAN RESOURCES AND EMPLOYEE RELATIONS

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Flexibility practices must be better communicated

Workplace flexibility is now an integral part of business but there is a lack of communication about existing flexible work practices, says the CEO of recruitment company Rubicor.

Jane Beaumont was commenting on its survey on workplace flexibility which covered all sizes of organisations, geographical locations and industry categories across Australasia. It is the first in a series of critical insights into emerging trends and issues in recruitment, HR and talent management.

The survey showed clearly flexible work practices were now the norm in the business environment with 86% of businesses surveyed having established them and a similar number believing in their beneficial impact on staff retention.

Given the organisations' disparate size, the practices are likely to range from very limited options to a more sophisticated suite available to all employees.

The top five flexible work practices were flexible start and/or finish times (88%); part-time work (84%); unpaid leave (82%); time-in-lieu (70%); and paid education/study leave (66%). But digging deeper the survey revealed disappointing trends regarding awareness of the practices.

Half of businesses admitted their employees were unaware of the benefits; two-thirds of HR managers and business leaders had not received any training in how to deal with flexible work requests; and under half of respondents regularly used their flexible workplace benefits as a tool to attract new candidates.

New disability hotline launched

A telephone hotline will match employers and skilled workers with disability, in a joint initiative between ACCI, the Victorian Employers' Chamber of Commerce and Industry and National Disability Services.

In the new initiative being piloted in Victoria, the NDS-managed hotline will ensure a direct and quick connection between employers and Disability Employment Service providers.

"The hotline (1800 630 740) is for employers seeking applicants for current job vacancies and those seeking general advice about employing a person with disability now or in the future," says NDS chief executive Dr Ken Baker.

"The partnership ... is a significant step towards building long-term employment outcomes for people with disability and works hand in hand with efforts to boost Australia's productivity."

VECCI CEO Wayne Kayler-Thomson (pictured) said it would be easier for employers to recruit people with disability and advice will be given on managing safety concerns and workers' compensation, and how to "mitigate risks so employers can recruit and retain employees with disability".



Ms Beaumont said expectations were high for workplace flexibility among workers of all ages.

"Employees, and in particular the younger generation, expect flexibility as a key ingredient in their working environments. And at the other end of the spectrum, the ageing of the population will mean that retention of older workers beyond retirement age becomes increasingly important.

"Flexibility will be crucial to ensure these employees remain in the workplace for longer."

But Ms Beaumont said the survey found a "clear lack of communication" of existing flexible practices into both recruitment and retention processes.

"We found that only 56% of respondents were sure their employees knew what benefits were on offer and only 43% commonly discussed these benefits during

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'Disturbing' findings on outplacement

A new report has criticised the "disturbing" performance of the outplacement/career transition industry in its treatment of retrenched executives.

"Unplanned separation is an unpleasant experience for most people. How an employer handles this process is very important in order to care for the wellbeing of the person retrenched, as well as in retaining the reputation of the firm and the loyalty of those who remain," says the *2010 Outplacement Industry Benchmark Report* by Macfarlan Lane.

The report identifies the factors linked with highly rated outplacement effectiveness and highlights the importance middle and senior managers place on a personalised approach from highly competent coaches

Communicate flexibility better

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interviews with potential new employees," she said.

"Greater focus is required on up-skilling frontline managers on how to communicate and promote flexibility to existing and potential employees."

Ms Beaumont said businesses were remarkably unaware of their competitors' activities in this space despite the universally acknowledged positives for staff attraction, with only 17% of respondents tracking competitor offerings.

"To remain competitive in a tightening recruitment market as economic conditions improve, employers will need to ensure flexible benefits are an integral part of their recruitment process and to match, if not exceed, their peers in this area."

She said it was interesting that around one-third of businesses introduced flexibility in direct response to the global financial crisis.

These businesses saw flexibility as a retention tool (52%) or a cost-cutting initiative (8%) or both (40%).

The survey said the businesses themselves were driving the move towards greater flexibility with limited legislation supporting rather than forcing the move to flexible work practices in the region.

It found no substantive differences in awareness, training or perceptions between Australia and New Zealand despite the former lagging behind in the introduction of flexible workplace laws.

"We believe the flexible work practices are here to stay," Ms Beaumont said. "Before the GFC, employers worked to attract talent in what were 'candidate-short' markets. During the GFC they had to work to retain this talent with flexibility being an important offering.

"Coming out of the GFC and as the market tightens again, one of the areas of importance for employers will be around developing flexible work packages and importantly communicating these packages both internally with their employees and externally to attract talent when recruiting."

with commensurate commercial experience.

But it says this is not the experience most people encounter.

"The outplacement/career transition industry in Australia is delivering below-average to average value for senior executives in the majority of cases.

