Mind the gap: Australia: Employee perspective

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This report covers eight dimensions of quality employment in Australia from the employee perspective. The data was collected using the Australian Bureau of Statistics, Household, Income and Labour Dynamics in Australia survey and the Australian Government websites.

Tia Di Biase and Philip Taylor

INTRODUCTION

Organizations that want to remain employers-of-choice must periodically assess how shifts in the business environment might affect the effectiveness of their talent management strategies, policies and programs. Globalization and changes in the age composition of the workforce - two important 21st century trends that have affect today’s businesses - make it important for managers to consider:

- How does age affect employees’ preferences for an idealized job and their assessments of their employment experiences?
- Do employees’ perceptions of their employment experiences vary from country to country?

What does “mind the gap” mean?

Train stations across England play recorded messages to remind passengers that they should “Mind the Gap.” These words of caution urge train travelers to pay attention to the space between the door of the train car and the platform in the station for safe commutes and travels.

For this series of our research publications, we have adopted the phase, “Mind the Gap.” The Mind the Gap series aim to remind employers to pay attention to any gaps that might exist between employees’ priorities and need and employers’ allocation of workplace-based resources. Our Mind the Gap papers also aim to help our readers to such gaps in quality of employment in other country contexts.
The Sloan Center on Aging & Work in Boston, in collaboration with the Middlesex University Business School in London, created the Mind the Gap series to provide employers with basic employment-related information country-by-country. There are two types of papers in the Mind the Gap series.

Employee Series: This series examines the perspectives that adults of different ages have about employment and the assessments that they make about their employment experiences. These papers focus on one central question: Does age affect employees’ preferences for an idealized job and their assessments of their employment experiences?

Employer Series: This series examines the prevalence of human resource policies and programs at workplaces in a selected country. Because most talent-management strategies and programs are age-neutral, we compare the availability of selected human resource policies in practices in the targeted country with the availability of similar policies and practices in a small number of countries with approximate economic circumstances. These papers focus on one core question: How does the availability of human resource policies and programs in the targeted country compare with other countries?

Although papers in both series focus on a single country, when the information contained in two or more papers are considered in tandem, it is possible to consider whether employees’ perceptions of their employment experiences vary from country to country.

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Quality of Employment: Dimensions of a “Good Job” and a “Good Place to Work”

Most people would agree that “good jobs” are a “good thing.” High quality jobs offer benefits to employees and to the organizations where they work.

- Benefits for Employees: The quality of employment affects the health and well-being of employees. Research confirms that poor quality job (such as jobs requiring extreme work hours, jobs that are very demanding – particularly those where employees do not have access to the resources they need to meet those demands) are associated with negative outcomes, including high stress levels and physiological reactions such cardio-vascular problems.¹

- Benefits for Employers: Employers often connect the quality of employment they offer to employees to their employer-of-choice strategies. There is some evidence that the adoption of policies and practices that promote the quality of employment available to employees is related to positive outcomes for organizations, such as customer satisfaction and organizational performance.² Employer-of-choice strategies can result in enhanced employee engagement which, in turn, can be linked to organizational outcomes, including financial measures. For example, higher employee engagement can reduce costs such as those associated with unwanted turnover. One study found that 59% of highly engaged employees report that they intend to stay with their employers in comparison to the 24% of disengaged employees who “intend to stay.”³ A number of studies have linked employee job satisfaction with positive performance indicators. Fortune reports positive relationships between being recognized as a “great place to work” and stock indices.⁴, ⁵

In this paper, we focus on eight important dimensions of the quality of employment:

- Fair, Attractive, and Competitive Compensation & Benefits
- Opportunities for Development, Learning & Advancement
- Wellness, Health & Safety Protections
- Opportunities for Meaningful Work
- Provisions for Employment Security & Predictabilities
- Workplace Flexibility
- Culture of Respect, Inclusion & Equity
- Promotion of Constructive Relationships at the Workplace

The following sections of this paper use the quality of employment framework as a structure to discuss the perspectives of employees about their employment situations.
QUALITY EMPLOYMENT IN AUSTRALIA:

I. Indicators of Fair, Attractive, and Competitive Compensation & Benefits

- Compensation and benefits are distributed in a fair and equitable manner, meeting most of employees’ basic economic needs.

