Appendix 2

Affirmative Action Reports: Latest Data

This appendix explores compliance by the private sector with each of the eight steps of an affirmative action program. The assessment is based on 2320 affirmative action reports: 718 from Band One (employers with 1000 or more people), 295 from Band Two (employers of 500 to 999 people) and 1307 from Band Three (employers of 100 to 499 people), submitted to the Affirmative Action Agency before 10 October 1991.

Graph A2.1 shows the distribution by industry of the reports received by the Agency. This distribution is similar to last year’s, with the majority of reports coming from the manufacturing sector.

Step One: Issue A Policy Statement

Eighty-eight per cent of private sector employers issued a policy statement on affirmative action. This was a significant increase on last year’s figures. Compliance with this step varied according to the size of the company. Employers with 1000 or more people recorded the highest rate of compliance, 94 per cent, while those employing between 100 and 499 staff (Band Three) had the lowest rate, 84 per cent.

There was also some variation among industry sectors, with agricultural firms registering the lowest rate of compliance.

Employers used a range of methods to distribute their policy statements. These included newsletters, posters prominently displayed on noticeboards, memos attached to pay slips, and information sessions during induction workshops or other training programs.

In addition, some companies used their policy statements to raise awareness of affirmative action issues. A few of the larger companies who were reporting to the Agency for the fourth time substantially revised their policy statements as a means of reorienting their affirmative action programs. This included circulating a draft statement to staff asking for suggestions and amendments.

Step Two: Appoint A Co-ordinator

As in previous years, there was a high level of compliance with this step - 98 per cent in Bands One and Two and 95 per cent in Band Three. However, the Agency is concerned that a few companies reported that the impact of the recession had resulted in a withdrawal of some resources from the person with responsibility for affirmative action. The Agency believes that appropriate resources should be allocated to ensure that she or he can effectively co-ordinate this work.

Good reports were characterised by clear statements of the aims, role and strategies of the affirmative action co-ordinator. Several initiatives stood out:

- One company consults and liaises with the affirmative action co-ordinator whenever matters of company policy formation and implementation arise.
- In another company the general manager monitors affirmative action through weekly statistical reports and daily meetings with senior managers.
• One company dealt effectively with the issue of geographically diverse branches by having the affirmative action co-ordinator as the central reference point for comments, training and advice, while nominating branch managers as the people responsible on a day-to-day basis. It is this company's policy that all levels of management must support affirmative action initiatives.

Step Three: Consult With Trade Unions

Only 44 per cent of companies indicated that they had consulted with all or some trade unions that were affected by the affirmative action program. This is a slight decrease on last year's compliance rate.

Compliance with this step varied according to size. Fifty-two per cent of companies employing more than 1000 staff consulted with some or all of the trade unions operating in their workplace, while only 38 per cent of companies employing between 100 and 499 staff carried out this step.

Some companies said they did not consult trade unions because their union membership was too small or that only men were union members. This is not in accordance with the Act which requires employers to consult with trade unions which have members employed by the company.

Responses to this step ranged in quality. Better reports were characterised by information on the type of processes or structures that had been put in place, how regularly consultations were held, who had been involved in the consultative process and the results of the consultations.

One company provided a good example of aspects of this approach. A committee consisting of union, employee and management representatives that examines a range of issues around enhancing industry productivity is also responsible for affirmative action consultation. This ensures that issues such as award restructuring or employee development are discussed in the context of affirmative action.

The company also issued each union with a copy of the annual affirmative action report. Each union was invited to attend a formal presentation of that report and offer any comments.

In addition, ongoing discussion takes place around issues such as an industry study on child care, representation at school or university forums and complaints relating to sexual harassment and sex discrimination.

Another company reported that an increase in female apprenticeships in fitting and machining had occurred through union consultation and negotiation.

Step Four: Consult With Employees

As in other years most employers complied with this step. Band One had an 82 per cent compliance rate, Band Two 71 per cent and Band Three 70 per cent. Variation in compliance levels also occurred according to industry sector. The finance, and retail and wholesale industries had a lower rate of compliance, 64 per cent and 68 per cent respectively, while manufacturing industries recorded 78 per cent compliance.

In addition, 72 per cent of employers indicated that they had especially consulted with women employees.

A range of methods was used by companies to raise awareness of affirmative action issues and to ascertain the opinions of employees as to the effectiveness or otherwise of programs. A number of companies stated that the inclusion of an affirmative action component in training programs, particularly management training, had assisted the consultation process. Other companies used consultative meetings or surveys to discuss the
future direction of their programs. They reported that this had provided them with useful feedback on weak areas of their programs and had confirmed areas of strength.

Specific initiatives included:

- One company targeted women with family responsibilities to determine whether any barriers and biases existed which prevent career progression. A number of constructive suggestions arose from these discussions which fed into the personnel policies and practices area.
- Another company formed an affirmative action committee representing all areas of the organisation. It met on a regular basis to organise and set objectives and to establish a framework and timetable. It now meets to evaluate and revise existing programs and arranges educational sessions around issues of equal opportunity and sexual harassment.

Step Five: Establish and Analyse Employment Profile

Ninety-nine per cent of all reporting organisations supplied employment data as required by the Act. Most were able to classify their employees using the Australian Standard Classification of Occupations (ASCO).

A number of companies mentioned that the recession had negatively impacted on their ability to make significant changes to their employment profile. Some companies had responded to this situation by placing increased emphasis on training existing female staff, particularly providing career planning.

