



Australian Workplace Relations Study



First Findings report: consolidated content from online publication

Pay Equity Unit, Fair Work Commission

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## AWRS acknowledgements from the President

The Australian Workplace Relations Study (AWRS) was established by the Fair Work Commission (the Commission) in May 2013 as part of an initiative to enhance the breadth and quality of information available to inform its work, and provide a valuable public resource to the Australian community more generally.

Over the course of the design and administration of the AWRS, the Commission has benefited from the guidance and support of a steering committee comprising employee and employer representative bodies and government organisations. I wish to thank these organisations, in particular the representatives who have served on the steering committee, for their contributions to the research. I would also like to thank these organisations for endorsing the AWRS as this greatly assisted us to achieve the level of participation we required amongst potential participants.

I also wish to thank the research community for volunteering their time and expertise to the process, particularly in the design of the data collection tools.

The project has greatly benefited from the dedication of the ORC International Project Team who undertook the data collection and processing components of the study. They worked tirelessly on the AWRS from testing the draft survey instruments in August 2013 to delivery of the processed data files and technical documentation in December 2014.

Most of all, sincere thanks goes to the 3057 enterprises and 7883 employees who voluntarily participated in the AWRS and to those who provided valuable contributions to the Commission to test the survey instruments.

Lastly, I would like to acknowledge the AWRS Project Team, resourced mainly by the Commission's Pay Equity Unit. A project of the size and scope of the AWRS presented many challenges and it took a great deal of expertise and dedication to reach this important milestone of releasing First Findings. We look forward to the upcoming AWRS data releases and the AWRS conference in June 2015.

**Justice Iain Ross, AO**

Chair, AWRS Steering Committee

President, Fair Work Commission

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## About this report

The Australian Workplace Relations Study (AWRS) is the first Australia-wide statistical dataset linking employer data with employee data since the 1995 Australian Workplace Industrial Relations Survey (AWIRS 1995). Consistent with linked employer-employee research undertaken in other jurisdictions, such as the United Kingdom and Canada, the AWRS has used surveys of employers and their employees to collect information about a range of workplace relations and employment matters. The ability to link these data greatly enhances the extent of analysis that can be performed compared to datasets which only obtain information from employers or households.

The data produced from the AWRS will inform the work of the Fair Work Commission (Commission) as well as informing a diverse range of stakeholders, including policy makers, researchers and representative organisations, about contemporary employment matters.

This report provides an initial analysis of the AWRS data across the broad themes of:

- Enterprise operations and indicators of performance;
- Employment practices;
- Wage-setting and outcomes; and
- Employee experiences.

This report illustrates the breadth of topics included in the AWRS, while also demonstrating how employee data can be linked to the employer data in the AWRS. This report does not intend to provide a comprehensive analysis of the data available in the AWRS. Rather, it provides an introduction to the opportunities for more in-depth analysis that the AWRS data can provide.

The Commission plans to enable more in-depth analysis through releasing the AWRS data and providing a range of user-driven applications in the first half of 2015. If you are interested in receiving regular news about the AWRS, including the release of AWRS data, please subscribe to the AWRS update service by going to our [Subscribe to updates](#) page and following the instructions there.

The First Findings report can be read in conjunction with the [AWRS technical notes](#).

## Reporting conventions

Unless otherwise stated, data presented in the First Findings report exclude cases where a respondent did not provide an answer (i.e. refused to answer, did not know or could not recall).

All survey estimates presented in the First Findings report are considered by the Commission to be reliable unless otherwise stated in cautionary notes presented under the applicable tables and figures.

## 1 Introduction

The AWRS is a research initiative of the Commission as part of its commitment to promote harmonious and co-operative workplace relations in Australia.

This section of the report presents key information about the research design and the data collection methodology and outcomes.

### 1.1 Research design

The AWRS has been designed to be representative of employers and employees in the national jurisdiction of workplace relations (i.e. covered by the *Fair Work Act 2009* (Cth)). The AWRS has surveyed *enterprises* (i.e. the head office and all worksites of the enterprise). All employees of enterprises with 5–20 employees were invited to participate in the AWRS. A random selection of employees from enterprises with more than 20 employees was invited to participate. Further information about the random selection of employees is available in the Technical notes.

The AWRS includes enterprises and employees of enterprises:

- within the private sector, public sector, non-government organisations and not-for-profit organisations;
- across the range of ANZSIC Industry Divisions, but excluding A: Agriculture, forestry and fishing (which is commonly omitted from survey samples); and
- directly employing five or more workers at the time of recruitment to the study.

Of note, most linked employee-employer datasets have surveyed the workplace rather than the enterprise. For example, the Australian Workplace Industrial Relations Survey (AWIRS) in both 1990 and 1995 was conducted at the workplace and a similar approach is undertaken for the Workplace Employment Relations Study (WERS) in the United Kingdom. Most of the enterprises that participated in the AWRS were reportedly operating from one workplace only and so the enterprise and the workplace is the same. The data presented in the AWRS First Findings is based on enterprises; however, it would be possible to analyse the sub-set of 'workplaces' from the AWRS dataset whereby the enterprise operates from one workplace. In addition, there may be a reasonable amount of consistency in the way that employment relations policies operate in enterprises with a relatively small number of worksites so these enterprises could be included in any workplace-level analysis to increase the number of observations.

Further information about the sampled population and units of analysis is available in the Technical notes.

### 1.2 Data collection methodology and outcomes

The AWRS comprised five separate surveys of employers and a survey of employees to collect information about a range of workplace relations and employment matters and contextual information about the operations of the enterprise.

The AWRS recruitment and data collection process is depicted by the [AWRS fieldwork components flow chart](#) at Appendix A. The recruitment process targeted the 'head of the human resources department or someone who makes decisions about employment' in larger enterprises and for smaller enterprises recruiters targeted the owner or manager. Each component (questionnaire) of the AWRS was either completed by the 'survey co-ordinator' of the enterprise who was the main contact point for the Commission's data collection service provider (ORC International) or someone they nominated.

Participation in the AWRS and each component of the study was entirely voluntary.

Data were collected between February and July 2014. A total of 3 057 enterprises participated in the AWRS by responding to the Employee Relations questionnaire which was the first component to be administered. Of these 3057 enterprises that participated in the AWRS, 1 509 (49%) completed all of the employer questionnaire components.

Most (90%) enterprises that participated in the AWRS completed the Structure and operations questionnaire. The response rates for the two questionnaires that were primarily administered via an online survey had lower response rates as depicted in Table 1.1. As explained in the [\(Provisional\) AWRS Fieldwork Report](#), a shortened CATI version of these questionnaires was administered during the fieldwork to increase response rates. These questionnaires collected key information that was suitable to be collected via the CATI format.

**Table 1.1: Employer component (questionnaire) completions**

	Employee Relations	Structure & Operations	Workforce Profile	Financial Information
Main method of data collection	CATI only	CATI only	Online / CATI	Online / CATI
Number of invitations to complete	17 163	3057	2770	2670
Total number of completed CATI questionnaires	3057	2759	622	710
Total number of completed online questionnaires	—	—	1224	946
<b>Completions</b>	<b>3057</b>	<b>2759</b>	<b>1846</b>	<b>1656</b>
Completion rate	100%	90.3%	60.3%	54.2%

The process for selecting employees to participate in the AWRS is outlined in the Technical notes. A total of 46 795 employees from those enterprises were invited to participate in the AWRS and **7 883** completed the employee survey. This represents a completion rate of 16.8%, which is a typical response outcome for a self-completion survey.

Further information about the data collection methodology and outcomes is available in the [\(Provisional\) AWRS Fieldwork Report](#).



## 2 Overview of the AWRS sample

This section of the First Findings report provides information about the key characteristics of the AWRS sample to assist readers and prospective users of AWRS data to understand how AWRS data could be used to examine particular sub-groups or look at particular population characteristics. More detailed information about the AWRS sample characteristics is available in the Technical notes.

The population estimates generated from the AWRS are broadly comparable to information about the employer population available from the [ABS Counts of Australian Businesses](#) catalogue (8165.0). The estimates for the employee population that have been derived from information supplied by enterprises broadly compare to estimates from the [ABS Labour Force survey](#) catalogue (6291.0), as do estimates for the employee population generated from employees who participated in the AWRS.

The AWRS is intended to be a resource for producing population estimates in relation to workplace relations matters and it will enable robust analysis of employment and workplace relations matters that are not canvassed by other national surveys. The information about enterprises and employees that is available through the AWRS dataset has been collected for the purpose of giving context to the workplace relations practices reported by enterprises and the experiences of employees. The AWRS, however, *should not* be a substitute for ABS catalogues that provide more robust estimates of the employer and employee populations in Australia primarily due to the significantly larger sample sizes and higher response rates that ABS estimates are based on.

The data collected through the AWRS surveys have been weighted up to population estimates sourced from ABS catalogues. Information about how AWRS survey data have been prepared to be representative of the broader population of employers and employees in Australia can be found in the Technical notes.

Methodological differences exist between how the AWRS survey data were generated and ABS data catalogues which can have an impact on data estimates, including, but not limited to, differences in data collection methodologies, survey populations, definition of concepts and categories and survey weighting methodologies. For example, the [ABS Counts of Australian Businesses](#) catalogue is primarily sourced from the Australian Taxation Office records and represents businesses operating for profit rather than all employing enterprises. AWRS data have been sourced from enterprises via a combination of online surveys and telephone interviews and participation was entirely voluntary. The [ABS Labour Force survey](#) data are sourced from households via face-to-face and telephone interview methods and includes all workers, not just *employees*. The AWRS sample of employees has been sourced via their employers with data collected via self-completion surveys. Further information about the design and methodology of the AWRS is presented in the Introduction and the Technical notes.

Key enterprise and employee characteristics that formed the basis of the sample design are presented in the AWRS First Findings report. Further information about AWRS sample characteristics can be found in the Technical notes. Information about how the AWRS sample compares to key ABS catalogues will be published on the Commission's website when AWRS data becomes available for general use.

### 2.1 Key characteristics of AWRS enterprises

The AWRS surveyed enterprises in the national jurisdiction of workplace relations with five or more employees. Information about the scope of the AWRS can be found in the Technical notes.