- In the Australian Public Service employee survey, 50% of respondents (n = 9078, response rate = 65%) attribute ‘salary’ as one of the five most important contributors to job satisfaction. Among these respondents, 60% were satisfied or very satisfied with their salary in 2008.\(^6\)

- In August 2008, the average weekly cash earnings for all Australian employees was $957.90 AUD with higher earnings for those in the public sector ($1106.90 AUD) than the private sector ($922.40 AUD).\(^7\)

- In 2008, the occupation level with the highest rate of employees entitled to paid leave was managers (94.8%), with professionals following closely behind (90.9%). Laborers were much less likely to receive paid leave entitlements, with just over half reporting that this was available (56.3%).\(^8\)

- The industry most likely to support paid leave entitlements was financial and insurance services (94.8%), followed by electricity, gas and water services (93.8%). Accommodation and food services were the least likely to support paid leave entitlements (34.8%).\(^8\)

- Full-time workers (70.7%) were considerably more likely to receive paid leave entitlements than part-time workers (29.3%).\(^8\)

- Highly skilled occupations show the greatest prevalence of paid maternity leave, with managers and administrators most likely to be able to access it (69%) and elementary clerical, sales, and service workers (including laborers and related workers) having far less access (20%).\(^8\)

- According to the Household, Income and Labour Dynamics in Australia (HILDA) Survey results in 2005, females had the choice to take up to 52 weeks of unpaid maternity leave while males were only entitled to one week within a week of their child’s birth. According to Australian standards, males could be granted the same 52 weeks of unpaid entitlements if they were the primary care giver. However, this differs with each employer.\(^9\)

- From 1982 until 2005, there was a clear upward trend of around 20% for men and women to exercise formal parental leave. However, many women are not entitled to paid maternity leave which has resulted in women returning to work earlier due to loss of income.\(^9\)

- In Australia, as elsewhere, there is a now a public policy focus on decreasing welfare dependency. In this regard, data show that 58.4% of retirement age households, 38.7% of lone mother households, and 6% of couple households are reliant on government income.\(^9\)
Overall, three quarters (75.5%) of employees were entitled to paid holiday leave in 2008 while just over two-thirds (69%) were entitled to paid long service leave. In 2008, 44% of all employees were entitled to paid maternity/paternity leave, with this somewhat more likely to be available to women. 45.0% of females were entitled to paid maternity leave in.

II. Indicators of Opportunities for Development, Learning & Advancement

- In the Australian Public Service employee survey of 2008, 31% of respondents (n = 9,078, response rate = 65%) believed that ‘opportunities to develop my skills’ was one of the five most important contributors to job satisfaction. Among these respondents, 61% were satisfied or very satisfied with the opportunities to develop their skills.  

- According to the Australian Bureau of Statistics, 55% of full-time employees and 41% of part-time employees had completed at least one work-related course in 2005. 

- When including those who are ‘marginally attached to the labour force,’ 48% of employees aged 15 to 69 completed at least one work-related course in 2005. This number has risen substantially, up from 30% in 1993. 

- The median increase in annual earnings for full-time working men who participated in skills related job training in 2003 to 2004 was 13.6% as opposed to 12.0% for those who did not participate in such training. In contrast, skills related training did not seem to affect women’s annual income.

Figure 2: Aims of Job Training – by Gender (% of total workforce who undertook training)

Among the respondents of the HILDA survey, three quarters (73.2%) of respondents considered ‘improving skills in current job’ as the main reason for engaging in training. This was followed by those who deemed ‘maintaining or meeting professional standards’ (58.2%) and ‘general skills’ (53.2%) to be the main reasons.

III. Indicators of Wellness, Health & Safety Protections

- Well-being is promoted through workplace policies, and social protections are offered in case of illness.

