Chapter 3

Integrating EEO and Employee Relations

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Three changes in the 1980s highlighted the need to put EEO on centre stage instead of in the drawer.

First, there was a further shift towards reliance on the service sector of the economy. Second, there was the increased participation by women in the labour market generally and their almost exclusive contribution to the growth in part-time employment and third, there was increased attention paid to skills shortages, particularly in management, through our increased exposure to international competition. These changes have contributed to some significant shifts in EEO emphasis in Australia, as in most other countries.

Influenced by the economic environment, there is a distinct shift from just seeing EEO and affirmative action as “nice to do” or as social justice/equity considerations, to seeing them as matters which also impact on business and community prosperity. A firm, and indeed a country, cannot seriously talk about higher labour productivity while it is shackling the performance of its women workers and managers. The shift then is from accusations of wrongdoing to strategic planning for equitable employment practices.

Equality of Process

While we still have employers who protest to the Government’s Affirmative Action Agency each year that they do not need to “do” affirmative action because half their workforce happens to be women, there is a shift from a preoccupation with equality of outcome to equality of process. Once this shift begins, it inevitably places increased emphasis on indirect discrimination.

Despite concerted efforts by governments and employers over recent years, the low level of women in technical and technological employment remains a matter of concern. There is now considerable agreement amongst decision makers that women’s talents have been squandered, hindering economic development. Many argue that the absence of women from so-called non-traditional areas is no longer a women’s issue, it’s one of central political and economic importance (Byrne 1990).

There is a shift from examining the outcomes to exploring how systems fail girls and women; a shift from “blame the system” to “change the system”. One of the most obvious “systems” issues is child care. If women are to have the opportunity for productive participation in the paid labour market, then an affordable range of childcare services is needed. Similarly, flexible employment contracts and conditions of employment are critical.

Changing Family Unit

There is also a shift from the mode of fitting women into male structures to the incorporation of gender issues into basic research and policy. For example, most personnel practices in Australia have been predicated on the notion of a Caucasian male breadwinner with a dependent spouse and children. One of the repercussions, embedded in human resource policy and company culture, is a sharp dividing line between work life and family life. Yet that particular family formation now constitutes a minority group.

The majority of family formations in Australia now comprise either single parents (nearly all headed by women) or dual income earner families, with or without children. So, for example, relocation policies which assume employees will automatically accept a relocation offer, are doomed to failure. They need to take account of the fact that the employee is not just an employee, she or he is also a member of a family with perhaps spouse, children, elderly parents or dual income to consider. The concept of “fitting women in” to existing structures was a feature of the early EEO developments in Australia. A case of, add women and stir.

The public debate about whether or not women “should” participate in the paid labour market has ceased. This is the first economic downturn in recent history where there have not been calls for women to go home and make way for men’s employment.

Another important shift has been the interlinking or clustering of issues. This is reflected in attention to work and family issues. Once women, and specifically daughters of elderly parents and mothers of dependent children, return to work in significant numbers, flexibility in working time arrangements, child care and the like, are no longer women’s issues. They are issues that impact on men too. Beyond that, company interventions need to be multiple and central, not single and peripheral. Depending on a company’s circumstances, this cluster approach might include the introduction of part-time employment, job-share
opportunities, more flexible leave policies, career-break schemes for new parents, provision of some form of childcare assistance, flexible remuneration policies and specific recruitment programs targeting women re-entering the paid workforce.

This is not to suggest that these shifts are occurring evenly across, or even within, organisations or industry sectors. Neither is the business of women in organisations always addressed under the rubric of EEO. There are certain common characteristics which seem to be present in those organisations demonstrating best practice in EEO in Australia and other countries. These enterprises are tackling the related areas of specific inequities, flexible employment practices and corporate culture.

Best practice organisations are generally in highly competitive environments — both in terms of product and labour market — and are acutely aware of this. Most operate in the service economy, and they espouse values which indicate a blurring of the historical dividing line between capital and labour. Moreover, they reflect a strategic approach to workforce planning, and affirmative action and EEO, employee relations, performance appraisal, managing diversity and remuneration, programs are integrated, or at least complementary.

Best Practice

Most "best practice" companies also have a cluster of programs that are EEO related. The company culture is recognised as central to EEO solutions. These programs are not "owned" by employee relations/human resources people. They have been "bought" by the line with direction and encouragement from the chief executive officer and human resource experts. Finally, these companies understand that people need flexibility at work but they also recognise that everyone does not need the same kind of flexibility.

Director of the Affirmative Action Agency, Valerie Pratt, has referred to the concept of "benchmarks" for best practice in organisations. I would like to look briefly at examples of companies which are in some way leaders in the meshing of EEO and employee relations. It is interesting to look at espoused company values. Consider these statements, most of which are derived from research to be published by the Council of Equal Opportunity in Employment in its series Families at Work.

Travelers Corporation in the U.S. is a leading commercial insurer. Their Chair and Chief Executive officer, Edward H. Budd, has publicly stated: "We believe family-care information programs increase employee productivity, contribute to good morale and help us attract and retain the best people. Recognising employee care-giving responsibilities makes good business sense." Travelers’ programs include extended family leave, childcare and elder-care subsidies and information referral systems on care-giving responsibilities.