"The research confirms the relatively low impact of commoditised, content-driven and low-coaching focused services. The research also revealed that many employers have not handled the termination process well.

"Middle to senior managers have a low level of satisfaction with the way their retrenchment was handled by their former employer."

The survey, which attracted responses from 349 managers, found 77% of former employees were unlikely to recommend their former employer to family, friends and business colleagues.

The report says these findings are "disturbing".

"They indicate ... that many employers are not getting what they pay for in terms of effectiveness in career transition outcomes for their former employees, nor are they helping their employment brand in the way they handle these situations.

"The poor performance of some outplacement suppliers is significantly impacting upon the reputation of others - with high-quality, professional suppliers being in the minority."

The report says many employers would benefit from revisiting their outplacement processes.

"Those firms who provide effective career transition services will minimise damage to their brand. Effectiveness should be carefully examined and measured, and services commissioned appropriate to the need."

It also stresses that career coaching is "not achieved via a work-book, or a set of stand-alone forms and instruments."

"It should involve insightful conversations with an experienced coach plus action learning - investigations, discovery and testing by the individual.

"Employers and individuals should not settle for less."

The report finds the capability of individual consultants is critical to individuals' experience and guides overall assessments of an outplacement service provider.

"Sometimes good consultants operate in firms with a poor overall rating: the selection of the consultant is almost more important than the selection of the firm."

Burrow set to head global body

ACTU president Sharan Burrow is almost guaranteed to be the next general secretary of the International Trade Union Confederation.

She was the only candidate after nominations closed for the Brussels-based organisation's top job on March 28. Ms Burrow's new appointment will be formalised in late June. She is currently ITUC president.

Fair work agency to grow in significance

Fair Work Australia will become increasingly important to business in 2010 as significant workplace reforms over the past 12 months continue to reshape the IR landscape, according to a new publication.

Freehills' *Employment & Workplace Relations Guide 2010* says employer-union workplace bargaining is becoming increasingly complex.

"There will be a much greater emphasis on the role of Fair Work Australia than under the old Australian Industrial Relations Commission," employee relations partner Tony Wood says.

He said there are likely to be more inter-union demarcation disputes as unions fight for relevance under the new system. And, anecdotally, it is also becoming clear some unions are seeking to minimise the rule of individual (non-union) bargaining representatives.

For employers, there will be a greater reliance on the cooling-off provisions, plus the use of employer lockouts in response to protected industrial action.

"We are already seeing the reinvigoration of the tribunal. Members of FWA are busier and the matters are more complex," Mr Wood said. "Oddly, the new 'simpler'

system is already generating more legal and technical arguments than under WorkChoices.

"The challenge for business - especially small-to-medium employers - will be to ensure their management and strategic approach is the equal of the unions."

Mr Wood says most unions (although far from all) have grasped the changes and are well prepared to exploit the opportunities, especially in enterprise bargaining and understanding the new workplace rights and general protections under the Fair Work Act.

He also predicts more disputes arising from good faith bargaining. This especially relates to the exchange of information being sought by bargaining representatives, who can request "relevant" information, provided it is not "confidential" or "commercially sensitive".

"This aspect will be a major area of contention, especially with so many old workplace agreements expiring by 30 June.

"Smart employers will face up to the challenge and ensure they are using their rights under the ... Act to challenge unions on their good faith bargaining obligations."

AiGroup seeks to intervene in IFA ruling appeal

The Australian Industry Group has applied to intervene in a federal government appeal against a Fair Work Australia ruling on Individual Flexibility Arrangements.

In its fourth involvement in a full bench case relating to new enterprising bargaining laws, the AiGroup will argue Commissioner Ryan was wrong in deciding IFAs cannot vary the terms of an agreement but only "the effect of the terms".

On February 23, the commissioner ruled a IFA clause could not be used for varying the terms of an agreement covering employees at the Melbourne workshop of towbar manufacturer TriMas.

In doing so he rejected the deal which had been voted up by workers following bargaining between TriMas and the Australian Manufacturing Workers Union.

CEO Heather Ridout (pictured) said the IFAs provided flexibility for agreements to be reached between employers and individual employees, in the absence of Australian Workplace Agreements.

But she said Commissioner Ryan's decision to limit the variation scope of the arrangements "created a great deal of uncertainty and threatened the validity of a large proportion of the IFAs already made".

An explanatory note from the AiGroup said that in his decision, Commissioner Ryan accepted it was "very difficult to explain and define what he believes the term 'the effect of a term of an agreement' means.

"Commissioner Ryan's interpretation is vague and uncertain, and would result in it being almost impossible



for anyone to work out whether a proposed IFA is lawful or unlawful."