Table 2.1 displays the key characteristics of the enterprises that participated in the AWRS that were used as the basis of the sample design.

**Table 2.1: Counts of AWRS participating enterprises per ANZSIC Division and employment size**

	5–19 employees	20–199 employees	200+ employees	Totals
Mining	29	39	16	84
Manufacturing	112	122	19	253
Electricity, gas, water and waste services	30	28	8	66
Construction	96	110	14	220
Wholesale trade	82	93	18	193
Retail trade	139	141	34	314
Accommodation and food services	120	182	32	334
Transport, postal and warehousing	63	90	18	171
Information media and telecommunications	43	31	7	81
Financial and insurance services	39	31	13	83
Rental, hiring and real estate services	57	43	9	109
Professional, scientific and technical services	50	50	6	106
Administrative and support services	77	58	30	165
Public administration and safety	10	30	20	60
Education and training	80	98	31	209
Health care and social assistance	79	141	55	275
Arts and recreation services	71	86	10	167
Other services	89	72	6	167
<b>Total</b>	<b>1 266</b> <b>(41.4%)</b>	<b>1 445</b> <b>(47.3%)</b>	<b>346</b> <b>(11.3%)</b>	<b>3 057</b>

Source: AWRS 2014, Enterprise Characteristics (Recruitment screener) survey.

As highlighted in Table 1.1, there were varying completion rates for each of the employer questionnaire components. The figures in Table 2.1 reflect the sample composition for the enterprises that completed at least one employer questionnaire component, namely the Employee Relations questionnaire.

The AWRS data presented in the First Findings have been weighted so that it aligns with the population counts for each industry Division by the three employment size categories. Table 2.2 depicts the weighted and unweighted counts for each of the Industry Divisions and the three employment size categories. Information about how the AWRS weights were constructed is available in the Technical notes.

**Table 2.2: Unweighted counts and weighted estimates of enterprises by ANZSIC Division and employment size**

	Unweighted count	Weighted estimate
<b>Employment size</b>		
Between 5 and 19 employees	1 266	189 375
Between 20 and 199 employees	1 445	49 508
More than 200 employees	346	5 459
<b>Industry Division</b>		
Mining	84	1 678
Manufacturing	253	24 393
Electricity, gas water and waste services	66	979
Construction	220	26 847
Retail trade	193	17 006
Wholesale trade	314	31 273
Accommodation and food services	334	30 077

	Unweighted count	Weighted estimate
Transport, postal and warehousing	171	8 886
Information, media and telecommunications	81	2 106
Financial and insurance services	83	5 539
Rental, hiring and leasing services	109	9 451
Professional, scientific and technical services	106	27 121
Administrative and support services	165	12 939
Public administration and safety	60	301
Education and training	209	5 608
Health care and social assistance	275	19 554
Arts and recreation services	167	4 494
Other services	167	16 089

Source: AWRS 2014, Enterprise Characteristics (Recruitment screener) survey.

Employment size information will be available for a range of size categories when data is released, including the ABS standard business size ranges and other ranges that will facilitate comparative analysis to key data sources.

In addition to the number of employees reported by enterprises upon recruitment to the AWRS, which has then been categorised into employment size ranges (the ABS standard classifications for business size has been used throughout the First Findings report), the AWRS dataset also includes two full-time equivalent (FTE) measures that have been derived from the number of paid hours worked by all employees of the enterprise over a defined reference period in February 2014. These two measures take account of the number of paid hours worked by employees of the enterprise divided by either 35 hours (ABS definition) or 38 hours (modern award definition) over the reference period to generate the number of full-time equivalent employees/positions that the number of paid hours worked equates to. This measure can give additional context to employment size figures, particularly the operations of enterprises that have high proportions of part-time staff over the reference period.

As demonstrated in Table 2.3, the FTE number of employees is generally lower than the actual reported number of employees as the head count number of employees includes employees that work part time. However, where enterprises had employees work more than the standard full-time hours (including overtime) during the reference period, this would increase the FTE measure.

**Table 2.3: Full-time equivalent and number of employees by employment size, number of employees**

	5–19 employees	20–199 employees	200+ employees	All enterprises
Average number of employees reported when recruited to the AWRS	11	57	553	32
Average number of employees based on FTE for ABS standard	9	39	453	24
Average number of employees based on FTE for modern award standard	8	36	417	23

Source: AWRS 2014, Workforce Profile survey and Enterprise Characteristics (Recruitment screener) survey.

Base = 946 enterprises that completed the online version of the Workforce Profile survey and were able to provide an estimate of total paid hours.

Note: Number of employees and FTE data items may not be available in the confidentialised unit records. Derived variables that aggregate these data, such as ABS size categories or ratios would be available in this case.

## 2.2 Key employee characteristics

The AWRS surveyed employees in the national jurisdiction of workplace relations who worked for an enterprise with five or more employees. Information about the scope of the AWRS can be found in the Technical notes.

**Table 2.4: Unweighted counts of employees per ANZSIC Division by employment size**

	5–19 employees	20–199 employees	200+ employees	Total
Mining	38	154	23	215
Manufacturing	163	377	69	609
Electricity, gas, water and waste services	47	70	20	137
Construction	92	211	92	395
Wholesale trade	77	386	86	549
Retail trade	144	457	115	716
Accommodation and food services	66	333	101	500
Transport, postal and warehousing	82	271	87	440
Information media and telecommunications	61	130	40	231
Financial and insurance services	92	190	57	339
Rental, hiring and real estate services	93	162	44	299
Professional, scientific and technical services	95	119	9	223
Administrative and support services	154	183	82	419
Public administration and safety	13	109	97	219
Education and training	218	435	128	781
Health care and social assistance	134	642	264	1,040
Arts and recreation services	77	238	49	364
Other services	137	241	29	407
<b>Total</b>	<b>1 783</b> <b>(22.6%)</b>	<b>4 708</b> <b>(59.7%)</b>	<b>1 392</b> <b>(17.7%)</b>	<b>7 883</b>

Source: AWRS 2014, Enterprise Characteristics (Recruitment screener) survey.

Table 2.5 displays characteristics of the employees who participated in the AWRS that are presented in various analyses in the First Findings report. Weighted and unweighted estimates are provided for both males and females and the total sample.

What is unique about the AWRS is that employees in the sample were recruited via their employer which enables analysis of employee data to be linked to data about their employer. Most other surveys of employees are household-based and cannot be linked to enterprises. These methodological differences may explain differences in the estimates of the population produced by the AWRS to other sources of employee data.

Many of the weighted estimates align well with the unweighted estimates. These weighted estimates can be compared to other data sources to see how they align with other population estimates. Of note, the AWRS sample contains fewer casual employees than the [ABS Labour Force survey](#) estimates report for the employee population. This may be the result of generating the AWRS employee sample via employers in that employees with stronger attachment to their employer may be more likely to participate in research about their employment.

**Table 2.5: Various employment characteristics of employees by gender, per cent of employees**

	Unweighted estimate	Weighted estimate	Unweighted estimate	Weighted estimate	Unweighted estimate	Weighted estimate
	Female (%)		Male (%)		Total (%)	
<b>Employment status</b>						
Permanent	77.3	76.2	83.6	83.6	80.0	79.4
Fixed-term contract	6.8	6.4	3.8	3.4	5.5	5.1
Casual	12.7	14.2	8.8	9.0	11.1	12.0
Other*	3.2	3.2	3.8	4.0	3.5	3.5
<b>Usual weekly hours of work</b>						
One to less than 18 hours	10.0	11.0	3.6	3.8	7.3	7.8
18 to less than 35 hours	26.3	27.0	6.4	6.3	17.8	18.0
35 to less than 40 hours	33.8	33.2	25.4	25.9	30.3	30.0
More than 40 hours	29.9	28.9	64.6	64.1	44.7	44.2
<b>Industry division</b>						
Mining	1.3	1.3	4.6	4.5	2.7	2.7
Manufacturing	4.4	5.3	12.2	14.4	7.7	9.3
Electricity, Gas, Water and Waste Services	1.1	1.0	2.5	2.2	1.7	1.5
Construction	2.6	4.3	8.2	11.9	5.0	7.6
Wholesale Trade	4.9	2.9	9.8	5.7	7.0	4.1
Retail Trade	9.1	12.0	9.1	12.4	9.1	12.1
Accommodation and Food Services	6.6	8.5	6.0	6.8	6.3	7.8
Transport, Postal and Warehousing	4.6	4.4	7.0	6.4	5.6	5.3
Information Media and Telecommunications	2.2	1.6	3.9	2.8	2.9	2.1
Financial and Insurance Services	4.7	4.0	3.7	3.1	4.3	3.6
Rental, Hiring and Real Estate Services	4.3	1.8	3.1	1.1	3.8	1.5
Professional, Scientific and Technical Services	2.8	7.3	2.9	7.5	2.8	7.4
Administrative and Support Services	6.0	4.5	4.4	3.1	5.3	3.8
Public Administration and Safety	2.8	3.5	2.7	3.2	2.8	3.4
Education and Training	12.6	11.2	6.4	5.5	9.9	8.8
Health Care and Social Assistance	19.4	19.9	4.8	4.7	13.2	13.3
Arts and Recreation Services	5.0	2.3	4.1	1.7	4.6	2.0
Other Services	5.7	4.2	4.4	3.1	5.2	3.7

Source: AWRS 2014, Employee survey and Enterprise Characteristics (Recruitment screener) survey.

\* Other includes employees who did not provide a response, indicated that their employment status was other, undefined or did not know.

### 3 Overview of enterprise operations and indicators of performance

This section provides information about the operations of enterprises and indicators of performance which contextualises the workplace relations decisions and practices reported by enterprises.

The performance indicators included in the AWRS, many of which are not available from other sources of data on workplace relations and employment matters, assist in understanding the drivers and outcomes of workplace relations policies and practices. As with other components of the AWRS, these types of data should not be substituted for ABS data on the same issue. Rather, analysis of AWRS data is of most value when it focuses on workplace relations issues and combinations of data which are unique to the AWRS. It is the breadth of data items that cover various topics which is the greatest strength of the AWRS to provide new and unique insights and analysis (rather than the items analysed in isolation).

