

Flexibility in the workplace

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Objective and Outcomes

- Objective: To facilitate an understanding of organisational behaviour by analysing workplace flexibility including rightsizing and the influence of unions.
- Outcomes: Participants will be able to demonstrate a greater understanding of flexibility in the workforce and unionism in Australia.



Downsizing

- *To become smaller in size by reductions in personnel: Corporations continued to downsize after the economy recovered.*
 - <http://www.thefreedictionary.com/downsizing>, Retrieved 15.2.2006
- *Or Reducing the total number of employees at a company through terminations, retirements, or spinoffs.*
 - <http://www.investorwords.com/1571/downsizing.html>, Retrieved 15.2.2006



Downsizing- positive

Cameron, for example, defines downsizing as a positive and purposive strategy:

"a set of organizational activities undertaken on the part of management of an organization and designed to improve organizational efficiency, productivity, and/or competitiveness" (Cameron, 1994:194).

Downsizing thus defined falls into the category of management tools for achieving desired change, much like "rightsizing" and "reengineering".

- Reference: Cameron, K.S., Freeman, S.J., and Mishra, A.K. (1991). "Best practices in white-collar downsizing: Managing contradictions," *Academy of Management Executive* 5(3), pp. 57-72.



Rightsizing

- *Downsizing a company's workforce to the point where the number of employees remaining is deemed to be "right" for the company's current condition.*



Rightsizing

- *Example Citation:*
- *"Downsizing became popular a few years ago to replace layoffs, but then people started thinking downsizing was too negative, he says. From that, 'rightsizing' was born."*
 - —L. M. Sixel, "New terms, old ideas," *The Houston Chronicle*, May 8, 1995



Flexible workforce

- *The word 'flexibility' is currently used in a variety of different ways to describe a wide range of forms of work organisation which, although rarely new in themselves, have increasingly been introduced since the mid 1980s.*



Flexible workforce

- *These include the so-called 'internal flexibility' brought about by multi-skilling which enables workers to be shifted from job to job as required; and the use of a variety of casual, on-call, temporary and part-time staff. The word is also used to describe the increasing use of subcontracting and of homework, both with and without the assistance of information technology. The latter are often described as 'external flexibility'.*

- <http://dSPACE.dial.pipex.com/town/parade/hg54/statuse.htm>



Flexible workforce

- *Governments worldwide are investigating ways of producing skilled, flexible workforces that facilitate economic competitiveness and high standards of living. Enterprises, regions, and countries are creating integrated workforce development strategies, across a number of policy areas.*

- OECD (2003). *Education Policy Analysis*. Retrieved 16 February from
- <http://www.oecd.org/dataoecd/13/34/199976192.pdf>



Work - Love

- *Sigmund Freud nominated work and love as the two essential ingredients of a happy and well-adjusted personality. Just as satisfaction in love requires work, so, in turn, we can argue that work satisfaction requires love of what we do in order for us to feel complete.*

- (Excerpt: Paul Stevens "The Search for Meaning in Work" AACC Journal, Vol 13 No 4 pp24)



Downsizing in Plain English

- *Sacked*
- *got rid of*
- *booted out*
- *kicked out*
- *shown the door*
- *Laid off terminated*
- *dismissed*
- *subtracted*



Some associated feelings and emotions

- *Down* *depressed* *not wanted*
wanted *useless* *suicidal*
- *failure* *don't 'fit in'* *demoted*
not part of team/society
- *bad provider/husband/wife*
untrained/skilled *not meeting standard/*
- *benchmarks* *non-achiever* *looser*



Knowledge Nomads and the Nervously Employed

- *Change Automation Technology
Industrial Relations Globalisation*
- *Prevailing reality of work:*



Knowledge Nomads and the Nervously Employed

- *No longer 'place-bound', 'time-bound' or delimited by clearly prescribed job descriptions and products; highly creative, independent and self directed worker have evolved into "Knowledge Nomads" – workers possessing the skills to continually innovate regardless of geographic location or time zone.*
- *These are candidates for **right sizing!***



War Stories

- This is where we share experiences



Why companies are down / right sizing:

Company restructure

- *Responding to market*
- *Stock exchange*
- *Supply/demand*
- *Economy (Recession)*
- *Internal*
- *External (War, Sanctions)*



Why companies are down / right sizing: continued.