A full bench will hear Deputy PM Julia Gillard's appeal on April 21, the same day a different full bench will hear AiGroup's challenge to Commissioner Ryan's Dunlop Foams ruling on entry rights.

The TriMas decision is on www.fwa.gov.au/decisionssigned/html/2010fwaa1485.htm.

Meanwhile, the AiGroup has urged FWA to reject an ACTU submission on award modernisation because the peak body was putting the same arguments to the tribunal that parliament and the federal government had already refused to accept.

Bank of Queensland franchisees are trying to modernise their enterprise award - the first such application under the new IR laws - and the ACTU has proposed six principles for the process. But the AiGroup says there is no need for any principles to be enunciated and the Transitional Act has sufficient detail to guide the modernisation process.

The submissions are at www.airc.gov.au/awardmod/fullbench/enterprise/EM20091_sub_ACTU.pdf and www.workplaceexpress.com.au/files/boqaig.pdf.

Skilled vacancies on the up

Skilled job vacancies were up 2.4% in March compared to the previous month.

The Department of Education, Employment and Workplace Relations index was 46.7 points, 11.8% higher than March 2008, marking the first positive annual growth reading in trend terms since February 2007.

Recruiters must develop new set of skills

Recruiters must acquire a new set of talent management skills or risk losing relevance, says US recruitment expert Kevin Wheeler.

Mr Wheeler (right), the president of Global Learning Resources, urges long-term strategy and relationship building to give candidates and organisations what they want.



"Employees are seeking flexibility and choice in their work environment and this will increase the layers of complexity to the recruitment industry. Recruiters who survive will be those who use persuasive skills to ensure companies offer employees flexibility and functional roles that suit individual skill sets."

Mr Wheeler says a shift in the corporate environment will see organisations employ people based on functional roles as opposed to traditional titles.

"Organisations will be seeking more of a 'jack-of-all trades' type employee, rather than pigeon-holing an individual to specific titles, while employees will have a more functional role based on their strengths, such as just writing or media liaison.

"There will be a move away from a pay structure based on experience and time spent, to one focused on

outputs. Instead of employees being paid for the potential of work that could be done, pay levels will be set from performance and tangible value."

Mr Wheeler says with budgets still a major concern, outsourcing HR and recruitment services is likely to force the recruitment industry into consolidation and will mean people can no longer use these roles as a stepping stone into other areas of an organisation.

"Over the next three years, increasing workplace flexibility will allow organisations to employ a smaller number of people based on what the company needs. The recruiting industry will become smaller and outsourcing will increasingly be relied upon to cut costs and improve efficiency."

Mr Wheeler, who will address the Australasian Talent Conference in Sydney in May, says this trend has already begun in the US.

"Unless employees can show they generate revenue, add value to customer service and exhibit creativity, they must deal with the prospect of being made redundant and their role being outsourced."

HR managers' reinvention

A prominent academic says many HR managers need to gain a better appreciation of their organisation's business model, strategy and performance drivers.

Roger Collins, Professor Emeritus at the University of NSW, says this is essential for them to be taken seriously at board level or to have an impact on corporate decision making.

He told a breakfast event on the changing role of human resources that occupational groups had to reinvent themselves. But he said there was no convincing evidence HR occupational groups had either recognised the need or met this challenge. This was despite the group's unique positioning to identify and respond to this need.

Professor Collins, who covered topics such as the crossover between HR and marketing, HR and business and HR and finance, stressed the importance of today's HR leaders understanding and adding value across functional areas of expertise.

"As the Australian workforce changes and becomes increasingly knowledgeable and global, it is important that HR professionals stay relevant and flexible - adapting to the changing needs of the market," he told the HR breakfast hosted by specialist consultancy Directioneering.

"The HR team in any organisation need to recognise that theirs is a shared agenda, which directly benefits from collaboration and convergence with other roles and business functions."

He said it was time for new occupational groups to be formed and to be a "little bit more critical of whether [HR] needs to exist ... and if we are going to exist, what's the value proposition that would justify that".

Training boost applauded

ACCI chief executive Peter Anderson welcomed Deputy PM Julia Gillard's announcement the federal government would boost a training program to increase worker skills.

Ms Gillard said funding for the Enterprise Based Productivity Places Program would be doubled from \$25 million to \$50 million and will pay for nearly 11,000 extra training places in more than 2350 enterprises.

A further \$10 million will fund a second round of applications under the program which subsidises 90% of an employer's costs for staff working towards qualifications from Certificate III to Advanced Diploma level.

Mr Anderson said this was good news for business and the workforce and will "help build the capacity of the Australian workforce to meet the skills needs of industry" in an economic recovery.