#### 3.1 Structure

The AWRS collected information about the ownership structure of enterprises to enable analysis to take account of the context in which workplace relations decisions are made. The AWRS also collected information on the years of operation under current ownership structures. This information could be used as an indicator of the duration that policies and practices have been in place at an enterprise.

As demonstrated in Table 3.1, almost all (96%) enterprises in the AWRS sample are Australian owned. Only 10% are owned or controlled by another organisation.

**Table 3.1: Ownership metrics by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
<b>Ownership</b>				
Enterprise controlled/owned by other organisation	7.5	17.8	34.0	10.2
Enterprise not controlled/owned by other organisation	92.5	82.2	66.0	89.8
<b>Origin of ownership</b>				
Australian owned	97.6	92.0	80.4	96.1
Foreign owned	2.4	8.0	19.7	3.9
<b>Years of operation under current ownership</b>				
Less than one year	1.3	2.0	2.4	1.5
1–5 years	21.9	15.8	14.7	20.6
6–10 years	25.4	19.6	13.3	24.0
11–15 years	14.6	13.7	9.2	14.3
16–20 years	10.0	10.1	10.1	10.1
More than 20 years	26.7	38.7	50.4	29.6

Source: AWRS 2014, Structure and operations survey and Enterprise Characteristics (Recruitment screener) survey.

Base = 2747 enterprises. Respondents who answered 'don't know' are excluded from the analysis.

#### 3.2 Market conditions and performance of AWRS enterprises

The AWRS has collected data on a range of subjective assessments about the market conditions in which an enterprise operates. These measures can be complemented by a range of objective indicators of performance that can be derived from the financial information supplied by enterprises.

### 3.2.1 Nature of market: local or international

As demonstrated in Table 3.2, the majority (83%) of AWRS enterprises were operating in the domestic market only.

**Table 3.2: Nature of market by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
Domestic only	83.8	79.8	79.5	82.9
Domestic with some export outside of Australia	13.5	17.8	17.0	14.4
Export outside of Australia with some domestic	1.3	1.8	2.3	1.4
Export only	0.5	0.5	0.3	0.5
Unsure	1.0	0.2	1.0	0.8

Source: AWRS 2014, Structure and operations and Enterprise Characteristics (Recruitment screener) survey.

Base = 2759 enterprises.

### 3.2.2 Degree of competition

As presented in Table 3.3, almost three-quarters (72%) of AWRS enterprises reported facing strong or intense competition for its major product and/or service during the last financial year. Perceptions of high levels of competition were greatest among larger enterprises with most (84%) reporting strong or intense completion for its major product and/or service during the last financial year.

Few enterprises (7%) reported operating in a captive market with no effective competition. The number of competitors for the enterprise's major product and/or service varied, although a higher proportion of larger enterprises reported they were competing with 20 or more enterprises compared to the smaller and medium-sized enterprises (39% compared to 31% and 28% respectively).

**Table 3.3: Competition measures by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
<b>Number of direct competitors</b>				
Non/captive market/no effective competition	6.8	5.6	7.6	6.6
Between one and four competitors	22.4	19.9	14.7	21.7
Between five and nine competitors	23.8	23.2	20.0	23.6
Between 10 and 19 competitors	18.5	20.3	18.9	18.9
Between 20 and 49 competitors	12.5	13.0	20.8	12.8
50 or more competitors	15.9	18.1	18.1	16.4

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
<b>Degree of competition</b>				
Intense competition	29.0	31.6	33.4	29.6
Strong competition	41.3	45.4	50.8	42.3
Moderate competition	22.9	18.2	9.6	21.6
Limited competition	6.9	4.9	6.3	6.5

Source: AWRS 2014, Structure and operations and Enterprise Characteristics (Recruitment screener) survey.

Base = 2653 enterprises for analysis of direct competitors. Enterprises that answered 'unsure' are excluded from the analysis.

Base = 2541 enterprises for analysis of the degree of competition. Enterprises that answered 'unsure', or had no direct competitors, are excluded from the analysis.

### 3.2.3 Demand for products and services

An enterprise's need for labour (employees) can fluctuate throughout the year based on the demand for its goods and/or services. Enterprises that experience variability in demand for goods and/or services often seek to vary the size of the workforce in line with these peaks and troughs. As demonstrated in Table 3.4, almost half (46%) of enterprises that participated in the AWRS reported that demand for goods and/or services was seasonal.

Predictability of demand for goods and services can be an indicator of whether enterprises are able to plan for any variability, including the need for labour to meet varying levels of demand for goods and/or services. Around 62% of enterprises reported that demand for goods and/or services was either somewhat or very predictable.

**Table 3.4: Demand Conditions by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
<b>Demand for goods/services: seasonality</b>				
Seasonal	46.5	46.7	36.0	46.3
Not seasonal	53.5	53.4	64.0	53.7
<b>Predictability of demand for goods/services</b>				
Very predictable	10.7	10.9	16.2	10.9
Somewhat predictable	50.6	50.1	53.7	50.6
Somewhat <u>un</u> predictable	29.6	30.1	21.9	29.5
Very <u>un</u> predictable	9.2	8.9	8.2	9.1

Source: AWRS 2014, Structure and operations and Enterprise Characteristics (Recruitment screener) survey.

Base = 2743 enterprises for analysis of seasonal demand. Enterprises that answered 'unsure' are excluded from the analysis.

Base = 2742 enterprises for analysis of predictability of demand. Enterprises that answered 'unsure' are excluded from the analysis.

## 3.3 Financial performance indicators

### 3.3.1 Previous operations and performance

The AWRS contains a range of financial performance indicators reported by enterprises that can give context to workplace relations decisions and practices. These indicators include objective measures



drawn from administrative records supplied by enterprises via the Financial Information questionnaire as well as subjective assessments made by survey respondents that have drawn on a range of considerations, including some that may be quantifiable.

Enterprises reported for the last financial year of its operations and performance, which for most (90%) was the July 2012 to June 2013 year.

As presented in Table 3.5, the majority (80%) of enterprises in the AWRS had made a profit in the last financial year.

**Table 3.5: Profitability in the last financial year by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
<b>All enterprises</b>				
Made a profit	80.7	75.6	82.3	79.7
Broke even	1.6	2.4	—	1.7
Made a loss	17.7	22.0	17.8	18.6
<b>Enterprises operating for profit</b>				
Made a profit	82.4	78.8	84.9	81.8
Broke even	1.3	2.0	—	1.4
Made a loss	16.2	19.2	15.1	16.8

Source: AWRS 2014, Financial Information survey and Enterprise Characteristics survey.

Base = 1656 enterprises for analysis of all enterprises.

Base = 1307 enterprises for analysis of enterprises operating for profit. Enterprises that answered 'unsure' are excluded from the analysis.

Note: The standard measure used is Operating Profit Before Tax (OPBT) which is 'Profit before extraordinary items are brought to account and prior to the deduction of income tax and dividends' which = Total income less total expenses plus change in inventories.

Although the majority of enterprises had reported a profit in the last financial year, almost half (46%) of enterprises indicated that profitability in the last financial year had decreased compared to the previous year.

**Table 3.6: Financial performance indicators for last financial year compared to previous financial year, per cent of enterprises**

	Increased (%)	Decreased (%)	Remained the same (%)
Revenue	50.4	34.9	14.7
Wages and salaries	67.3	18.0	14.7
Profitability	37.2	45.7	17.1

Source: AWRS 2014, Financial Information survey.

Base = 1567 enterprises for analysis of revenue; 1576 enterprises for analysis of wages and salaries; and 1536 enterprises for analysis of profitability. Enterprises that did not operate in the last financial year or stated that an indicator was not applicable to their operations, and enterprises that answered 'don't know', are excluded from the analysis.

The AWRS also collected contextual information from enterprises about its performance, including whether there were any unique events or factors that significantly hampered the performance of the

enterprise that may be used to indicate whether it was a typical or an atypical year for operations.

Almost half (48%) of enterprises reported that there had been unique events that had significantly hampered performance. A wide range of such unique events and factors were reported by enterprises, including weather events and the introduction of new regulations.

### 3.3.2 Enterprise intentions

In addition to a range of retrospective measures of performance, the AWRS also contains a forward-looking indicator of performance based on whether enterprises intend to expand, contract or maintain present operations in the next 12 months. Table 3.7 shows that just over half (53%) of all enterprises intend to maintain current operations. Over half (57%) of larger enterprises with 200 or more employees indicated an intention to expand operations in Australia over the next 12 months.

**Table 3.7: Enterprise intentions for next 12 months by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
Expand operations in Australia	43.5	47.7	56.5	44.7
Contract operations in Australia	2.3	3.8	6.4	2.7
Maintain current operations	54.2	48.5	37.1	52.6

Source: AWRS 2014, Structure and operations and Enterprise Characteristics (Recruitment screener) survey.

Base = 2735 enterprises. Enterprises that answered 'unsure' are excluded from the analysis.

## 3.4 Measurements of labour costs and labour productivity

The AWRS contains a range of labour cost measures that have been derived from the financial information reported by enterprises. The AWRS dataset also draws on imputed data that has been generated from median values sourced from the ABS. Further information about data imputation can be found in the Technical notes.

### 3.4.1 Labour costs

Table 3.8 indicates that, for over half (57%) of enterprises, the cost of wages and salaries amounts to less than 30% of the income generated from sales and service.

**Table 3.8: Wages and salaries as a proportion of sales and services income, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
<b>All enterprises</b>				
Less than 15%	27.1	17.6	20.2	25.0
15 to less than 30%	33.0	30.8	22.7	32.3
30 to less than 50%	22.6	30.3	22.5	24.1
More than 50%	17.3	21.4	34.6	18.5
<b>Enterprises operating for profit</b>				
Less than 15%	30.3	20.1	28.4	28.3
15 to less than 30%	34.9	34.4	28.6	34.7
30 to less than 50%	22.6	32.7	22.9	24.6
More than 50%	12.2	12.8	20.2	12.4

Source: AWRS 2014, Financial Information and Enterprise Characteristics (Recruitment screener) survey.

Base = 1616 enterprises for analysis of all enterprises. Enterprises that did not receive income from the sale of goods and services in the last financial year are excluded from the analysis.

Base = 1251 enterprises that identified as private businesses, operating for profit.