- In the Australian Public Service employee survey, almost three quarters (71%) of respondents (n = 9,078, response rate = 65%) in 2008 were satisfied or very satisfied with their work-life balance.\(^5\)

- 75.6% of employees were entitled to paid sick leave (males = 79.4%, females = 71.6%) in 2008.\(^8\)

- 80% of mature age workers had a chronic health condition as opposed to 90% of the non-working mature age population.\(^11\)

- According to older workers aged 45 to 74 years, 40% claimed that retirement was greatly influenced by personal health or physical abilities. However, financial security was somewhat more influential in the retirement decision (42%).\(^11\)

- 19% of the older population who wanted to be in the labor force but were not reported ‘own long term ill health or disability’ as the primary reason for not actively seeking work.\(^11\)

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Tradepersons and related workers (aged 45 to 74 years) have the highest rate of National Health Priority Area (NHPA) conditions (83.6%). NHPA conditions include arthritis or osteoporosis, asthma, cancer, cardiovascular disease, diabetes, injury, mental health and obesity.

Source: Australian Bureau of Statistics. (2008).\(^11\)
IV. Indicators of Opportunities for Meaningful Work

- **Opportunities for meaningful and fulfilling work are available.**

  - In the Australian Public Service employee survey, 28% of respondents (n = 9,078, response rate = 65%) attributed the ‘chance to make a useful contribution to society’ as one of the most important contributors to job satisfaction. Among these respondents, more than three quarters (79%) were satisfied or very satisfied with the ‘chance to make a useful contribution to society’ in 2008.\(^6\)

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Figure 4: Level of Satisfaction - by Category

76% of employees who responded to the Australian Public Service survey claimed that they were satisfied or very satisfied with seeing tangible results from their work.

Source: Australian Public Survey Commission, (2008).\(^6\)
V. Indicators of Provisions for Employment Security & Predictabilities

- In the Australian Public Service employee survey, two fifths of respondents (41%) (n = 9,078, response rate = 65%) classified ‘job security’ as an important factor in attracting them to a job.\(^6\)

- Even though perceived job security had increased in 2005, casualization of the workforce appears to be a contributor to the existing job insecurity. Casual workers have increased from 13% of the workforce in 1990 to 25% in 2004 for males and from 28% to 31% among females. This is usually due to employees sacrificing leave entitlements and permanence for higher pay.\(^12\)

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Figure 5: Self Assessed Chance of Losing Job in the Next Twelve Months – by Age

As shown in Figure 5, self-reported job security increased over the period from 2001 to 2005.

Source: Australian Public Survey Commission, (2008).\(^6\)
VI. Indicators of Workplace Flexibility

- Options, choice, and control over work conditions and hours are available.

- In the Australian Public Service employee survey, approximately half (52%) of respondents (n = 9,078, response rate = 65%) viewed ‘flexible work arrangements’ as one of the five most important contributors in job satisfaction. Among these respondents, 86% were satisfied or very satisfied with their flexible work arrangements.⁶

- According to the longitudinal HILDA survey, 43% of women working full-time who preferred fewer hours of work in 2001, still preferred fewer work hours in 2005. For men, 42% who were working full-time and preferred their current hours in 2001 still preferred their current hours in 2005.⁹

- In 2007, casual employees were less likely to have flexible work arrangements. 30% of casual employees had the opportunity to work more hours in order to enable them to take time off, compared with 52% of employees with leave entitlements. Furthermore, those with leave entitlements were more likely to have the ability to choose when they preferred to take holidays (89%) as opposed to 77% of casual employees.¹³

- However, casual employees (40%) and those with leave entitlements (43%) were almost equally likely to be able to choose their start and finish times. Among such employees, 65% claimed that they were able to choose their start and finish times on a day-to-day basis, somewhat less than those with paid leave entitlements (74%). By contrast, 54% of part-time employees were able to choose days of work as opposed to 25% of full-time employees.¹³

- In 2007, those most likely to ‘have a say in start and finish times’ (68%) and ‘some say in days worked’ (66.7%) were working in ‘professional, scientific, and technical services.’ Employees within the ‘financial and insurance service’ industry without paid leave entitlements are given greater flexibility when choosing their holiday times (88.9%) when compared with other employees without paid leave entitlements.¹³

- For those with leave entitlements, employees in ‘electricity, gas, water and waste services’ were the most likely to ‘have some say in start and finish times’ (59.9%) and ‘work extra hours to take time off’ (65.8%). Similarly to those without leave entitlements, employees with leave entitlements who were most likely to be able to choose when to take holiday leave were those working in ‘financial and insurance services’ (98.1%).¹³
Figure 6a-d shows the working arrangements for employees without paid leave entitlements. The categories refer to what employees have some say in.