He said the EBPPP model had built valuable linkages between employers, training providers and intermediary bodies such as employer organisations and 11 Industry Skill Councils to provide training places and training delivery.

"The model has also delivered significant skills outcomes that enable employers to plan for future skills needs."

The ACCI General Council earlier resolved that Australia must act now to ensure sufficient numbers of skilled employees to prevent future skills shortages and Mr Anderson said the government move "will help to achieve this goal".

Nurses launch class action on take-home pay

Key nursing unions have launched a class action that looms as the first major test of the Fair Work Act's take-home pay provisions.

The Australian Nursing Federation, NSW Nurses' Association and the Queensland Nurses' Union applied to Fair Work Australia for the action to protect the wages of about 5000 aged care nurses.

ANF federal secretary Ged Kearney said the application would ensure unscrupulous employers could not use the award modernisation process to cut wages in more than 400 aged care providers.

The union has contacted providers asking for written assurances that their employees will not suffer a reduction in take-home pay as a result of the modern Nurses Award taking effect on July 1. Employers which fail to make that commitment will be included in the claim.

Nurses have already lost entitlements to a range of allowances and could suffer pay cuts as a result of transferring from the Nurses Aged Care Award 2005 (NSW) and Nursing Homes and Nurses (State) Award (Qld) to the modern award, the ANF argues.

It seeks that FWA remedy any current and future reductions in take-home pay by making orders requiring employers to pay wages and allowances in accordance with NAPSAs rates.

"This is the first time a union has used these provisions to protect workers across a large number of employers," Ms Kearney said. "Instead of waiting for employers to cut workers' wages we are getting in first to ensure they are protected."

She said the application reflected the government's objective for no worker's take-home pay to be reduced.

Business, unions split over 'preferred hours' ruling

Fair Work Australia has ruled workers in the fruit-picking industry can volunteer to work extra hours even if they then forfeit overtime penalties to which they are entitled.

Senior deputy president Peter Richards found the employees would not be worse off because the inclusion of a voluntary hours clause would allow them to take advantage of hours of work "which would otherwise not be accessible to them".

Under the agreement workers must request the extra hours in writing rather than be asked or directed to work by their employer.

The decision covered 102 fruit and vegetable single enterprise agreements in Queensland and SDP Richards noted workers were not required to work more than 38 hours so employers would avoid triggering overtime payments.

Loss of penalties applies only when the employee asks for extra hours. If the employer makes the request, the penalties will be paid.

SDP Richards also noted agreements containing voluntary additional hours had featured in the federal workplace relations system for several years.

The National Retail Association said it expected similar arrangements would be approved for the retail sector and would give employees more freedom to choose when and how long they worked.

But the ACTU and the Australian Workers Union will appeal the ruling because of its ramifications for other workplace agreements and the undermining of basic workers' rights.

A possible test case for the inclusion of "preferred hours" clauses in workplace deals is already before the full bench.

Business groups are appealing against a FWA rejection of a proposed agreement between Bupa Care Services and two unions that would have allowed staff to volunteer extra hours without being paid at higher rates.

The full ruling can be read on <http://www.fwa.gov.au/decisionssigned/html/2010fwa2139.htm>.

Manufacturing on the rebound - gradually

The manufacturing industry is rebounding from a difficult 2009 although not as strongly as previous post-downturn periods, according to the latest Australian Industry Group/Deloitte CEO survey.

Industry in Recovery Mode in 2010 suggests that growth in the 90% of the economy represented by the manufacturing, services and construction sectors will be reasonably solid, although uneven, this year, and the expected improvement in activity is likely to be stronger in the first two areas.

Employment is expected to improve modestly, with manufacturing leading the way with a 2.9% rise, as the sector builds on gains made in late 2009.

This will add 29,000 jobs to boost overall employment to 1.02 million, the strongest rate of jobs growth since 1999/2000. But it only partly recovers the 80,000 lost in 2009 when employment fell by 7.2%.

"The forecast increase in employment reflects the expected pick-up in demand conditions, both in Australia and globally, over the coming year."

But like employers across sectors, manufacturing is concerned about a possible re-emergence of skills shortages as the economy returns to growth and the impact on employment and wages.

Manufacturing wages growth is expected to remain broadly steady, easing from 3.6% to 3.5%.

Lessening economic cost of gender pay gap

Introducing more flexible arrangements for childcare and parenting responsibilities could reduce the gender pay gap and boost national economic activity by up to 9%, according to a new report.

The report – prepared by KPMG for Diversity Council Australia – says lessening the huge cost to the economy will boost competitiveness and economic output.

It says policies by government, companies and sectors addressing the underlying causes can have significant economic impacts.

“The KPMG analysis indicates that work interruptions for female employees requiring absenteeism for maternity, childcare and other family reasons are estimated to contribute towards 9% of the gross wage gap....