### 3.4.2 Measurement and perceptions of labour productivity

Both the AWRS and the AWIRS 1995 collected information about performance management practices implemented by firms. One of the performance measures examined in both studies is labour productivity. Due to differences in the questions posed to survey respondents and the differing unit of analysis (i.e. enterprise-level for the AWRS and workplace-level for the AWIRS), these data are not strictly comparable. The results are therefore indicative only of the incidence of labour productivity measurement at the enterprise-level through the AWRS and the workplace-level in the AWIRS. Examining a sub-population of single-site enterprises in the AWRS may be able to indicate any changes over time of the importance placed on measuring labour productivity.

The AWIRS 1995 found that 69% of workplaces had procedures in place to measure productivity at the workplace.<sup>1</sup> The AWRS found that approximately 61% of enterprises reported having processes or practices in place to measure the productivity of the workforce.

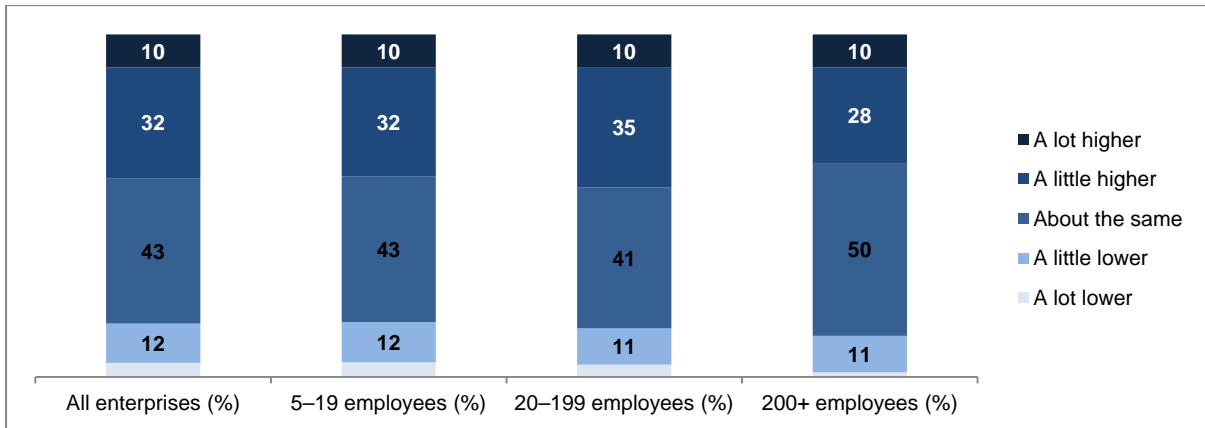
Management perceptions of changes in labour productivity were also canvassed in both the AWIRS 1995 and the AWRS. When asked to describe labour productivity at the workplace compared with two years ago, 33% of managers in the AWIRS 1995 study said it was a lot higher and 42% stated it was a little higher.<sup>2</sup> A similar question was asked in the AWRS, although the reference period was the last financial year and the year prior to that, rather than two years prior to the survey. Figure 3.1 summarises perceptions of labour productivity changes over the last financial year at enterprises of different sizes.

<sup>1</sup> Morehead A et al. 1997, *Changes at Work: The 1995 Australian Workplace Industrial Relations Survey*, Addison Wesley Longman, Melbourne, p. 107

<sup>2</sup> Morehead A et al. 1997, *Changes at Work: The 1995 Australian Workplace Industrial Relations Survey*, Addison Wesley Longman, Melbourne, p. 108.

As demonstrated in Figure 3.1, approximately one in ten enterprises indicated that workforce productivity in the last financial year was a lot higher than for the previous financial year and 32% indicated in was a little higher.

**Figure 3.1: Workforce productivity comparison to last financial year**



Source: AWRS 2014, Structure and Operations and Enterprise Characteristics (Recruitment screener) survey.

Base = 2759 enterprises. Enterprises that did not operate in the last financial year and enterprises that responded 'unsure' are excluded from the analysis.

COPY

## 4 Overview of employment practices

A key objective of the AWRS has been to generate data about employment practices from both the employer and employee perspectives. This section of the report presents a selection of themes covered in the AWRS and where applicable, presents both the perspective of employers and employees.

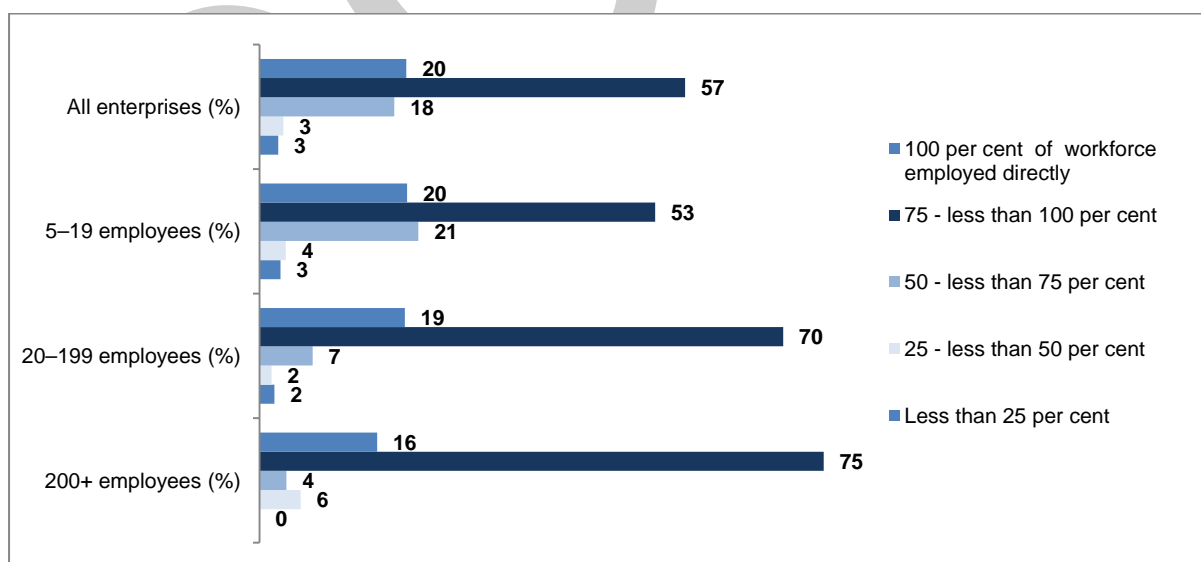
### 4.1 Workforce profile

The online survey version of the Workforce Profile questionnaire collected information about the mix of workers directly employed by the enterprise (employees), other paid workers, such as labour hire workers, contractors/sub-contractors, consultants and freelance workers, and unpaid workers, including family members, interns and volunteers. The AWRS contains estimates of the number of these types of workers during the reference period and whether the enterprise had used the services of these types of workers over the previous 12 months. Information about working proprietors was also collected. Further detail about the enterprises' employees, such as employment status and hours worked was also collected.

The reference period for the workforce profile information is February 2014. As noted earlier in Table 3.4, for 46% enterprises, demand for goods and services was reportedly seasonal. This means that for some enterprises, the workforce profile reported in February 2014 may not reflect the workforce composition for that enterprise at other times of the year.

As presented in Figure 4.1, just over three-quarters (76%) of enterprises directly employed at least 75% of their workforce. For the larger enterprises with 200 or more employees, the reported employment size could be a proxy for total workforce size as more than 90% of these enterprises directly employ at least 75% of the workforce, compared to 73% of smaller enterprises (although noting that the number of workers these proportions represent would vary greatly between larger enterprises and smaller enterprises).

**Figure 4.1: Proportion of workforce employed directly by the enterprise, by employment size, per cent of enterprises**



Source: AWRS 2014, Workforce Profile survey and Enterprise Characteristics (Recruitment screener) survey.

Base = 1220 enterprises provided responses to the number of direct and non-direct employees.

Note: A ratio was calculated (direct employees / total workforce) to determine proportion of total workforce that is made up of direct employees.

The AWRS collected further information about the status of employment (i.e. permanent/fixed-term contract or casual) and the hours worked (i.e. full-time or part-time) of the employee workforce. A breakdown by gender is also available from the AWRS dataset.

Table 4.1 shows that almost four in five of the employees were employed on a permanent or fixed-term contract basis.

**Table 4.1: Proportion of workforce by employment status, by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
Permanent / fixed term contract	78.8	77.1	78.0	78.4
Casual	21.2	22.9	22.0	21.6

Source: AWRS 2014, Workforce Profile survey.

Base = 1838 enterprises provided responses to the number of permanent/fixed-term contract and casual employees.

As presented in Table 4.2, almost 70% of the employee workforce of enterprises worked full time.

**Table 4.2: Proportion of employee workforce by hours worked, by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
Full-time (35 hours or more per week)	69.1	69.5	67.1	69.1
Part-time (fewer than 35 hours per week)	30.9	30.5	32.9	30.9

Source: AWRS 2014, Workforce Profile survey.

Base = 1838 enterprises provided responses to the number of full-time and part-time employees.