**Figure 6a:** Working Arrangements for Those Without Paid Leave Entitlements

**Start and Finish Times**

- Clerical and Administrative Workers: 58.3%
- Community and Personal Service Workers: 37.1%
- Laborers: 18.9%
- Machinery Operators and Drivers: 19.4%
- Managers: 45.3%
- Professionals: 48.3%
- Sales Workers: 42.0%
- Technicians and Trades Workers: 34.1%


**Figure 6b:** Working Arrangements for Those Without Paid Leave Entitlements

**Holiday Leave**

- Clerical and Administrative Workers: 83.2%
- Community and Personal Service Workers: 77.3%
- Laborers: 71.7%
- Machinery Operators and Drivers: 72.6%
- Managers: 78.2%
- Professionals: 71.6%
- Sales Workers: 82.8%
- Technicians and Trades Workers: 75.1%

Figure 6c: Working Arrangements for Those Without Paid Leave Entitlements

**Work Extra Hours to Take Time Off**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical and Administrative Workers</td>
<td>44.2%</td>
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<tr>
<td>Community and Personal Service Workers</td>
<td>24.6%</td>
</tr>
<tr>
<td>Laborers</td>
<td>22.8%</td>
</tr>
<tr>
<td>Machinery Operators and Drivers</td>
<td>29.6%</td>
</tr>
<tr>
<td>Managers</td>
<td>42.0%</td>
</tr>
<tr>
<td>Professionals</td>
<td>34.4%</td>
</tr>
<tr>
<td>Sales Workers</td>
<td>26.8%</td>
</tr>
<tr>
<td>Technicians and Trades Workers</td>
<td>35.1%</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics, (2009).\(^9\)

Figure 6d: Working Arrangements for Those Without Paid Leave Entitlements

**Days Off**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerical and Administrative Workers</td>
<td>59.3%</td>
</tr>
<tr>
<td>Community and Personal Service Workers</td>
<td>57.7%</td>
</tr>
<tr>
<td>Laborers</td>
<td>40.8%</td>
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<tr>
<td>Machinery Operators and Drivers</td>
<td>32.2%</td>
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<tr>
<td>Managers</td>
<td>48.4%</td>
</tr>
<tr>
<td>Professionals</td>
<td>59.6%</td>
</tr>
<tr>
<td>Sales Workers</td>
<td>64.1%</td>
</tr>
<tr>
<td>Technicians and Trades Workers</td>
<td>38.5%</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics, (2009).\(^9\)
Figure 7a-d shows the working arrangements for employees without paid leave entitlements. The categories refer to what employees have some say in.

**Figure 7a: Working Arrangements for Employees with Paid Leave Entitlements**

![Start and Finish Hours Chart]


**Figure 7b: Working Arrangements for Employees with Paid Leave Entitlements**

![Holiday Leave Chart]

Figure 7c: Working Arrangements for Employees with Paid Leave Entitlements

VII. Indicators of Culture of Respect, Inclusion & Equity

- Diversity, inclusion, and employee personal growth are valued.

- In 2007, 14% of the indigenous population in Australia was unemployed. The highest unemployment rate that was recorded for the indigenous population was in regional areas (17%). This was significantly more than the unemployment rate of 4.3% for the general population at that time.\textsuperscript{14}

- In Australia, there are notable discrepancies between income and gender. In May 2008, female earnings, on average, only amounted to 65.3% of those of men. A contributing factor to this difference is that more women (45.5%) work part-time than men (14.5%). When only including full-time workers, the ratio of women’s pay against men’s rises to 80.5%.\textsuperscript{15}

VIII. Indicators of Promotion of Constructive Relationships at the Workplace

- Interactions with supervisors and coworkers are professional and respectful.

