Implement industrial relations strategies

Overview

The management team can choose from a variety of methods to ensure effective implementation of industrial relations strategies. Such methods include, among other things:

- analysing the risks involved in implementing the strategies and developing contingency plans for these
- implementing and/or complying with aspects of the Australian Workplace Relations Act 1996
- providing employees with the opportunity to access training and development to enable them to achieve their organisation’s goals.

Key terms

Australian Workplace Agreements

AWAs; individual agreements made between an employer and a single employee. An alternative to common rule Awards, able to tailor terms and conditions for workers to link them to productivity gains for the particular workplace or industry

Certified Workplace Agreements

Collective agreements made directly between an employer and employees or between an employer and a union(s). An alternative to common rule Awards, able to tailor terms and conditions for workers to link them to productivity gains for the particular workplace or industry
Contingency plan
A fallback position should negotiations with employees over proposed changes break down.

Grievance procedure
A formal procedure that enables employees to know when and how to air their grievances.

PEST analysis
An examination of the influence of Political, Economic, Social and Technological factors on an organisation.

SWOT analysis
An examination of the impact that the Strengths and Weaknesses of an organisation, and the Opportunities and Threats it faces, have on the organisation and its future directions.

Workplace culture
The shared values and beliefs of the employees within a particular workplace.

Developing an implementation plan

Strong corporate culture and management support
The ideal industrial relations situation is a strong corporate culture that actively supports the development of its employees. It is vital that management recognises the importance of its workforce.

When the management team develops an implementation plan for the organisation’s industrial relations strategies and policies, it is important that the culture of the organisation is considered, culture being defined as the shared values and beliefs of the employees within that workplace.

To successfully implement industrial relations changes, the management team needs to have the cooperation and support of the employees. In addition, it is essential that an implementation plan provides employees with the opportunity to access training and development to allow them to more easily adapt to the new policies.

Management support, and especially support and leadership from the organisation’s CEO, is vital. Employees must know that their CEO is taking this matter seriously, and will encourage and reward employees who are
committed to implementing the policies and strategies contained within the industrial relations plan.

The importance of communication

It is vital that the plan and its aims are clearly communicated to all employees. They need to know what it contains and how it will directly affect them and the work they do. They also need to know the benefits that they will receive by committing to the implementation of the plan (e.g., greater flexibility in work hours, incentives such as bonuses for increased productivity, and greater career opportunities through access to training and development).

Again, the CEO of the organisation needs to involve him or herself in this process. He or she should be the person, if possible, to communicate the new industrial relations policies of their organisation to all employees.

The most common communication methods used by employers when introducing an AWA (Australian Workplace Agreement) are:

- individual discussions with employees
- regular formal meetings.

Contingency plans

All industrial relations implementation plans need to include contingency plans should negotiations with employees over proposed changes break down.

Before entering into any negotiation, you need to assess the potential risks and benefits associated with the negotiation. Your contingency plan should identify these potential risks, and plan methods to reduce their impact on the organisation, its customers and other employees not involved.

Risks and risk analysis

Risk is defined by Robbins, Bergman, Stagg and Coulter (2000) *Management*, Prentice Hall Australia, pages 218-220) as those conditions in which a decision maker is able to estimate the likelihood of certain alternatives or outcomes associated with taking a decision. The probability of something happening is based on personal experience, historical data, trend analysis and educated guess/intuition. Cost-benefit analysis flows from risk analysis.

Education: Essex, UK at page 253, where he outlines the research on the more popular approaches to change such as Business Re-engineering and Total Quality Management. Burnes cites research which describes a very high failure rate (around 70 per cent) of the above two initiatives. Thus the first important risk to identify is that the chosen vehicle or driver for change may well fail. Having an alternative plan or being very sure of the introduction of either process is obviously worthwhile.

In all decision making it is wise to include as many knowledgable and well informed people as possible to increase the potential of identifying good outcomes and risks. Once input is received from a cross section of stakeholders then an informed decision can be made. Also, by including others in the process it is more likely that there will be a commitment to the decision and making it a success than if it were taken in isolation.

Performing a PEST and/or SWOT analysis can provide an effective means for weighing up the risks and benefits of a proposed change.

**Issues affecting plans**

When compiling a contingency plan, it is important to understand all the issues that may affect the success of these plans. These may include:

- past relationships with unions or parties involved in the negotiations
- the availability (if any) and willingness of staff to cover for other employees involved in industrial action.