## 4.2 Overview of industrial instrument coverage and reasons for use

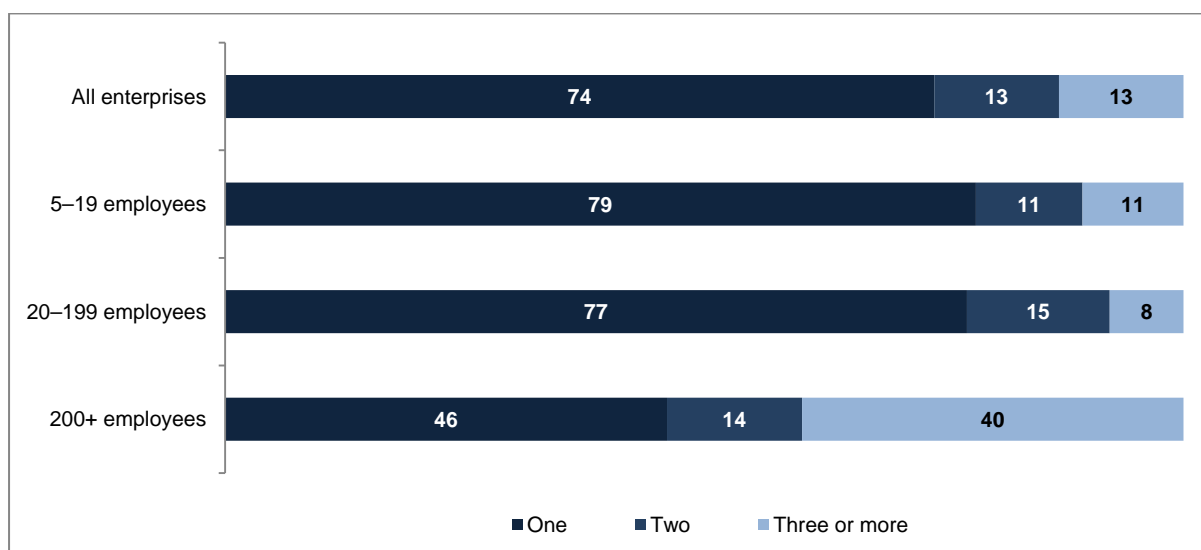
The AWRS collected information from enterprises about the types of industrial instruments used to set wages for its employees. The AWRS also canvassed the reasons why enterprises use particular instruments for setting pay. This information can be used to give context to the employment practices that enterprises have in place. Section 5.1 provides further analysis of wage-setting and outcomes and explains some of the challenges of collecting and analysing this information.

This section of the report provides an overview of the different arrangements for setting pay, which can be a proxy for industrial instrument coverage, and an overview of the reasons why enterprises have particular instruments in place.

As presented in Section 5.1, a relatively small proportion (14%) of enterprises reported using enterprise agreements to set wages for at least one employee. Of note, Table 5.4 presents workforce estimates for application of these pay-setting methods which demonstrates that the incidence of enterprise agreement usage is significantly different to the degree of coverage of wage-setting arrangements across the employee workforce.

As presented in Figure 4.2, almost three-quarters (74%) of the enterprises with an agreement in place had just one enterprise agreement. A greater proportion of large enterprises had more than one agreement in place, with 40% reporting they had three or more.

**Figure 4.2: Number of enterprise agreements in place, per cent of enterprises**



Source: AWRS 2014, Employee Relations survey.

Base = 812 enterprises.

The enterprises that had an agreement in place were asked follow-up questions about why the enterprise had an agreement in place. As demonstrated in Table 4.3, the most commonly cited reasons for having an agreement in place were to reward employees with higher wages than the applicable award rate (21%), due to demand from employees or employee representative bodies (22%) and that award terms and conditions were not suitable or flexible enough for the enterprise (20%).

**Table 4.3: Reasons for having an enterprise agreement, per cent of enterprises with an enterprise agreement in place**

	Enterprise agreement only (%)	Enterprise agreement and one or more awards (%)	Enterprise agreement and individual arrangements (%)	All enterprises with an enterprise agreement (%)
Union/employee association demands/log of claims	15.1	14.9	27.5	21.7
Prefer to negotiate directly with our employees than follow amounts determined by the Fair Work Commission	16.1	18.8	9.1	12.9
Want to reward employees with higher wage than award rates	28.8	18.4	16.5	20.8
Applicable award wages are not competitive for attracting and retaining workers	10.8	9.6	12.6	12.6
Predictability of wage increases	9.1	7.0	7.2	7.5
Award terms and conditions not suitable or flexible enough for the organisation	25.6	20.3	15.0	19.8
For payroll and/or rostering convenience	3.6	1.0	10.6	7.3
Some employees/jobs performed	3.2	2.8	2.4	2.9

	<b>Enterprise agreement only (%)</b>	<b>Enterprise agreement and one or more awards (%)</b>	<b>Enterprise agreement and individual arrangements (%)</b>	<b>All enterprises with an enterprise agreement (%)</b>
are not covered by an award ('award-free')				
To reduce complexity – would otherwise be using multiple awards	13.8	23.0	18.4	16.7
Head office/franchisor requirement (i.e. no choice of wage-setting practice)	5.4	14.8	6.5	7.0
Consistency /fairness/transparency	7.0	3.9	4.3	4.4
Other reasons	16.9	20.5	25.1	20.9

Source: AWRS 2014, Employee Relations survey.

Base = 774 enterprises, percentages by cell. Enterprises that did not know whether there was an enterprise agreement in place are excluded from the analysis. Columns will not add to 100% as multiple responses were permitted.

Enterprises that did not have an agreement in place were asked whether it had been considered and the reasons why they had not put an agreement in place. Most (80%) of these enterprises had not considered putting an enterprise agreement in place.

As demonstrated in Table 4.4, the reasons reported by enterprises differed according to the mix of pay-setting arrangements within the enterprise. Among enterprises that only used awards to set pay for their employees, almost half (47%) indicated that they did not have an enterprise agreement in place because award rates and conditions were adequate. This was also the most commonly cited reason for enterprises with a mix of award and individual arrangements (33%). However, the most commonly cited reason for not having an enterprise agreement in place among enterprises that were only using individual arrangements was a preference to negotiate with employees individually rather than collectively (38%).

Of note, reasons for award usage were canvassed in the Award Reliance Survey undertaken by the Workplace Research Centre, University of Sydney in 2013 on behalf of the Commission. The main reasons cited in that research for enterprises in that research paying exactly the award rates were that enterprises felt that awards provided fair and appropriate remuneration and affordability.



**Table 4.4: Reasons for not having an enterprise agreement, per cent of enterprises that do not have an enterprise agreement in place**

	<b>Enterprises using award(s) only (%)</b>	<b>Enterprises using individual arrangements only (%)</b>	<b>Enterprises using both individual arrangements and awards (%)</b>	<b>All enterprises without an enterprise agreement (%)</b>
The financial cost of negotiating an agreement would outweigh any performance/productivity benefits	3.8	2.8	4.2	3.6
Do not have the management resources to initiate negotiations with employees (e.g. do not have the legal and/or facilitation expertise within the business/org)	2.8	1.2	2.4	2.2
Too difficult to implement (i.e. too much red tape and legal work)	14.4	9.6	12.1	12.2
Concern about the financial cost of meeting employee demands/expectations	1.6	0.4	1.2	1.1
Prefer to negotiate with individual employees than a collection of employees	6.4	37.6	13.9	18.3
Concern about negative effects of negotiations on employee relations (i.e. potential to disrupt stability and lead to industrial action)	1.3	1.9	1.5	1.5
The diversity of operations and roles across the business/organisation would require more than one enterprise agreement	2.7	11.6	6.1	6.5
Wages and conditions pre-set by controlling / owning company or franchisor	1.1	1.4	0.7	1.1
Award rates and conditions are adequate	46.9	7.7	33.2	30.4

Source: AWRS 2014, Employee Relations survey.

Base = 2177 enterprises. Enterprises that did not know whether a particular method of setting pay was used, or chose not to provide a response, are excluded from the analysis. Also excluded are enterprises that did not know if an enterprise agreement had been considered. Percentages by cell. Columns will not add to 100% as multiple responses were permitted.

### **4.3 Workforce management practices**

The AWRS contains a range of data items about human resource management (HRM) practices used by enterprises that were designed to estimate the prevalence of these practices in Australian enterprises in terms of availability to employees. A selection of findings about workforce management practices is presented in the First Findings under the following themes:

- Operating practices and organisation of work
- Structure and hierarchy across the workforce
- Development and progression practices
- Employee engagement practices
- Flexible working practices

#### **4.3.1 Operating practices and organisation of work**

The AWRS has collected a range of data about the organisation of work, including the days of operation, which could act as an indicator for whether penalty rates would apply to the operations of an enterprise. Further indicators of this could include the range of shift arrangements that enterprises reported, such as early morning, evening and night shifts and shift lengths that exceed eight hours.

As depicted in Table 4.5, almost half (49%) of all enterprises in the AWRS operate on weekdays only and around one-third (31%) of enterprises operate seven days per week. Days of operation was defined as days when employees are paid to undertake work relating to the major products and/or services of the enterprise. Just over three-quarters (76%) of enterprises operate within standard business hours only, although some of these enterprises may operate on weekends too which could be identified within the dataset.

Almost three-quarters of enterprises in the AWRS reported operating from one workplace only. Of note, data collected from this sub-set of enterprises may be comparable to workplace-level studies of employment and workplace relations.

**Table 4.5: Operating practices by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
<b>Number of worksites enterprise operates from</b>				
Multi-site	19.9	49.5	87.9	27.5
Single site	80.1	50.5	12.1	72.5
<b>Days of operation</b>				
Weekdays only	51.3	41.0	32.2	48.8
Weekdays and Saturday	18.4	14.7	11.4	17.5
Some weekdays and weekend (Saturday and Sunday)	2.6	1.4	0.3	2.3
Operating 7 days	27.4	42.5	55.7	31.1
Other	0.4	0.6	0.5	0.4
<b>Organisation of work hours</b>				
Standard business hours only (i.e. 8am–6pm)	80.9	62.2	42.2	76.2
Shift work arrangements	19.1	37.8	57.8	23.8

Source: AWRS 2014, Structure and operations.

Base for number of worksites analysis = 3054 enterprises. Enterprises that answered 'don't know' are excluded from the analysis.

Base for days of operation = 2757 enterprises. Enterprises that answered 'don't know' are excluded from the analysis.

Base for organisation of work hours = 2749. Enterprises that answered 'don't know' are excluded from the analysis.

Of the enterprises that reported having shift arrangements, Table 4.6 shows that three-quarters (75%) indicated that shifts are allocated mainly according to organisational needs, but with some flexibility to accommodate employee preference.

**Table 4.6: Shift allocation practices, per cent of enterprises that have shift arrangements**

Shift allocation practices	All enterprises with shift arrangements (%)
According to organisational needs	17.8
Mainly according to organisational needs, but with some flexibility to accommodate employee preference	74.6
Mainly according to employee preference, with some consideration of organisational needs	4.1
According to employee preferences or availability	2.3
Other way	0.2
Don't know	1.0

Source: AWRS 2014, Structure and operations.

Base = 963 enterprises. All enterprises that reported having shift arrangements.

### 4.3.2 Structure and hierarchy across the workforce

Enterprises were asked about how the organisational hierarchy/structure was expressed across the workforce of non-managerial staff to understand how employees could be classified and/or know their place within the organisation.