“It follows, therefore, that employers who can reduce the impact of work interruptions on female workers, such as through the adoption of family-friendly policies like better access to in-house childcare, may expect a company-wide improvement in useful output.”

Another policy example was reduced occupational and industry segregation that could reduce the gap by up to 32%.

The differences in types of occupations/industries involving men and women account for 28% of the overall gap between the sexes. The latter is an average 16%.

The report says the average annual wage gap between full-timers in the financial and insurance services sector is an estimated \$21,800 a year (given women in this sector earn an hourly wage rate 31% lower than males).

“If the length of work interruptions could be reduced from an average of six to two years, for just 10% of the female workforce in the ... sector, annual gross activity across the sector could possibly increase by as much as \$30m.”

But the report cautions women with family responsibilities working and earning more may affect men the opposite way with the tangible economic benefits unlikely to be realised in a linear fashion.

“This will therefore dampen the overall economic benefits for organisations and the wider economy. It is also important to note any changes will likely involve certain associated costs, which will impact on the net economic benefit of the change.”

See www.dca.org.au for more details.

Salary growth gradual: survey

The latest Mercer remuneration survey shows salary growth is yet to return to pre-downturn pace, despite employees finally looking forward to bigger pay increases this year.

The *Market Issues Survey* of 258 organisations reveals salary increases are gathering momentum after 18 months of subdued movement.

Growth in fixed pay bottomed out at just 3% by the end of last year but is forecast to rise by 4% over the next two years as global economic conditions improve. But it won't be as high as the 5% rises seen before the downturn.

Martin Turner, principal in Mercer's human capital business, said that while economic conditions were improving, employees should not expect organisations to play “catch-up” with salaries.

“It is a matter of both parties understanding recovery isn't instant. If employees have faced pay freezes and now expect organisations to make up for it, they'll be disappointed,” Mr Turner said.

“However, a resurgent jobs market means employers need to retain staff, so they are feeling the pressure to increase salary budgets.”

He said employers must now be smarter in structuring their “reward offer” to combine cash and non-cash rewards.

“Many employers placed a greater emphasis on non-cash rewards over the past two years, but are now starting to increase the cash component of their reward offering as conditions improve. They still need to get the non-cash component right, however, and ensure their offering is aligned with what employees want.”

The survey found organisations are looking outside the remuneration box with 24% considering recognition programs and 22% work lifestyle benefits.

“By understanding what rewards employees really want, organisations can allocate their remuneration budget for long-term initiatives that effectively reward and retain their people,” he said.

Debate over MW rise

The government seeks a “considered rise” in the minimum wage in its submission to the Fair Work Australia review.

Treasurer Wayne Swan and Deputy PM Julia Gillard said the government believed any decision must be “both economically responsible and fair”.

The submission also notes a considered real increase can allow low-paid workers to share in the benefits of economic growth while ensuring growing employment.

To achieve this, the government urged a decision that reflected cost-of-living increases since the last MW rise in 2008 but the ACCI General Council expressed its concern over this.

“This would not only see the economically risky approach of wages chasing prices but would also be a back-door attempt to re-litigate the 2009 ... review, where it was decided by independent arbitration that the protection of jobs warranted a minimum wage pause notwithstanding CPI movements during 2008-2009.”

The National Retail Association says retail businesses should be exempted from any increase if they are already facing significant costs under award modernisation.

It warned of a “double whammy” for businesses when new wage rates and award changes both take effect on July 1.

Work-related email raises stress levels

New research shows stress and anxiety are among the negative byproducts of work-related email invading workers' homes and leisure spaces.

Dr Melissa Gregg (at right) from University of Sydney's Department of Gender and Cultural Studies interviewed 26 information workers from large organisations across different industry groups over three years as part of an Australian Postdoctoral Fellowship Project.

It has coincided with the rise of online culture, specifically social networking sites, and Dr Gregg said until now many people considered them part of their leisure practices.

"But for workers in a range of office jobs, it's become part of the job. And largely this has happened without any discussion at the workplace about implications for workload."

Many interviewees believed checking and sending

emails from home did not constitute "work" and allowed them to focus on "real work" in office hours while part-time workers kept email accounts open on official non-work days to "keep things moving" and avoid "holding up" full-timers.

Dr Gregg said many participants reported increased signs of stress and anxiety.

"The evidence shows most people think it is just their own individual failing that they can't keep up both with the technology and the amount of communication they are having to deal with.

"Once you see this message across industries you know that is a problem that has to be dealt with structurally, not by forcing workers to adopt individual solutions," she said.



Public service must invest more in talent

A highly capable workforce is a key to a strong Australian Public Service and reforms are needed to strengthen staff development, according to a new report.