You may need to plan for a number of contingencies, such as:

- unpredicted staff shortages
- unpredicted levels of customer demands
- accidents and/or emergencies
- legal action taken during negotiations by staff (eg strikes or other forms of industrial action).
Think

Think about the organisation for which you currently work, or one for which you have previously worked, and reflect on the following.

1. Did an industrial dispute occur?

2. If no, was there the potential for an industrial dispute to occur?

Now list the issues that managers may have included in a contingency plan to counteract the possible consequences of industrial action on their organisation, their customers and other employees not directly involved in the dispute.

Industrial relations policies

Industrial relations policies within the implementation plan may include:

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<tr>
<th>Industrial relations issues</th>
<th>Proposed industrial relations solution in implementation plan</th>
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<tr>
<td>Actual and desired level of worker productivity</td>
<td>Job restructuring</td>
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<td>Reorganise workplace</td>
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<td>Analyse work practices</td>
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<td>Introduce technology – accompanied by training</td>
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<td>Provide training and development</td>
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<td>Greater involvement in decision making</td>
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<td>Actual and desired level of worker skill (eg technical knowledge)</td>
<td>Provide training and development opportunities, including entry level training</td>
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<td>Provide incentives to employees to gain skills (eg bonuses, opportunities for career advancement)</td>
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<td>Encourage teamwork</td>
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<tr>
<td><strong>Industrial relations issues</strong></td>
<td><strong>Proposed industrial relations solution in implementation plan</strong></td>
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| Actual and desired level of training and development available to employees | Employ a qualified Training Officer  
Budget allocates funds for training and development  
Support by management for training  
Provide incentives to employees to access training (eg time spent training is paid for, bonuses) |
| Actual and desired level of conflict, such as absenteeism, strikes and turnover | Increase the level of communication between employers and employees  
Formal grievance procedures  
Job enhancement programs  
Multiskilling, job-rotation programs |
| Actual and desired level of opportunities available to employees in the areas of career progression | Yearly performance reviews  
Access to training and development (eg supervisory skills)  
Training linked to job requirements and career paths  
Clear progression lines (eg through an organisational chart) |
| Actual and desired level of flexible work arrangements | Employment of part-time, casual employees to assist in providing greater flexibility  
Flexible rostering arrangements  
Flexible start and finish times  
Flexible arrangements to cater for individual needs (eg family, study commitments)  
Providing non-monetary compensation options for work outside ordinary working hours (eg time off in lieu) |

**Agreements within the workplace**

Workplaces have a choice between two types of agreements:

1. a Certified Agreement (or Collective agreement), which is made between employers and unions or employers and employees within a single enterprise

2. an Australian Workplace Agreement, made between the employer and a single employee, or a group of employees.
Worker priorities

A report on Agreement Making in Australia under the Australian Workplace Relations Act 1996 says that Collective Agreements made within the private and public sector reflect the differing priorities of employees in each sector. Common to both sectors were provisions for hours of work. In the private sector, priority was given to concerns related to health and safety, type of employment and training. Public sector agreements focused more on training and personal/carers leave.

Australian Workplace Agreements made with a group of employees tended to focus on issues such as occupational health and safety, type of employment and training. Workplace agreements between employers and a single employee focused in general on issues such as personal/carer leave, type of employment and annual leave.

Common to both were provisions for hours of work. Types of employment provisions included many concerns already provided for within awards – such as casual employment, contract labour and part-time employment – again all designed to suit the individual needs of that workplace.

Approximately 80 per cent of agreements certified in 2000 and 2001 contained at least one family friendly provision, including flexible hours provisions. The most common of these family friendly provisions were family/carers leave and part-time work.

Many agreements covered issues of anti-discrimination and equal employment opportunity. Therefore, while employers are encouraged within Australia to develop agreements with their employees, other legal considerations such as anti-discrimination, Equal Employment Opportunity, and provisions for redundancy must be taken into account.

Survey results

A survey conducted by the OEA in 2000 found three main reasons why employers had introduced an AWA:

1. to increase flexibility
2. to simplify employment conditions
3. to achieve better organisational outcomes.