- In the Australian Public Service employee survey, 53% of respondents (n = 9,078, response rate = 65%) identified ‘good work relationships’ as one of the five most important contributors to job satisfaction. Among these respondents, 87% were satisfied or very satisfied with their work relationships (see Figure 8).\textsuperscript{6}

- In Australia, trade union membership has deceased dramatically since 1986, falling from 46% to 19% by 2008.\textsuperscript{16}

- Older employees tend to have higher rates of trade union membership, while that among employees aged between 15 to 24 declined from 36% in 1986 to 10% by 2007.\textsuperscript{16}
Figure 8: Working Relationships - by Job Satisfaction

- 42% of these respondents believed that a good manager is one of the five most important factors determining job satisfaction.
- 76% of these respondents were satisfied or very satisfied with their manager.


Figure 9: Unionization Rates - by Sector and Type of Employment

- The public sector demonstrates higher rates of unionization (41.1%) as compared to the private sector (13.7%). Unionization rates are also higher for full-time employees (20.7%) than for part-time employees (14.3%). In addition, there are more trade union members who have paid leave entitlements (23.3%) than those who do not (6.9%).

SUMMARY AND CONCLUSION:

MINDING THE GAP

This paper identifies the most important elements of quality employment as perceived by Australian employees. Of the eight dimensions considered, good work relationships and flexible work arrangements are the most valued aspects influencing employee job satisfaction. Workers from 'lower level' occupations are rather less likely to be able to access quality work. There are also marked sectoral differences in terms of the provision of aspects of quality work.

Indicators of opportunities for development, learning, and advancement showed the number of employees who complete a work-related training course has increased since 1993. Nevertheless, there seems to be considerable scope for increasing participation in vocational education and training.

Other positive findings were that employees tended to be satisfied with their work-life balance and felt that having the chance to make a contribution to society was important. Provisions for employment security and predictabilities indicated job security has steadily increased from 2001. Notably, casualization of the Australian labor market has increased markedly.

Although Australia is a multicultural country, the indigenous population is underrepresented in the workforce. There is also a marked gender/pay gap in the Australian labor market.
ABOUT THE INSTITUTE

Established in 2007 by the Sloan Center on Aging & Work, the Global Perspectives Institute is an international collaboration of scholars and employers committed to the expansion of the quality of employment available to the 21st-century multi-generational workforce in countries around the world.

The Global Perspectives Institute focuses on innovative and promising practices that might be adopted by employers and policy-makers.

The Institute’s research, publications, and international forums contribute to:
- a deeper understanding of the employment experiences and career aspirations of employees of different ages who work in countries around the world;
- informed decision making by employers who want to be employers of choice in different countries; and
- innovative thinking about private-public partnerships that promote sustainable, high quality employment.

In addition to the Mind the Gap series, the Global Perspectives Institute publishes a Statistical Profile Series that highlights workforce demographic trends in different countries and a Global Policy Series that focuses on selected workforce policy in certain country contexts.

For more information on SCAW publications, please visit us online at: www.bc.edu/agingandwork

The Sloan Center on Aging & Work at Boston College promotes quality of employment as an imperative for the 21st-century multi-generational workforce. We integrate evidence from research with insights from workplace experiences to inform innovative organizational decision making. Collaborating with business leaders and scholars in a multi-disciplinary dialogue, the Center develops the next generation of knowledge and talent management.

The Sloan Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

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REFERENCES

1 For example, see:


2 For example, see:


5 Unfortunately, most of the research linking employer-of-choice strategies with business outcomes tends to focus on correlational relationships. Such studies do not definitively establish that being a “best place to work” causes positive organizational performance; indeed, it also might be true that high profits and strong financial growth cause higher employee engagement and foster perceptions that a particular workplace is an employer of choice.
### Mind the Gap Series:

| MTG01: | United States, Employee |
| MTG01: | United States, Employer |
| MTG02: | Japan, Employee |
| MTG02: | Japan, Employer |
| MTG03: | South Korea, Employee |
| MTG03: | South Korea, Employer |
| MTG04: | United Kingdom, Employer |
| MTG05: | China, Employee |
| MTG06: | Singapore, Employer |
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