- *Production/Profit increase*
- *Staff attrition*
- *TNA / ROI*
- *Creating a more friendly, happy workforce*
- *Vision/ Mission/ Value Statements*
- *Relevant changes to government policy and legislation*



Virgin Airline

- *Richard Branson: "More than any other element, fun is the secret of Virgin's success...For us our employees matter most. It just seems common sense to me that, if you start off with a happy, well motivated workforce, you're much more likely to have happy customers. And in due course the resulting profits will make your shareholders happy."*

- Branson, R. *Losing My Virginity*. Virgin Publishing (1998), pp. 431,444.



IBM UK's flexible working programme

- *(Including changes resulting from UK Family Friendly legislation effective 6 April 2003):*
 - *The right to apply for flexible working is open to parents who meet the following criteria:*
 - *He or she is an IBM employee, and:*
 - *Has a child under the age of six, or under eighteen where the child is disabled.*



IBM UK's flexible working programme

- *Has responsibility for the upbringing of the child and is making the application to enable them to care for the child.*
- *Is the mother, father, adopter, guardian or foster parent of the child or is married to, or the partner of the child's Mother, father, adopter, guardian or foster parent.*
- *Has worked continually for IBM for 26 weeks.*
- *Has not made another application for flexible working under the right during the last 12 months.*
 - Mullins, Laurie J. (2005). Management and organisational behaviour.
 - (Seventh edition), Prentice Hall: Essex pp.737



- *Women returning to workforce might only seek part time work or work from home, Single parents, Caring for elderly, Career Changers (p/t work and p/t study), Migrants, Widow(er), People with health issues, people close to retirement etc.*



Flexible working arrangements

- *Flexi time*
- *Staggered hours*
- *Time off in lieu*
- *Compressed working hours*
- *Shift swapping*
- *Self rostering*
- *Annual hours*
- *Job sharing*
- *Term-time working*
- *Work at or from home*
- *Teleworking or telecommuting*
- *Breaks from work*



Work / life balance

- *Work is an important ingredient of adult life, although a smaller portion of life is spent at work these days than in the past:*
- *“A person leaving school in the ‘30’s at 14 would have expected to work a 44-hour week until he was 65; if he lived on to 80 years, he would have spent just over 16% of his life span actually at work.*



Work / life balance

- *A generation ago a person might leave school at 15, work a 40-hour week until he was 65; if he lived to 80 years he would have applied just over 14% of his life to work. Today, a person might leave school at 18, go on to take a 4 year degree, start work at 22 and retire at 60; if he lives 80 years, he would have spent just 9% of his life at work". (Warren Mann, 1994)*



Work / life balance

- *Americans spend 40 % less time with their children today than in 1960, 72 minutes behind the wheel of a car daily, and a meagre half-hour per week making love (Honore, 2004).*



A Flexible Workforce

A new buzz-word in the Human Resources World is the "flexible worker". The organisation of the future, we are told, is neatly divided between core and contingent workers. The former is a few in number and nearly all "wunderkinds": MBA-certified, multi-lingual, computer wizz-kids who are simultaneously leaders and team-players, with global vision but who understand local markets, who maximise profit ethically etc.