An advisory group chaired by Department of Prime Minister and Cabinet chief Terry Moran has identified workforce capability as one of four main components a high-performing public service needs to deal with future challenges.

It acknowledges the passion and commitment to improving other's lives shown by the APS's 160,000 staff, but points to evidence suggesting the service is under-investing in its talent.

"In the private sector it is increasingly recognised that as much as 80% of a company's worth is tied to its employees. Yet almost half of APS agencies spend less than 1% of their budget on staff development.

"Only a small proportion spends an amount similar to the best private sector organisations."

The report identifies concern about whether the public service is attracting and retaining the best people.

"Consultations have identified, as an urgent priority, the need for better recruitment processes and mechanisms for people management.

"Skill gaps remain in critical fields such as information and communications technology, high-level policy, research and project management."

The advisory group outlines a blueprint of nine reforms, including strengthening workforce planning and development.

This would include the Australian Public Service Commission establishing an APS-wide workforce planning framework to address recruitment, learning and development, and performance management.

"The blueprint recommends the APSC develop a strengthened performance framework that supports

all employees in identifying strengths and areas for improvement and promotes constructive feedback from relevant sources - for example, from supervisors, peers, subordinates and stakeholders - as appropriate to the nature of the role.

"The framework would also offer encouragement for high performance and better guidance and support for dealing with underperformance."

The report also recommends a human capital priority plan to prioritise the initial reforms and then identify emerging systemic workforce issues.

The government is expected to respond later in the year.

Read more on www.dpmmc.gov.au/publications/aga_reform/aga_reform_blueprint/index.cfm.

IR policy release imminent

Opposition Leader Tony Abbott says the Coalition intends to release its IR policy soon.

He told the Leaders' Forum in Sydney the policy contained "nothing ideological" and was designed to ensure employers and employees enjoy the fruits of increased productivity.

Mr Abbott indicated that the policy would include a strong no disadvantage test and prohibitions on forcing workers to move from one employment arrangement to another.

He predicted problems stemming from award modernisation would make IR a thorny issue for Labor in the federal election.

He accepted IR policy was partly responsible for the Howard government's defeat but said the flexibilities it introduced had enabled employers to cut hours instead of shedding workers during the recent downturn, saving 200,000 jobs.

Single labour court proposed

The former first female High Court judge recommends a unified labour or employment court to deal with all employer-employee matters.

Mary Gaudron told a forum on the Fair Work Act there were good reasons for this move and it was clear from the High Court's 2006 decision on the validity of WorkChoices that the Commonwealth had ample power - at least for employees of corporations - to legislate on all aspects of the relationship.

Gaudron also pointed to a recent constitutional development on the law with respect to cross-vesting of jurisdictions that allowed federal courts to deal with matters arising under state law.

"It is now constitutionally possible, with minimum cooperation from the states, to establish a single, unified labour court operating throughout the Commonwealth dealing with all aspects of the employment relationships, including the individual employees' right to freedom of association and to be represented by a trade union in collective bargaining and in the enforcement of his or her rights as an employee."

Gaudron outlined some powers she envisaged for the new court:

- the power to deal with all aspects of health and safety and to grant injunctions to ensure them even before a person was injured;
- jurisdiction over all workplace injuries and compensation matters, whether under workers' compensation legislation or common law damages, and the power to order continued employment on light duties and retraining if necessary for an injured employee to return to work;
- jurisdiction over all aspects of workplace discrimination, victimisation and bullying; and
- the power to award damages and/or grant injunctive relief on all rights and obligations arising from the employer-employee relationship.

These would include the right to freedom of association and the obligations necessarily inherent in the notion of collective bargaining, plus a general obligation of good faith extending to directors of corporate employers and related companies.

The benefits of internal leadership development

Identifying current and potential leaders with a company is one of seven key steps for effective leadership development, says a white paper from Taleo Research.

The paper says companies must weigh the cost and timing to develop internal leadership against the cost and availability of hiring from outside the firm.

But it says one of the key advantages of developing leaders internally is that they achieve productivity almost 50% faster than external candidates.

"This is particularly true for organisations in which knowledge of the internal politics and structures are required to get the job done."

It quoted research showing the best companies measure the percentage of key vacancies filled by internal candidates to judge the success of succession planning.

"Additionally, promoting leadership development to lower levels of the organisation also has a positive impact on morale and therefore assists in employee retention."

The report says developing leadership capabilities can be delivered in several different ways, but on-the-job training is becoming increasingly popular with company boards.

ABCC chief rejects persecution claims

Australian Building and Construction Commissioner John Lloyd emphatically rejected union claims it persecutes workers as "wrong".