In the U.K., BP Plc under Chairman Robert Horton has developed a vision and value statement which is the basis for a massive change process in the organisation. BP’s stated values in respect of their employees are "for every employee our values mean a trusting, equal opportunity, non-discriminatory working environment. Our company offers challenging and exciting work. We will vigorously promote career development and we will aim to offer all employees a challenging career. We will seek to recognise both individual contribution and collective teamwork. We encourage our employees to strike a balance between their responsibilities to BP and to their home life."

Du Pont has developed a mission statement that commits it, in part, to "making changes in the workplace and fostering changes in the community that are sensitive to the changing family unit and the increasingly diverse workforce".

Workforce Planning

The mix of employment conditions and employment contracts developed in a company should reflect the needs of the business, both in terms of the quantity and quality of labour. The following are examples of workforce analysis as a policy planning tool. First, Pacific Brands, a division of Pacific Dunlop, undertook absence surveys in their Hollandia and Adidas factories. They discovered that the main reasons for absence other than illness were because the children were sick or for reasons of home maintenance (waiting for the plumber). Pacific Brands' business objectives were to reduce the costs of absenteeism ($36 million in 1987-88) and to build commitment in the workplace. They embarked on a series of complementary initiatives which have led to a sharp fall in absenteeism.

Recognising Relationships

Part of the reason their initiatives have been highly successful in all business units was because the company was clear that there was a relationship between the individual worker and organisational performance and that both are inextricable from workers’ external responsibilities.
Comalco Mineral Products (CMP), operating in a remote location decided to explore how to better utilise more of the external labour supply. They conducted a survey in the community of individuals with prime family responsibility (100 per cent respondents were female). Of the 61.36 per cent who said they would like to work outside the home, 40 per cent said the lack of part-time employment was a key factor. As a result of the survey, CMP varied the relevant Award (Aluminium Industry [Comalco Aluminium Ltd: Wetpa] Award 1982) to reduce the minimum number of hours a part-timer can work from 20 hours to 7.8 hours and extended the availability of part-time employment to all Award employees on site. They also reached agreements on job sharing. Both of these examples reflect an understanding of the changes in the circumstances and composition of the workforce.

Employment Practices

The finance sector in Australia is showing strong leadership in the development of competitive employment practices. The National Australia Bank and the Commonwealth Banking Corporation have both followed U.K. precedent by establishing career break schemes. Most of the large finance institutions are extending part-time provisions beyond base grade employees and they are developing more flexible parental leave. There are more and more companies interested in integrating women into their workforces. Up until now, this has basically been done by either promoting the career mobility of women or by assisting employees manage job and family responsibilities. In both these areas, there is still a great deal of work to be done.

Managing Diversity

The next stage in the evolution of EEO and employee relations which is just beginning to happen in a handful of Australian businesses is even more exciting. Generally, taking their cues from disillusioned senior women, these companies are beginning to explore those informal rules which are infinitely more powerful than written policies — the rules which say commits employees work weekends, take bulging briefcases home, are always available for overtime and return to the office after a late afternoon plane flight. In the U.S., these issues are commonly addressed under the theme of Managing Diversity. R. Roosevelt Thomas (Beyond Race and Gender) describes this in terms of corporate “meritocracy”, in which individuals advance through task merit, cultural merit and political merit. A person can excel at tasks, but be overlooked for promotion because they do not fit the cultural mould or because they lack political backing, usually because they are different in some way. The way in which each company challenges these time-honoured traditions in an ever more demanding environment will make for some interesting case studies.

Conclusion

EEO has evolved considerably in Australia in a comparatively short period. It has become clear that to achieve equal opportunity in a workplace means going beyond addressing specific inequities. It can really only be achieved if a cluster of related employee relations issues are addressed, issues which impact on all employees, and which should be addressed in an integrated way. These issues include work and family, flexible working conditions, dealing with diversity, employee health care and workforce planning.

Whether a company tackles these issues under EEO or employee relations or affirmative action or work and family does not matter. What is apparent in exemplary companies is that the tools of statistical analysis, target setting (as in the affirmative action report) and external comparisons are used to the company’s advantage. Furthermore, EEO and affirmative action principles inform these processes. Exemplary EEO and employee relations practice gets the “big picture” right. Statistical analysis looks at the existing and the potential workforce which is then compared across the industry and with broader population statistics.

EEO program targets reflect not only internal benchmarks for performance; they draw on best practice elsewhere in the country and overseas. Employee relations and EEO policies which are based on internal comparisons only, and the conventional wisdom about what it takes to keep your workforce happy and therefore productive are inadequately anchored. The 1990s will be a sellers’ market for skilled and talented people. The organisations which excel in employment practices will have a competitive edge in the labour market place. Demonstrably fair, innovative and market sensitive employment practices are, as those companies that have them can attest, a positive, productive and low-cost way of promoting a caring image to the community at large, and shareholders and customers in particular.