To generate positive outcomes, there needs to be a high degree of consultation between employees and employers when drafting an AWA, especially in the areas of improved productivity, management-employee relations and employee commitment.
Benefits of agreements

Some of the benefits attained by organisations after successfully introducing agreements, as documented by the Department of Employment, Workplace Relations and Small Business include:

- greater flexibility in scheduling and rostering
- certainty of staff costs over a defined time frame
- reduced levels of absenteeism and staff turnover
- reduction in overtime payments
- increased productivity from better-trained and motivated staff.

Determining the type of agreement

When considering which type of agreement to compile (either a Certified Agreement or an Australian Workplace Agreement (AWA)), you must consider the specific needs of your organisation. Factors to consider include:

- whether the current award meets the specific needs of the organisation
- whether the employer needs to know the cost of labour
- the current levels of staff turnover – AWAs need to be negotiated with each new staff member, Certified Agreements cover all new and existing employees
- issues of confidentiality – AWAs are confidential documents, whereas Certified Agreements are public documents
- whether it is more advantageous for the organisation to tailor conditions for the needs of each employee as can be done under an AWA
- the importance of addressing workplace issues – Certified Agreements allow for general policies to be collectively negotiated
- geographical location and time available – Certified Agreements are approved by the Commission, AWAs are approved by the Office of the Employment Advocate (OEA) by contacting employers directly.
Training and development

Often for organisations to achieve their industrial relations strategies and eliminate their industrial relations gaps (ie actual and desired levels of worker productivity), employees need to be provided with the opportunity to access quality training and development programs.

Possible training issues

Each organisation should consider a range of training issues. Often you will need to consider the specific training and development needs of each section of the workforce within the company, for example the needs of the administration staff, factory employees, skilled craftspeople, and delivery drivers to name a few.

Organisational commitments

When considering the type of training to provide, you need to ensure that the following four important factors are recognised, supported and addressed:

1. The introduction and encouragement of the learning process is an investment in your employees. The aim of training and professional development should be to increase capability and align skills to organisational needs.

2. The knowledge required to meet your organisation’s goals and to satisfy your customers is identified. Then you can identify the steps required taken to acquire and develop the necessary skills.

3. The behaviours required for organisational success are defined. Then you can encourage and reward all employees (including supervisors and managers) who display these behaviours.

4. Everyone within the organisation is committed to its mission and values.

Training needs

When examining the training needs of an organisation, consider the following:

- evaluate the existing skills of each employee or group of employees
- train in multiple skills/whole tasks – select the best method for your employees
• literacy/numeracy – is this training required?

• links to national standards – are there national standards on which your training can be based?

• training methodology – should the organisation employ a training consultant, or should you train a team leader in each section to train new and existing employees?

• identify career paths – link the benefits of training to possible career paths within the company.

Employee benefits

Employees will experience a wide variety of benefits after they have successfully completed training. However, it is important to stress that the training and professional development they receive should be both professionally delivered and relevant to their needs.

An employee is more likely to willingly attend the training session if it is seen to benefit themselves. The range of benefits for employees who successfully participate and complete training include:

• recognition of current skills

• better and broader range of skills resulting in a multi-skilled employee – this may directly result in increased levels of job satisfaction

• clear identification of career paths – it is important to encourage employees to begin training by linking the results of training to potential advancement within the organisation

• training recognised nationally so skills are portable – this can be achieved by using nationally recognised training packages within a registered training organisation such as TAFE, or private providers

• improved communication through better literacy/numeracy – increasing the levels of literacy and numeracy also helps to increase a person’s morale and confidence

• higher morale through employers recognising the important contributions made by their employees, as a direct result of skills acquired through training and professional development.
Employer benefits

Employers will receive a wide range of benefits through the provision of quality, relevant training that is valued and recognised throughout the organisation. These benefits include:

- clearly identifying their employees’ skills
- employees who are better equipped with a wider range of skills – a multi-skilled workforce
- improving communication through better literacy/numeracy.

Think

Remember a time when the organisation for which you currently work, or one for which you have previously worked, introduced new work practices of some kind. It could be as simple as some new software, or it could have involved working with a new or different team, or using a new form to track work.

Did you feel you were prepared for these changes?

Jot down three things that helped or would have helped with the introduction of this work practice.

Parts of this resource are adapted from Open Learning Institute (2003) Learner's Guide BSBHR504A TAFE QLD; used with permission.