A Flexible Workforce

- *Contingent workers on the other hand have one huge advantage: that is they are flexible... at least from the companies perspective. They may be part-timers, short contractors, interim managers, home-based teleworkers or outsourced suppliers. They may be relatively senior and experts in their area or they may be what some organisations call "casuals" ...and that is as much a reflection of their dress and attitude as their contractual arrangements.*



A Flexible Workforce

- *Companies see the advantages of these contingent workers. They are probably easier to hire and fire. Those who work from home don't have all the expensive overheads. Students, foreigners and others who are flexible may be less litigious and less aware of their rights and stifling, work-place legislation. Many are the minimal wage earner with minimal job satisfaction and possibly minimal motivation.*
- *It is not much fun being a flexible worker still less a teleworker. People on anti-social shifts of working from home can feel very isolated. They do not identify with the organisation... or feel very valued by them. They can feel used (and abused) and reciprocate the lack of trust.*



A Flexible Workforce

- *A flexible work contract can lead to a pretty uncommitted “psychological contract”. Just as adolescents often have short, stormy, ineffectual and volatile relationships so do flexible workers with their organisations. If you feel your company does not really care about or value you; it is pretty easy to reciprocate the sentiment*



A Flexible Workforce

- *Higher status flexible workers like inter-managers and out-sourced experts do fare better. Some like the early retired prefer the short-termness of flexible working. And some of them have the power to make sure the company is flexible for them. Indeed that is the nib: flexibility often means others accommodating to your needs.*

- *<http://www.strategic-dimensions.co.uk/en/1/af003.html>*



Benefits vs. Downsides (Organisation/Employer)

<i>Pro's (Benefits)</i>	<i>Con's (Downsides)</i>
<i>Decrease in HR cost</i>	<i>Attitude towards staff</i>
<i>Small team of 'experts'</i>	<i>Staff burn out</i>
<i>Industrial Relations</i>	<i>Ratio core/peripheral workers</i>
<i>Strong staff/customer relation</i>	<i>Higher expectations</i>
<i>Multi-skilled workforce</i>	<i>Pressure - competitiveness</i>
<i>Teamwork</i>	<i>Time factors</i>
<i>Specific training areas</i>	<i>Unemployment statistics</i>
<i>Happy workforce</i>	<i>Relationship Mgt/workers</i>
<i>Low turnover</i>	<i>Cohesiveness</i>



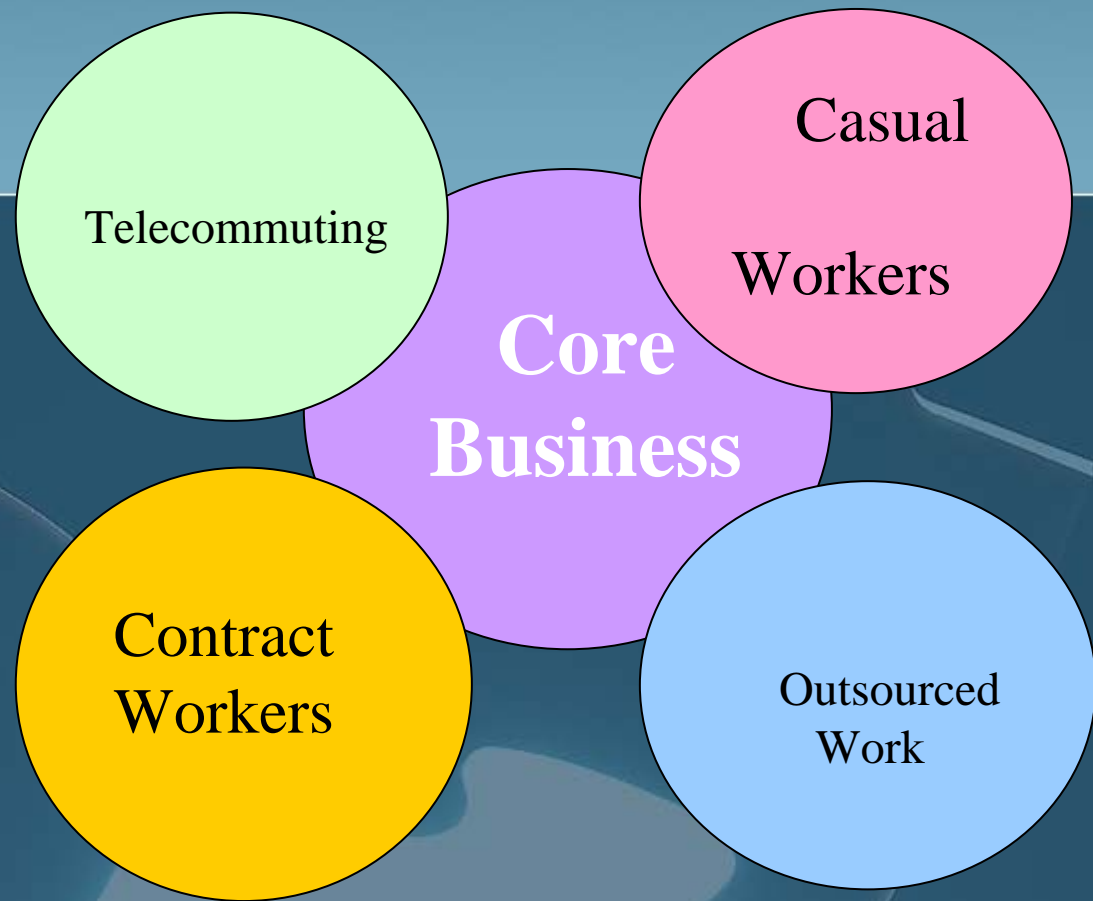
Benefits vs. Downsides (Employee)