As presented in Table 4.7, over two-thirds (70%) of enterprises used job titles to express the organisational structure. Over one-third (37%) of enterprises reported that wage or salary structures used to set wages across the organisation was a key method for expressing the organisational structure and/or hierarchy across the non-managerial workforce.

**Table 4.7: Method of expressing organisational structure and/or hierarchy across the non-managerial workforce by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
Wage/salary structure from award	22.9	25.0	18.0	23.2
Wage/salary structure from enterprise agreement	7.7	11.5	24.9	9.2
Wage/salary structure – other	10.3	10.5	15.3	10.5
Wage/salary structure: combined	36.1	39.2	44.5	37.1
Grading or classification system (e.g. Grade 3, Level B)	12.5	21.7	38.4	15.5
Job title or Part of job title (e.g. Senior/Principal/Experienced/Junior)	67.1	77.2	72.9	69.7
As years/months of experience (e.g. second year)	48.6	39.4	23.0	45.6
As the level of qualification required (e.g. diploma, 3 year degree)	25.4	25.0	19.7	25.2
Responsibilities	1.4	2.2	1.2	1.6
Employment status / hours worked	0.0	0.3	0.0	0.1
Other method	7.9	7.0	7.3	7.6

Source: AWRS 2014, Employee Relations survey.

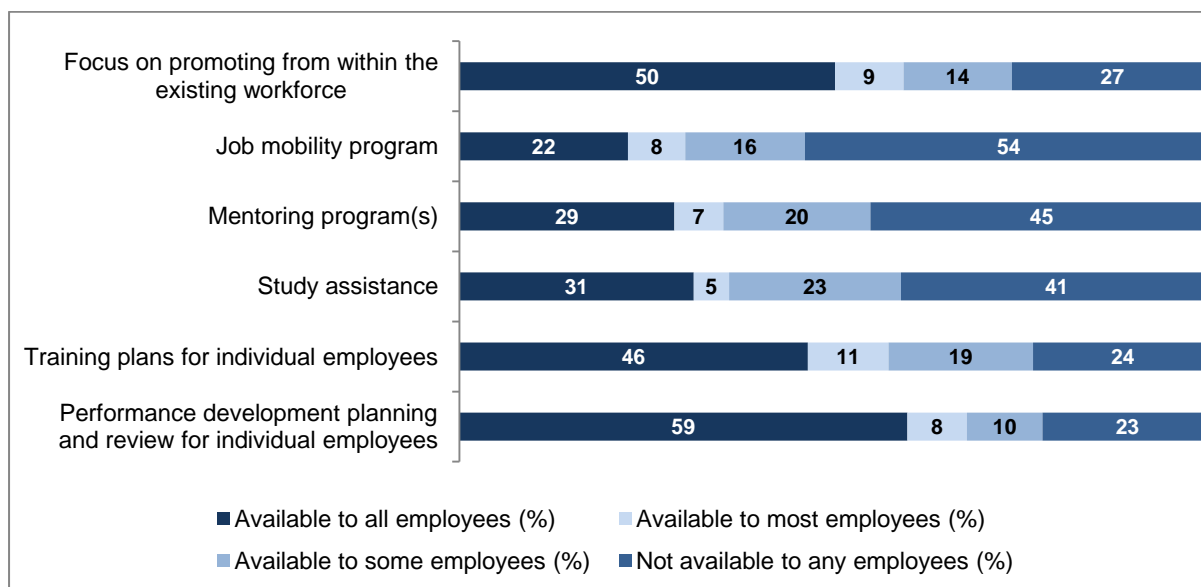
### 4.3.3 Use of development and progression practices across the employee workforce

The AWRS and AWIRS 1995 approached the implementation of employee training and performance review from different perspectives. The AWIRS 1995 examined the provision of formal training and staff appraisals in the context of broader performance management practices, including quality circles, team building and total quality management.<sup>3</sup> In 1995, staff appraisals/evaluations was one of the most common types of management practices used at workplaces. Staff appraisals were in place at 61% of workplaces.<sup>4</sup>

In contrast, the AWRS focussed on the distribution of different employee development and progression practices across enterprises. Figure 4.3 shows the differences in access to various development and progression practices across AWRS enterprises. Consequently, while the questions do not allow a direct comparison of the AWRS and AWIRS 1995 data, the findings provide an indication of common elements in strategic HRM over time. The AWRS shows that over three-quarters (77%) of enterprises reported having performance development planning and review for individual employees in place, including over half (59%) of enterprises where it was reportedly available to all employees.

<sup>3</sup> AWIRS 1995, main survey, employee relations management questionnaire (A17).

<sup>4</sup> Rogers M (1998), 'Management, Organisational and Technological Change in Australian Workplaces: Evidence from the AWIRS Data Sets' Melbourne Institute Working Paper No. 11/98, p. 14.

**Figure 4.3: Use of development and progression practices to employees of the enterprise, per cent of enterprises**

Source: AWRS 2014, Employee Relations survey.

Base = 3057 enterprises.

#### 4.3.4 Employee engagement practices

The AWRS has collected information from enterprises about communications to and from senior management/business owners and employees, including the methods of communication used and the type of information shared. Similar information has been collected from employees about whether they had provided input/feedback to management over the previous 12 months through a variety of processes and activities.

Table 4.9 presents a summary of the data collected in the AWRS that has been derived from a range of items about how management communicates information to employees and how employees provide their views to management. Some items were not asked of smaller enterprises based on the rationale that employee representation would not be applicable in enterprises with a relatively small workforce.

As presented in Table 4.8, almost all enterprises reported using multiple methods of communication to and/or hearing from their workforce. Almost one-third (30%) of enterprises indicated information flows to and from management to its employees via employee representatives.

**Table 4.8 Methods of communication to and/or from workforce used by enterprises by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
Employee representatives / union delegates	—	26.7	60.8	30.2
All employees / workforce	86.6	95.9	100.0	88.8

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
Teams / departments	86.9	93.3	99.4	88.5
Individual / one-on-one	99.1	99.3	100.0	99.2

Source: AWRS 2014, Employee Relations survey.

Base = 3057 enterprises. Percentages by cell. Columns do not add up to 100% as multiple responses provided across the range of items this analysis draws on.

### 4.3.5 Flexible working practices

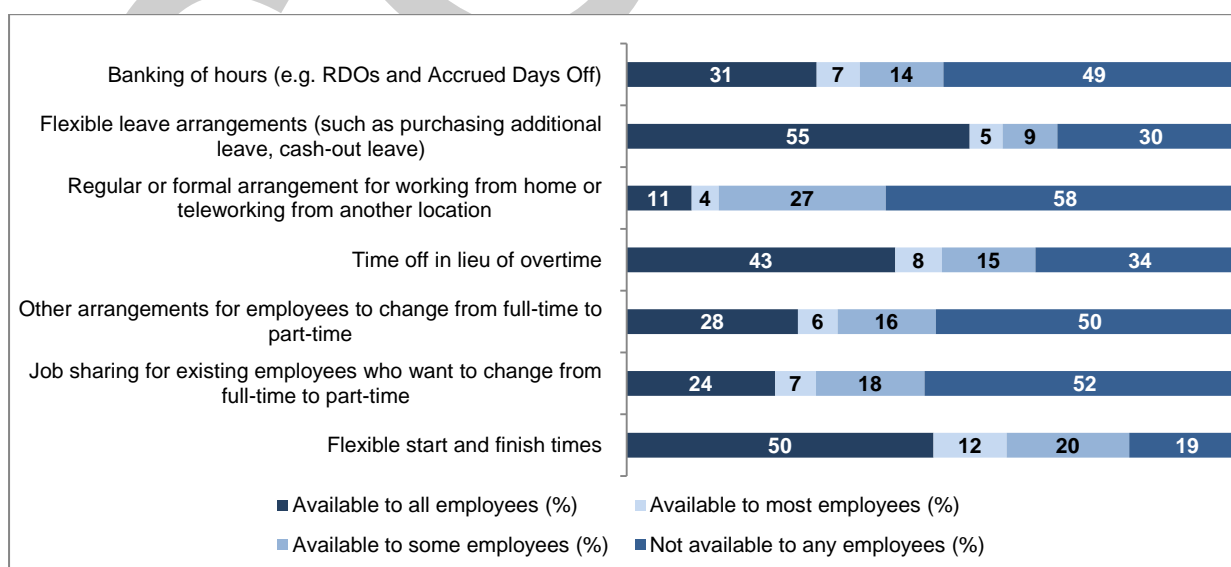
The AWRS can be used to examine the extent of use of flexible working arrangements based on both employee and employer experiences. Employers provided information about the availability of flexible working arrangements across the workforce and the range of flexible working arrangements in use at the enterprise. Employers were also asked about the receipt of requests for flexible working arrangements and formalising flexible working arrangements under the provisions of the *Fair Work Act 2009 (Cth)*. Employees provided information about the pursuit of flexible working arrangements and outcomes.

#### 4.3.5.1 Availability of flexible working arrangements

As presented in Figure 4.4, half of enterprises reported that flexible start and finish times were available to all of their employees. Flexible leave arrangements were also widely available to employees of enterprises, with over half (55%) of enterprises indicating that these arrangements were available to all employees.

Of note, these measures do not reflect the extent of flexible work practices *operating* at enterprises, but rather the availability to enact a flexible work practice if and when a need arose. The AWRS collected follow-up information about the extent of use of these types of practices across the employee workforce.

**Figure 4.4: Availability of flexible work practices to employees of the enterprise, per cent of enterprises**



Source: AWRS 2014, Employee Relations survey.

Base = 3057 enterprises.

#### 4.3.5.2 Requests for flexible working arrangements

The AWRS can provide insight into the incidence of requests for flexible working arrangements from both the employer and employee perspective.

Table 4.9 demonstrates the proportion of enterprises that had received a request for flexible work arrangements since 1 July 2012. Overall, 41% of enterprises had reportedly received a request, with a notably greater proportion of larger enterprises (72%) reporting that a request had been received since 1 July 2012 than smaller enterprises (38%).

The AWRS also collected information from enterprises about processes and policies for receiving requests, including how requests were to be made, who had authority to grant such requests and any criteria used to assess requests in relation to why an employee required a flexible working arrangement.