Mr Lloyd said inspectors were not biased and did not target workers when conducting investigations, in response to comments by the ACTU and CFMEU.

He cited statistics showing workers are only named in 8% of court cases commenced by the ABCC with the rest against unions, union officials and contractors.

"The claims about ABCC activities are inaccurate and misrepresent the high-quality work undertaken by inspectors, often in challenging and confronting circumstances."

Mr Lloyd said the commission would continue to investigate complaints "without fear or favour".

"Victims of unlawful conduct have the right to expect the ABCC to thoroughly investigate and prosecute when necessary. A significant number of ABCC investigations and cases are concerned with protecting the rights of the industry's workers."

"Furthermore, boards now appear to be 'road-testing' potential leaders as chief operating officers or chief financial officers before giving them the wheel; 15% of new insider CEOs were auditioned, meaning they joined the company they now lead within the past three years.

"When leadership positions cannot be filled from within the company and the company employs a strategy of creating a pipeline of future leaders, then recruitment should use the same measurements to test the existing competencies or future potential of candidates used to assess internal candidates."

The report says effective leadership development is becoming even more important with the impending retirement of baby boomers.

"The recession may have postponed retirement for many baby boomers, but this is just a temporary stop-gap. While these delays have bought companies time to create succession plans for their leaders, delivering on leadership development programs to fill these ranks will be a critical challenge in the next one to five years."

The report is on <http://new.taleo.com/resources/white-papers>.

Gillard vows to stay strong on Fair Work laws

The determination of the federal government to ensure the Fair Work laws are upheld should not be underestimated, Workplace Relations Minister Julia Gillard told a WA breakfast.

Ms Gillard also criticised “some in this state” for failing to show sufficient regard for the laws, with reports suggesting she was referring to the controversial CFMEU (construction and general division).

She said in an environment like WA, where labour was likely soon to be in high demand, it was crucial to get the IR side of the economic reform equation right.

“That’s why the Fair Work Act is so important. It gets the balance right between all the vital elements of successful workplaces: simplicity, productivity and fairness.

“There are some in this state who have indicated by their conduct a lack of preparedness to abide by the rules of the Fair Work system.

“To those individuals let me make my position and the position of the Rudd government painfully clear. Rights come with responsibilities.

“As an individual employee you don’t have a right to a

pay packet unless you perform your duties as agreed with your employer.

“As an individual employer you don’t have the right to exploit employees or disregard their health and safety.

“As an individual employee you have a right to be represented at work but any trade union that seeks to represent you can only do so if it fulfils its obligations under the law.

“No one should underestimate our determination to ensure the law is upheld and the appropriate balance struck by the ... Act is respected.”

In a later radio interview she said union officials Kevin Reynolds and Joe McDonald should also heed the message.

Later the Fair Work Ombudsman announced it had found insufficient evidence to substantiate allegations the Transport Workers Union, the Maritime Union of Australia and the CFMEU (of which Mr Reynold is boss) pressurised workers in WA’s north-west to become members.

The Ombudsman says the unions were also accused of imposing a no-ticket, no-start environment but the office told the ABC the matter was now closed.

New FWO prosecution

The Fair Work Ombudsman is prosecuting a former Brisbane restaurant owner for alleged involvement in the underpayment of two workers.

Erick Berges was sole owner and a manager of the Picasso Pizza and Pasta restaurant before it closed last year. Documents lodged in the Federal Magistrates Court allege he was involved in total underpayments of \$15,322 between September 2006 and January 2008.

It is alleged a casual kitchen hand was paid a fat hourly rate of just \$10, resulting in underpayment of his minimum hourly rate, night rates and public holiday rates. The man, in his 40s, was allegedly underpaid \$12,161. It is also alleged a casual cook was underpaid his minimum hourly rate and overtime.

FWO Queensland director Julie Wade says the prosecution was due to the alleged underpayments not being rectified and the involvement of low-paid, vulnerable workers.

“Individual handshake agreements to pay workers below award rates are not legal.”

Mr Berges faces maximum penalties of \$6600 each for multiple legal breaches. The FWO is seeking an order for any penalty to be paid to the workers. The case is listed for mention on April 14.

Boost for women in top jobs

Business Council of Australia members will be at the forefront of boosting the numbers of female CEOs and CFOs in the ASX top 200 under a pilot scheme launched at the BCA’s annual forum meeting.

President Graham Bradley announced the “C-Suite” Project would involve bosses personally mentoring high-achieving women employed by other BCA member companies.

The initiative will identify talented women and open up pathways for them to rise to the top of the corporate ladder. The 12-month pilot, conducted in partnership with the Australian Human Resources Institute, provides a model for other businesses to follow.