Some key initiatives in this step included:

- Many companies used the analysis of their employment profiles to identify and target specific problem areas, for example, under-representation of women in the plant and machinery operators/drivers category. Objectives and forward estimates were then devised to improve this gender imbalance in the workforce.
- One company used the analysis of the employment data to inform discussions on award restructuring.
- Some of the larger companies compared their employment profiles over previous years to establish any apparent trends. The more detailed analyses included a breakdown of applications received and appointments made. Some noted that significant changes had occurred in otherwise male-dominated employment categories.

Step Six: Review Personnel Policies and Practices

By far the majority of companies, 83 per cent, indicated that they had examined their employment policies and practices as required under the Act. This represents an increase over last year when 72 per cent of companies complied with this step. Compliance was highest in companies employing more than 1000 staff.

The finance and manufacturing sectors indicated the highest compliance with this aspect of an affirmative action program. Of these companies, 86 per cent indicated that a review had been undertaken. The lowest rate of compliance was in the community services sector where compliance was 73 per cent.

As was the case last year, the most commonly reviewed area was recruitment and selection, followed by training and development.

Step Six is intended to identify instances of discrimination against women or lack of equality of opportunity for women. Some noteworthy initiatives included in reports this year were:

- One Band Three company undertook an examination of the process of training needs identification. One of the aims of this review was to highlight any indirect
Step Seven: Set Objectives and Forward Estimates

Overall, 72 per cent of companies indicated that they had set objectives for their affirmative action programs. However, only 38 per cent had set forward estimates. A significantly higher percentage of companies set objectives this year when compared to 65 per cent last year.

The low level of compliance with the requirement to set forward estimates indicated a continuing misunderstanding about the place of such targets in an affirmative action program. The setting of forward estimates is a natural progression in any planning process and allows a company to monitor their own progress in implementing affirmative action. This process is not about quotas and it in no way contradicts the underlying principle of merit discussed in the Act.

Despite this confusion several companies demonstrated a keen appreciation of the importance of objectives and forward estimates in an affirmative action plan. Their reports were characterised by the following features:

- a clear link between objectives and other aspects of the program, particularly the review of personnel policies and practices
- realistic forward estimates established, often as a time limit for achieving objectives
- detailed strategies for tackling problems had been developed
- responsibility for achieving objectives was clear and appropriate, and
- a system for monitoring and evaluating progress against objectives had been put in place.

Some companies provided progress reports on the achievement of their objectives and forward estimates. Where the objectives were aimed at long term or incremental improvements these companies often chose to restate their objectives, update their forward estimates and report on observed trends.

Step Eight: Monitor and Evaluate the Program

Overall, 75 per cent of companies reported the establishment of monitoring procedures, while 57 per cent indicated that evaluation procedures were also in place. Considerably more Band Three companies complied with the monitoring and evaluation requirement this year than in the previous year, 68 per cent as compared with 52 per cent. This is consistent with the Agency's expectations that the implementation of an affirmative action program can be phased in over two or three years.

As in previous years there was some confusion about the relationship between Step Seven and Step Eight. The Agency considers that monitoring and evaluation of an affirmative action program is more effective if the objectives and forward estimates set up in the program are used as the basis for the review.
One Band Two employer provided a "progress report" on their program which outlined the monitoring and evaluation steps taken to assess each of the set objectives. Their progress report clearly indicated who was responsible for monitoring achievement of objectives and what the most appropriate evaluation strategies were.

Many more Band Three companies than last year have now begun the process of introducing monitoring and evaluation procedures for assessing their affirmative action programs. The Agency expects that this trend will continue next year.

Summary

One of the significant trends in the 1990-1991 reports was the increased compliance, across all steps, by companies employing between 100 and 499 employees (Band Three). This is encouraging, especially when considering the impact of the recession, and points to continued program development.

Another positive indication of program implementation was the increased number of companies that had set objectives for their affirmative action programs. Objectives are an important planning tool and vital to the success of any program. They allow organisations to have a clear idea on where their program is heading.

However, there still seems to be some misunderstanding about the purpose of forward estimates and their relationship to objectives. Forward estimates should be linked to objectives, for example, as target dates for completion of objectives, and/or as estimated numerical improvements that should occur as a result of the objectives and strategies being implemented. Forward estimates provide companies with the tools to monitor whether the objectives set are being achieved.

Another area of concern for the Agency is that many companies do not see the importance of consulting with trade unions that have members among their workforce (Step Three). The overall compliance rate for this step was 4 per cent less than last year. This was mainly due to Band One companies which had a compliance rate of 60 per cent last year, but only 52 per cent this year.

Consultation with trade unions is of critical importance in the present rapidly changing industrial environment. Changes to the way work is organised can affect equal employment opportunities for women and can undermine affirmative action programs. It is therefore essential that affirmative action programs be seen as an integral part of industrial initiatives, such as award restructuring. Regular consultation with trade unions assists this process and safeguards the inclusion of affirmative action considerations within the industrial context.

In light of the relatively poor rates of compliance with these steps, the Agency is planning to provide special advice to those employers who indicate they have difficulty with the setting of forward estimates and will maintain liaison with peak trade union bodies, such as the ACTU. These issues will also be matters of consideration for the review of the effectiveness of the Affirmative Action Act.

REFERENCES