**Table 4.9: Requests for flexible working arrangements received by enterprises since 1 July 2012, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
Yes	37.8	48.8	72.4	40.8
No	62.2	51.2	27.6	59.2

Source: AWRS 2014, Employee Relations survey.

Base = 3057 enterprises.

Table 4.10 indicates the proportion of male and female employees who reported making a request for a flexible work arrangement. This table shows that since 1 July 2012, just over one-quarter (28%) of employees had reportedly made a request for a flexible working arrangement over the reference period and that the incidence is higher among females. The AWRS also collected information about why employees had not made such a request to understand if there were any unmet needs for flexibility and the reasons why this occurred.

**Table 4.10: Requests for flexible working arrangements made by employees since 1 July 2012, per cent of employees**

	Female (%)	Male (%)	All employees (%)
Yes	33.6	20.6	28.0
No	64.0	76.5	69.4
Can't recall	2.4	2.9	2.6

Source: AWRS 2014, Employee survey.

Base = 7853 employees. Excludes 30 respondents who did not provide a response.

#### 4.3.5.3 Formalised flexible work practices

While flexible work arrangements may be available to employees of an enterprise, the actual usage rates may differ among types of employees in terms of demographics or employment characteristics and the AWRS can profile the characteristics of employees who have made a formalised request for a flexible work arrangement using data from the employee survey.

One means of formalising a flexible working arrangement for employees of enterprises that use modern awards and enterprise agreements is via an Individual Flexibility Arrangement (IFA). An IFA is a documented record of an arrangement that can vary a range of terms of a modern award or

enterprise agreement, including when work is performed, and is signed by both the employer and employee. Employees with other forms of individual arrangements may have unique working arrangements prescribed in their terms of employment.

Enterprises were asked whether they had made an IFA with any employees since 1 July 2012. For those that indicated they had, information was collected about the content of the arrangement as well as the genesis and outcome of the IFA according to whether they had made one (single) IFA or had made an IFA with more than one employee (multiple IFAs) over the reference period.

As presented in Table 4.11, one in ten enterprises reported that an IFA that varied the arrangements for when an employee's work is performed had been enacted since 1 July 2012.

**Table 4.11: IFAs made since 1 July 2012 varying when an employee's work is performed by single and multiple IFA, per cent of enterprises**

	Single IFA (%)	Multiple IFA (%)	All enterprises with an IFA that varied arrangements for when work is performed (%)
<b>All enterprises</b>	2.5	7.6	10.1

Source: AWRS 2014, Employee Relations survey.

Base = 3057 enterprises.

#### 4.3.5.4 Informal flexible work practices

Flexible work practices can be enacted without being formally documented by IFAs or set out in an employee's conditions of employment. Informal approaches to establishing and maintaining flexible work arrangements can be adopted, whether on a short-term or long-term basis.

The AWRS can provide some insight into how informal arrangements are established in relation to how requests were made: verbally or in writing. Of the 28% of employees who indicated that they had made a request for a flexible working arrangement, almost two-thirds (62%) had made the request verbally which was later accepted by their employer (17% of the broader employee workforce had made a verbal request for a flexible working arrangement that had been accepted).

As demonstrated in Table 4.12, females represent a higher proportion of employees who had made an informal request for a flexible working arrangement compared to males (58% and 43% respectively). This analysis is an indicator of informal arrangements; however, it does not identify whether the arrangement that was agreed to verbally had then been documented.

**Table 4.12: Incidence of establishing a flexible work arrangement via an informal request, by gender and ANZSCO, per cent of employees**

	Employees who made an informal request (%)
<b>Gender</b>	
Male	42.6
Female	57.8
<b>Occupation</b>	
Manager	11.9
Professional	24.6



	<b>Employees who made an informal request (%)</b>
Technicians and tradespersons	11.3
Community and personal services	8.5
Clerical and administrative	29.8
Sales	6.7
Machinery operators and drivers	3.9
Labourers	3.2

Source: AWRS 2014, Employee survey.

Base = 2230 employees indicated that they had made a request for a flexible working arrangement with their employer since 1 July 2012. Of these employees, 2113 indicated that the request was made verbally only (1373) or both verbally and written (740).

Some of the reasons why employers do not use IFAs to formalise flexible work arrangements were canvassed in the AWRS. Although this analysis relates specifically to the use of IFAs, these insights may be more broadly applicable to understanding the application of individualised working arrangements.

As presented in Table 4.13, 43% of employers that hadn't used an IFA since 1 July 2012 indicated a preference to use informal/undocumented arrangements instead.

**Table 4.13: Why employers don't use IFAs by employment size, per cent of employers who had not made an IFA since 1 July 2012**

	<b>5–19 employees (%)</b>	<b>20–199 employees (%)</b>	<b>200+ employees (%)</b>	<b>All enterprises (%)</b>
Prefer to use informal/undocumented arrangements instead	45	36.2	24.7	43.2
No employees have wanted a flexible work practice	38.3	46.9	44.7	39.9
Award provisions are suitable/sufficient flexibility in award provisions	15.5	17	7.5	15.7
Other reason	11.1	8.5	11.6	10.6
Use common law contracts instead	6	7.7	13.2	6.4
Happy with EA/sufficient flexibility in enterprise agreement provisions	3.8	9.4	29.3	5.1
Unaware IFA provisions exist	3.4	2.3	5.2	3.3
IFAs don't allow sufficient flexibility	2.1	2.2	4.1	2.1
Don't understand how to use IFAs	2.2	1.2	0	2
Don't know	1.6	0.9	1.4	1.5
IFAs not reliable longer term (i.e. can be cancelled with 90 days notice)	0.5	0.7	3.2	0.6
Concerned about penalties if use IFAs incorrectly	0.4	0.9	0.4	0.5

Source: AWRS 2014, Employee Relations survey and Enterprise Characteristics (Recruitment screener) survey.

Base = 2093 enterprises.

## 5 Wage-setting and outcomes

Quantifying wage-setting practices and outcomes is a challenging practice. Previous research suggests that technical definitions used by stakeholders and researchers do not always resonate with employers and employees as it can be difficult to portray the breadth of practices that are in place in a practical sense at a workplace or enterprise.<sup>5</sup>

An important part of the research process is to test the concepts and measures on typical survey respondents in order to identify where improvements can be made to enhance understanding. The desired outcome is to design a measure that is both valid and reliable in that it measures what it is intended to measure, consistently, across a range of survey respondents. These testing procedures are necessarily guided by the requirement for measures to be technically correct to facilitate meaningful reporting, and so the result is to achieve the best version of a data item, but to recognise that it is imperfect.

Data quality limitations will be discussed throughout this section where the data show pay-setting information provided by AWRS respondents does not align with other sources of information about wage-setting practices and outcomes.

This section draws on data from the Employee Relations survey, the Workforce Profile survey and the Employee survey. The strengths and limitations associated with each of the surveys, as well as differences in results, are noted where applicable. In particular, it should be noted that differences in reference periods between the Employee Relations and Workforce Profile questionnaires has resulted in enterprises reporting different numbers of employees having their pay set by particular arrangements in some cases.

### 5.1 Incidence of different methods of setting pay

Method of setting pay data collected in the AWRS has been generated using similar processes to those used by other sources of wage-setting data. The definitions used to explain the differences between wage-setting methods have differed. For example, the method of setting wages by an individual arrangement was defined in the AWRS as a method that did not take account of an award or enterprise agreement. Arrangements that use awards as a base or a guide are included in the AWRS as a sub-set of the award wage-setting method as 'over-award'. This approach was used in the Award Reliance Survey undertaken in 2013 on behalf of the Commission. Similarly, wage-setting practices that are based on an enterprise agreement, even where the enterprise is paying more than the applicable rate for an employee, should be included in the enterprise agreement pay-setting category. This approach is in contrast to the pay-setting categories reported in the [ABS Employee Earnings and Hours survey](#) whereby 'over-award' arrangements would be included in estimates for individual arrangements. There may be utility in the AWRS dataset to include 'over-award' arrangements within the individual arrangements pay-setting category as required.

Table 5.1 provides an overview of the range of wage-setting practices used by enterprises to set wages for at least one of their employees. Typically wage-setting analysis focuses on the outcomes for the employee population; however, this analysis demonstrates how the AWRS can be used to study the wage-setting practices of enterprises. Table 5.1 shows that almost two-thirds of enterprises reported using awards (65%) and individual arrangements (64%) to set wages for at least one employee. Of note, Table 5.4 presents workforce estimates for the application of these pay-setting

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<sup>5</sup> Evesson J and Oxenbridge S (2011), *Enterprise Case Studies: Effects of minimum wage-setting at an enterprise level*, Research Report No. 7/2010, February, Fair Work Australia, Melbourne; Healy J, McDonald I, Macaitis K, Mavromaras K and Sloane P (2011), *Research Framework and Data Strategy*, Research Report 4/2011, Fair Work Australia, Melbourne.

methods which demonstrates that the incidence of enterprise usage is notably different to the degree of coverage of wage-setting arrangements across the employee workforce.

**Table 5.1: Incidence of different pay-setting methods, per cent of enterprises that have at least one employee paid by the method of setting pay**

	All enterprises (%)
Enterprise agreement	14.0
Registered agreement	11.5
Unregistered agreement	2.5
Individual arrangement	63.5
Award based*	64.7
Award reliant**	31.3
Over award***	30.9

Source: AWRS 2014, Employee Relations survey.

Base = 3043 for enterprise agreement, Individual arrangement and Award-based analysis. Records where don't know, missing and unknown pay-setting arrangements have been excluded (14 enterprises).

Base = 2869 for Award reliant and Over-award analysis. Records where don't know, missing and unknown wage-setting arrangements have been excluded (89 enterprises).

Note: Does not add up to 100% as employers may use multiple methods of setting pay.

\* Award-based includes arrangements where the award is used as a guide/base for pay setting or pay is set at exactly the award rate.

\*\* Award-reliant is setting a pay rate at exactly the applicable award rate.

\*\*\* Over-award is a method where pay is set with reference to an award rate (i.e. as the base) but not at exactly the applicable award rate.