<i>Pro's (Benefits)</i>	<i>Con's (Downsides)</i>
<i>More time for family</i>	<i>Less time with colleagues</i>
<i>Increase of other work choices</i>	<i>Teamwork</i>
<i>Time to (re)train, (re)educate</i>	<i>Promotion</i>
<i>Attend to health and spiritual needs</i>	<i>Access to training & Development</i>
<i>Overall increase in happiness</i>	<i>Latest technology</i>
<i>Less Stress</i>	<i>Demotion</i>
<i>Relief from achieving targets/outcomes</i>	<i>Reduced responsibilities</i>
<i>Choose hours</i>	<i>Commitment</i>
<i>Work/life balance / happiness</i>	<i>Motivation</i>

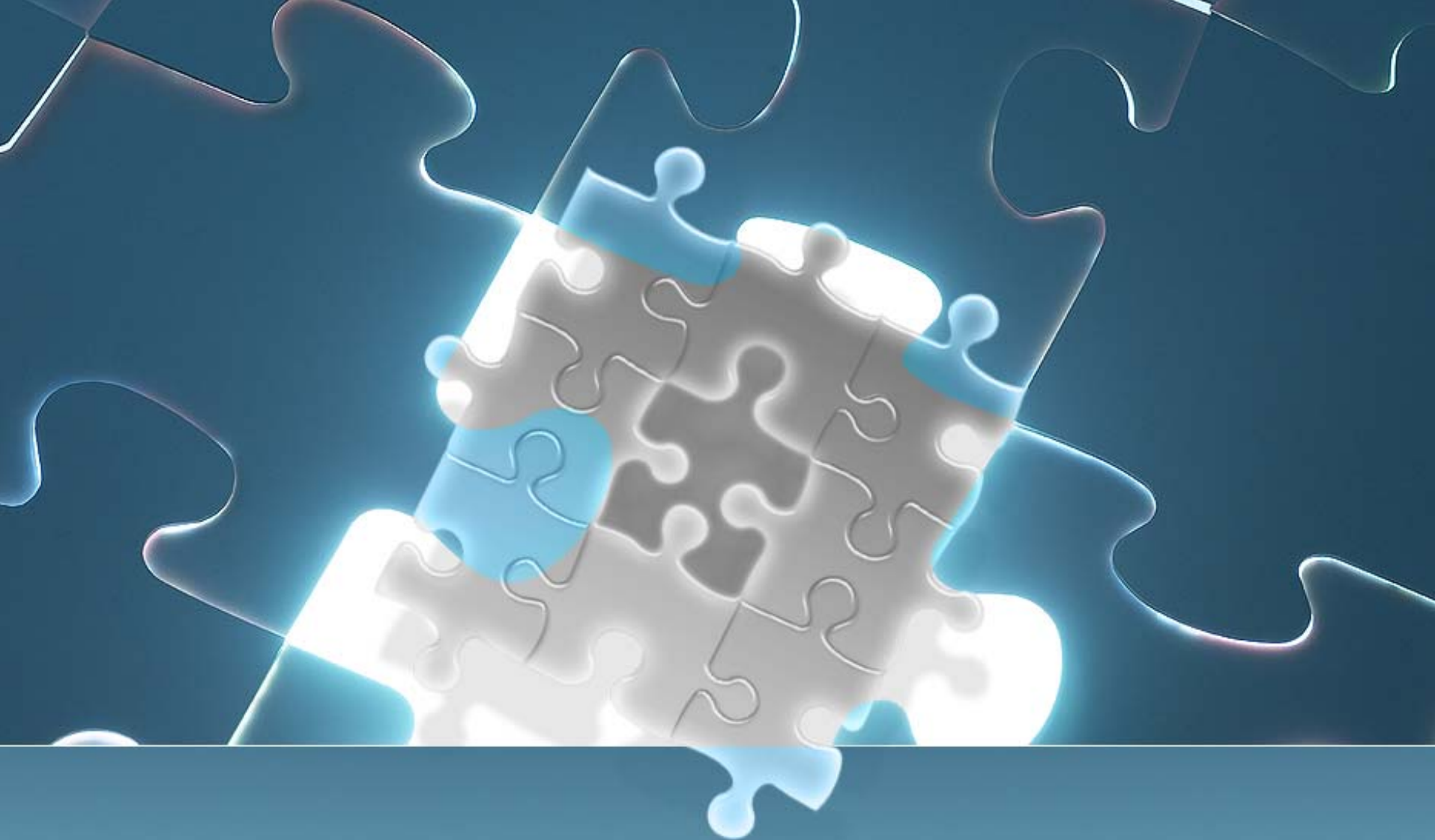


Workplace Changes and The future world of work

- **In this design, individuals and organizations stay connected as long as each one adds value to both.**



Source: Peggy Simonson, Head of Career Directions Inc. (USA) at a conference in Sydney in 1999.



Flexibility in the workplace part 2

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Getting your priorities right

- *Family*
- *Social*
- *Relationship*
- *Career*
- *Society*
- *Health*
- *Education and Training*
- *Time*
- *and SELF*



Workplace Relations Act 1996

- Important changes to the federal workplace relations system were introduced in the Workplace Relations Act 1996. One of the principal objects of the WR Act is to ensure that “the primary responsibility for determining matters affecting the relationship between employers and employees rests with the employer and employees at the workplace”.



Workplace relations in Australia

- The Government is continuing to pursue reforms designed to increase flexibility and choice for employers and employees in the workplace in order to increase Australia's economic growth and international competitiveness.

http://www.dfat.gov.au/facts/workplace_relations.html



Background

- Workplace relations in Australia is governed by both Federal and State legislation. At present there are six different workplace relations systems in Australia – one in each state (except Victoria) and the Federal system.



Background

- The Australian Government is in the process of establishing a national workplace relations system based on the corporations power in the Commonwealth Constitution..



Background

- A national workplace relations system could be more efficient and simpler to access and apply. The legislation was introduced into Parliament in November 2005 and the new system is expected to come into effect early in 2006.



Federal and State systems

- It is estimated that up to 85 per cent of all employees in Australia will be covered by the federal system after it has been re-based on the corporations power.

http://www.dfat.gov.au/facts/workplace_relations.html



Features of the Federal system

- Decentralised agreement making
- Under the WR Act, agreements may be negotiated collectively between employers and their employees, or between employers and unions. The WR Act also provides for Australian Workplace Agreements (AWAs) to be made between an employer and an individual employee. When negotiating an AWA, an employee may request a bargaining agent of their choice.



Features of the Federal system

- Apart from having to meet a minimum wages and conditions standard, established by a new independent statutory body, the Australian Fair Pay Commission, and by legislation, the content of the agreement is largely up to employees and employers.