“There is a lot of attention at the moment on the unacceptably low levels of women on Australian boards, but women are too scarce at all senior levels of Australian business,” Mr Bradley said. “We need to open up pathways for our best women to take on senior positions and open up a strong pipeline of success all the way to the boardroom.

“The Business Council of Australia’s current membership of the country’s leading CEOs is 97% male. A simple mark of the success of this project will be seeing more women in the room at BCA forums like this.”

AHRI national president Peter Wilson said it was a “project whose time has come and we are excited to be working with trailblazing mentors to facilitate real gender diversity inroads in the senior ranks of Australia’s top companies”.

BCA chief executive Katie Lahey and Mr Wilson will oversee the project and AHRI will coordinate operational activities. High-potential women will be chosen by BCA members from within their companies but will not be mentored by their own bosses.

Among the BCA members who have offered to be mentors are Michael Luscombe of Woolworths, Catriona Noble of McDonald’s Australia and Ralph Norris of the Commonwealth Bank. They will each support one senior woman identified with potential to become a CEO or CFO themselves within the next five years.

Overseas trip opens window on ADF Reserves

For Army Reservist Lance Corporal Jeffrey Hanan, the tropical environment of the Solomon Islands is a world away from his civilian occupation as an auditor with Sydney-based firm, HLB Mann Judd Chartered Accountants Business and Financial Advisers.

Recently, Jeffrey was pleased to see a familiar face in the Solomon Islands - his boss, Leanne Bloomfeld.

Leanne, the human resources manager with the firm's Sydney office, was in the Solomon Islands as part of Exercise Boss Lift.

This is conducted by the Department of Defence's Cadet, Reserve and Employer Support Division and allows employers to experience first-hand their civilian employee's Reserve role and duties while deployed overseas.

With 17 other employers, Leanne travelled to the Solomon Islands for a four-day visit to the Combined Task Force 635 (CTF 635) - the Australian Defence Force's contribution to the Regional Assistance Mission Solomon Islands (RAMSI).

"It's a bit unusual but nice for my boss to see what I do in my Reserve role and seeing the environment we are working in," said Jeffrey, who is second-in-command of an infantry rifle section.

"She now has a better awareness of what my Reserve work entails."

During the visit to the CTF 635, which is made up of soldiers from Australia, New Zealand and Tonga, Leanne underwent a range of experiences including school visits, battlefield tours and firing the Steyr F88 on the range under the tutelage of Jeffrey (see picture above).

"I enjoyed the challenge of the rifle range at which I was reasonably successful," she said.

Leanne said participating on Exercise Boss Lift had given her an insight into Jeffrey's other life as an ADF Reservist.

"I have never stopped to think what being a Reservist entailed and the extent of their discipline and



determination that they possess is outstanding to say the least."

Leanne was amazed about the weight of equipment the soldiers must carry in the high temperatures and humidity of the Solomon Islands' climate, following a demonstration by some of the soldiers.

"It would be so easy to say 'I am not doing this' but they just do and do it willingly."

It was this discipline and determination in her employee that Leanne saw as a quality that would be of benefit in the workplace - qualities which she says, some young people struggle to display.

"This has been a whirlwind tour in a short period of time. It's amazing what we've fitted in and accomplished," said Leanne of her experience.

"I love the mixture of culture. The school visits were an eye opener indeed. The actual work the Reservists are doing here in the Solomon Islands is commendable.

"The whole program has been strategically developed and implemented. This program provides a good understanding of the country from both a cultural and environmental perspective and why the Australian Army is needed here."

Before Jeffrey prepared for deployment, Leanne said the company wasn't aware of the employer support payments.

"It was only when Jeffrey bought the paperwork to us, that we became aware of the availability of this support."

But she said the company would have allowed Jeffrey to deploy anyway even without the payments.

Steve Smith, coordinator of Exercise Boss Lift, said it was "primarily about bringing employers of Reservists, their civilian employers, to operational or training areas to facilitate an awareness of what the Reservist does in that environment."

"This awareness also includes the benefits of that training or experience that the Reservist can take back into their everyday jobs."

More information on www.defence.gov.au/reserves.

Owners must seek renewed growth

Business owners must take time out to consider their possible strategies for renewed growth, says a business strategist.

Vanessa Fudge, from Shirlaws Coaching, says it is easy to lose sight of business objectives and values in turbulent times but "as we begin to see signs of economic recovery, now is the time for business owners to take a breather and get some perspective".

"How did their strategy change as business confidence shifted from record highs? And what should the strategy look like now?"

"In order to move forward, it's important to refocus and ensure your business is not carrying any unwanted residual effects from the downturn in its renewed strategy," said Ms Fudge who addressed RCSA breakfast seminars in Sydney and Melbourne.

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