Features of the Federal system

- Agreements have resulted in a wide range of flexibilities in work organisation and practice. These include:
 - variations to ordinary hours of work, supporting a better balance between work and personal life;
 - rationalisation of allowances;
 - more flexible remuneration arrangements; and a range of measures to improve productivity.



Features of the Federal system

- The number of enterprises choosing to enter into federally certified agreements is increasing. In 2003-2004 8709 agreements were lodged for certification, an increase from 7812 in the previous reporting period of 2002-2003.



Key features of Australian workplace agreements

- An Australian workplace agreement (AWA) is an individual agreement between an employer and an employee about the employee's wages and conditions of employment. AWAs may be negotiated collectively, but are required to be signed individually.



Key features of Australian workplace agreements

- An AWA must meet a range of criteria before it can be approved by the Employment Advocate, including that:
- it passes the no-disadvantage test, that is, its approval would not result, on balance, in a reduction in the overall terms and conditions of employment of the employee covered by the agreement when compared with the relevant award or designated laws;



Key features of Australian workplace agreements

- Provided that certain criteria are satisfied, the WR Act provides limited immunity from actions under statute or common law for industrial action and lockouts undertaken during bargaining for an AWA.
- During the term of an AWA, the AWA operates to the exclusion of any State award or State Agreement that would otherwise apply to the employee's employment.



Workplace Flexibility

- Workplace agreements are to facilitate fair and flexible arrangements that benefit both employers and employees and which are tailored to the needs of the workplace.

<http://www.dest.gov.au/Ministers/Media/Nelson/2003/09/n467220903.asp>



Workplace Flexibility

- Working arrangements and conditions of employment are to be tailored to the needs of the institution and its employees.
- Improvements to existing employment arrangements are to be linked to the business needs of the institution and/or improved productivity, particularly where existing arrangements are already in excess of community standards, eg. redundancy pay arrangements.
- Develop fair processes that enable timely decision making.
- Put in place flexible work arrangements which assist employees balance their work and personal life.



Workplace Flexibility

- To allow institutions and their employees to respond to changing circumstances, agreements, working arrangements and practices are to:
 - continue to promote flexibility and avoid excessive detail and prescription;
 - enable universities to deploy resources in the most efficient manner and not preclude particular forms of delivery;
 - progressively displace all previous agreements and relevant awards;
 - not place limitations or restrictions on the forms and mix of employment types, for example, limiting casual employment levels; and
 - reward high performance.

<http://www.dest.gov.au/Ministers/Media/Nelson/2003/09/n467220903.asp>



Direct Relationships with Employees

- The development of more direct employee-employer relationships is a central element of the Government's workplace relations policies. Consistent with this objective, higher education agreements and workplace arrangements and practices must not provide scope for the automatic involvement of third parties and must promote freedom of association.



Individual Arrangements

- The WR Act has as one of its principal objects the provision of choice for employees and employers regarding the most appropriate form of agreement for their particular circumstances. The preclusion of individual arrangements is contrary to that object and denies both employers and employees the capacity to tailor agreements to their particular needs. It also inhibits the development of a more direct employee-employer relationship.



Union position

- “New standards for workplace flexibility are required to prevent growing disadvantage and inequality of opportunity, security and income” says ACTU Secretary Greg Combet.
- New technologies and business practices have made jobs more interesting, challenging and rewarding for many people.

Source: ACTU News Workplace Change Demands New Standards - 10 June 2003



Union position

- The growth of part-time work has been beneficial to a lot of people and the flexibility of some casual work is convenient for those who, for example, are mixing work and study.

But there are considerable downsides to workplace change that warrant a new level of public debate.



Union position

- In the last 20 years, a large part of the risk associated with a more competitive and open business environment has been shifted directly onto employees through growing casualisation, contracting out and agency employment.

Source: ACTU News Workplace Change Demands New Standards - 10 June 2003



Union position

- Increasingly widespread job insecurity, the ongoing intensification of work, and falling employment standards are serious problems for millions of people.

Source: ACTU News Workplace Change Demands New Standards - 10 June 2003




- Despite the new possibilities of greater workplace flexibility, many employees feel they have little control over their working lives and are without real choices.

Source: ACTU News Workplace Change Demands New Standards - 10 June 2003



- Income inequality in Australia has increased despite a decade of sustained economic growth.
- There has been an explosion of wealth at the top end of the labour market, while middle income jobs declined.
- Most new jobs are low paid, part-time or casual.


Source: ACTU News Workplace Change Demands New Standards - 10 June 2003



disadvantage and inequality

- New standards for workplace flexibility are required to prevent growing disadvantage and inequality of opportunity, security and income.

Source: ACTU News Workplace Change Demands New Standards - 10 June 2003



disadvantage and inequality

- A few statistics tell the story: 90% of the new jobs created during the 1990s paid less than \$26,000 a year. Half paid less than \$15,600 a year. And low-paid work is not confined to students or young people - 70% of low-wage workers are aged 25 to 54.

Source: ACTU News Workplace Change Demands New Standards - 10 June 2003



disadvantage and inequality

- One million people earn less than \$15 an hour before tax. In many lower-income occupations, full-time jobs have shrunk to part-time positions. Under-employment means less money for day-to-day essentials, let alone the cost of maintaining a family.
- Many of these workers are also likely to be casuals, who now account for 27% of the workforce – a growing proportion of employees without basic entitlements like sick leave, holidays or redundancy pay. Half of casuals have worked in the same job for more than a year but still have no job security.

Source: ACTU News Workplace Change Demands New Standards - 10 June 2003



disadvantage and inequality

- Work has become more intense. Both full time and part time workers have experienced staff cuts, increased workloads, expanded responsibilities and an accelerated pace of work. One-third of all employees regularly work *unpaid* overtime.
- Source: ACTU News Workplace Change Demands New Standards - 10 June 2003
- The increased pressure means that meeting even basic family responsibilities such as picking up children or caring for a sick child is an employment problem for many working parents.



disadvantage and inequality

- When asked in surveys, around one-third of all workers say they want fewer hours, while one-quarter of part-timers would prefer full-time jobs. Two-thirds of casual employees would prefer more predictable patterns of work.

Source: ACTU News Workplace Change Demands New Standards - 10 June 2003

- The workplace challenges of the future demand a wide, national discussion. While there is no going back to the past, the trends of change raise fundamental questions about our values as a society. They will help determine the type of lives our children can expect.



disadvantage and inequality

- A central question in the debate is how to reconcile the legitimate aspirations of working people for security and better living standards with the legitimate commercial interests of employers competing in an open economy.



Workplace Changes and The future world of work

- *The emerging world of work may be summarized as one with:*
 - *Roles, not jobs*
 - *Teams and teamwork*
 - *A rapid speed of change*
 - *A global economy and multicultural work force*
 - *Parameters set by the worker who must think 'outside the square'*
 - *Life/work integration*



Workplace Changes and The future world of work

- *To facilitate change, educators and trainers have a mission to create a culture for lifelong learning, an educational environment that is fun, as well as challenging; an enterprising culture, a caring culture, and a culture that has a global outlook. Trainers must become leaders and inspire learners to take on the technological challenges of the future.*



Workplace Changes and The future world of work

- *Australians must look at their geographic location in the world. We have a responsibility to learn to communicate in our neighbours' languages. The potential to work anywhere in the world exists.*



Life stylers

- *“ I work to live, not live to work. I want to enjoy my work, but I also want the flexibility to pursue my life outside work”*
- *To what extent does this describe you?*



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- **ACTU News Workplace Change Demands New Standards - 10 June 2003**
- **Collective bargaining and flexibility: Australia**
- **by Nick Wailes & Russell D. Lansbury**
- ***NEW WORKPLACE RELATIONS REQUIREMENTS FOR UNIVERSITIES***
- **22 September, 2003 MIN 467/03**
- <http://www.flexibility.co.uk/issues/WLB/index.htm>