Table 5.2 demonstrates that the main method reportedly being used to set pay among enterprises in the AWRS was by using awards (i.e. exactly the applicable award rate or using an award as a guide), with over half (51%) of enterprises reporting using this method to set wages for the majority of the workforce. Paying exactly the applicable award rate was the main method of setting pay for one-quarter of enterprises and a further one-quarter referenced the award to set pay rates. Of note, Table 5.4 presents workforce estimates for the application of these pay-setting methods across the employee population which demonstrates that the incidence of enterprise usage is significantly different to the degree of coverage of wage-setting arrangements across the employee workforce.

**Table 5.2: Main method of setting pay by employment size, per cent of enterprises**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
Enterprise agreement	6.9	21.0	49.9	10.7
Individual arrangement	41.9	28.6	23.3	38.1

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises (%)
Award based*	52.1	50.4	26.9	51.2
Award reliant**	23.2	30.8	17.7	24.6
Over-award***	27.0	18.0	8.7	24.8

Source: AWRS 2014, Employee Relations survey and Enterprise Characteristics (Recruitment screener) survey.

Base = 2971 for Enterprise agreement, Individual arrangement and award-based analysis. Includes enterprises that had a main method of setting pay calculated as the method that was used to set pay for the largest proportion of employees. Excludes 86 enterprises where two methods of setting pay were used in equal proportion.

Base = 2922 for Award reliant and Over-award analysis. Records where don't know, missing and unknown wage-setting arrangements have also been excluded (45 enterprises).

\* Award-based includes arrangements where the award is used as a guide/base for pay setting or pay is set at exactly the award rate.

\*\* Award-reliant is setting a pay rate at exactly the applicable award rate.

\*\*\* Over-award is a method where pay is set with reference to an award rate (i.e. as the base) but not at exactly the applicable award rate.

In addition to the type of wage-setting methods noted above, there are provisions under the *Fair Work Act 2009* (Cth) that enable employers to make Individual Flexibility Arrangements (IFAs) with their employees that can vary the wages for an employee as set out in a modern award or enterprise agreement. Employment conditions that can be modified through an IFA include a range of wage-related clauses, including, but not limited to, penalty rates, overtime, allowances and leave loading. There may be scope for analysis of these pay-setting arrangements that are based on awards and enterprise agreements to be analysed as an 'individual arrangement', although the reference period for data collected about IFA use is different to the method of setting pay data.

As demonstrated by the analysis presented in Table 5.3, 14% of enterprises reported making an IFA with an employee to modify wages since 1 July 2012. These findings are broadly aligned with the incidence of IFA use reported in the 2012 [General Manager's report](#) into the use of IFAs. The inclusion of information in the AWRS dataset along with detailed information about methods of setting pay may present opportunities for further analysis of how wage-setting methods can best be measured and analysed.

**Table 5.3: IFAs made since 1 July 2012 to modify wages of employee by employment size, per cent of employers who made an IFA that varied wages**

	Single IFA (%)	Multiple IFA (%)	All enterprises with an IFA that modified wages (%)
5–19 employees	3.3	7.9	11.2
20–199 employees	2.8	16.9	19.7
200+ employees	2.1	35.5	37.5
<b>All enterprises</b>	<b>3.2</b>	<b>10.3</b>	<b>13.5</b>

Source: AWRS 2014, Employee Relations survey.

### 5.1.1 Estimates of methods of setting pay for the employee population

The AWRS may also generate estimates of the employee population from the data collected from enterprises. One example of this is to use the information provided by employers about the wage-setting practices used across the employee workforce to generate estimates of the incidence of wage-setting practices across the employee population. Similar estimates are generated by the [ABS Employee Earnings and Hours survey](#) for the employee population. This catalogue provides more information about the characteristics and earnings of employees than the AWRS as the unit of analysis for catalogue is the employee population. The estimates of the employee population that are derived from information provided by enterprises could be used to verify the enterprise-level estimates of wage-setting practices.

Table 5.4 shows that 36% of employees had their pay set by an award. This can be further broken down by whether employees were paid exactly the award rate or an amount above the applicable award rate (i.e. Over-award). Table 5.4 presents employee population estimates for the Award reliant and Over-award pay-setting arrangements that also specifies the proportion of employees who have their pay set by an award-based arrangement, but where it is unclear whether they are paid exactly the award rate or above the applicable award rate.

Analysis of the Award-based arrangements that excludes the Unknown award-based arrangements show that 18% of the employee population were paid exactly the rate specified in an award. The Commission intends to conduct further analysis of the Unknown award-based arrangements data.

**Table 5.4: Method of setting pay for employees based on employer reported data, per cent of employees**

	All employees (%)
Enterprise agreement	36.5
Individual arrangement	27.8
Award-based*	35.7
<b>Award-based arrangements</b>	
Award reliant**	14.8
Over award***	5.1
Unknown award-based arrangement****	15.8
<b>Award-based arrangements excluding unknown</b>	
Award reliant**	17.5
Over award***	6.1

Source: AWRS 2014, Employee Relations survey.

Base = weighted workforce count of 9 061 447 employees for Enterprise agreement, Individual arrangements and Award-based analysis. Records where don't know, missing and unknown wage-setting arrangements have been excluded (47 466).

Base = weighted workforce count of 7 633 604 employees for Award-reliant and Over-award analysis Records where don't know, missing and unknown wage-setting arrangements have been excluded (1 427 843).

\* Award-based includes arrangements where the award is used as a guide/base for pay setting or pay is set at exactly the award rate.

\*\* Award-reliant is setting a pay rate at exactly the applicable award rate.

\*\*\* Over-award is a method where pay is set with reference to an award rate (i.e. as the base) but not at exactly the applicable award rate.

\*\*\*\* Unknown award-based method includes don't know and missing responses.

Method of setting pay estimates for the employee population are available from the [ABS Employee Earnings and Hours survey](#). This catalogue provides more information about the characteristics and earnings of employees than the data derived from employers in the AWRS because the unit of analysis for the EEH catalogue is the employee population. That is, all data collected relates to individual employees.

Researchers interested in analysis of the characteristics of employees according to methods of setting pay may use data from the AWRS employee survey.

### 5.1.2 Employee reported methods of setting pay

The AWRS collected information from employees about how they believed their pay was set. This was based on research (noted earlier in this report) that a technical understanding of wage-setting practices can be relatively low among employees. The approach used was to enable an understanding of if and how employees are involved in wage-setting. The AWRS therefore adopted wage-setting categories that were considered to resonate with experiences of employees.

As presented in Table 5.5, 43% of employees indicated that they negotiated their wage/salary with their employer. More males (51%) than females (36%) reportedly negotiated their wage/salary with their employer.

More employees in the Accommodation and food services and Health care and social assistance industries reported having their pay set by an award (43% and 39% respectively) than via negotiation with their employer (27% and 22% respectively).

**Table 5.5: Method of setting pay by gender and industry, per cent of employees**

	Negotiation (%)	Market rate (%)	Enterprise Agreement (%)	Award (%)	Other (%)
<b>All employees</b>	42.6	20.1	14.5	22.4	0.4
<b>Gender</b>					
Male	51.3	19.3	14.3	14.5	0.6
Female	35.8	20.6	14.7	28.5	0.3
<b>Industry</b>					
Mining	53.9	26.4	9.8	8.8	1.0
Manufacturing	53.2	21.4	13.8	11.5	0.2
Electricity, gas, water and waste services	49.2	20.5	18.2	11.4	0.8
Construction	57.2	18.9	13.1	10.7	–
Wholesale trade	58.3	24.7	4.6	12.4	–
Retail trade	41.9	21.4	3.1	33.1	0.5
Accommodation and food services	27.1	20.6	8.4	43.2	0.8
Transport, postal and warehousing	46.2	21.4	10.9	21.3	0.2
Information media and telecommunications	60.2	15.9	10.5	11.9	1.5
Financial and insurance services	52.4	19.6	18.6	9.2	0.3
Rental, hiring and real estate services	57.0	19.8	4.6	18.4	0.2
Professional, scientific and technical services	59.9	21.2	12.4	6.5	–
Administrative and support services	55.3	22.1	9.5	11.4	1.7
Public administration and safety	18.0	6.6	58.3	17.1	–

	Negotiation (%)	Market rate (%)	Enterprise Agreement (%)	Award (%)	Other (%)
Education and training	31.1	15.9	26.8	25.4	0.8
Health care and social assistance	21.9	20.8	18.4	38.5	0.4
Arts and recreation services	32.7	17.5	13.3	36.0	0.6
Other services	44.8	20.9	14.6	19.3	0.4

Source: AWRS 2014, Employee survey and Enterprise Characteristics (Recruitment screener) survey.

Base = 7297 employees for analysis of employees by industry, percentages by row. Employees who did not know how their pay was set or chose not to provide a response are excluded from the analysis.

Base = 7274 employees for analysis of employees by gender, percentages by row. Employees who did not provide their gender are excluded from the analysis. Also excluded are employees who did not know how their pay was set or chose not to provide a response.

### 5.1.2.1 Incidence of National Minimum Wage use

The AWRS is the first contemporary survey to collect information on the extent of National Minimum Wage use. Other surveys, including the ABS [Employee Earnings and Hours \(EEH\) Survey \(catalogue 6306.0\)](#) collect information on award use, but have not identified persons who are covered by the [National Minimum Wage Order](#). The National Minimum Wage applies to people who are not covered by an award or an agreement.

Enterprises that reported setting wages for employees via an individual arrangement were asked whether they set wages for any employees by the National Minimum Wage. At the time of conducting the AWRS, the National Minimum Wage was \$16.37 per hour and this information was used to clarify what the National Minimum Wage was and that it applied to employees who were not covered by an award or enterprise agreement.

As presented in Table 5.6, around 1% of enterprises reported using the National Minimum Wage to set wages for their employees.

As the only resource to quantify the prevalence of National Minimum Wage use, the AWRS may be able to illuminate the types of work performed by employees that may not be covered by modern awards and enterprise agreements and identify if there are any opportunities to address any coverage gaps in modern awards; however, it appears that very few enterprises are using the NMW to set wages for employees.

Analysis of NMW use was also performed for the employee workforce population. Fewer than 1% of all employees were paid the NMW

**Table 5.6: Incidence of NMW use by enterprises (at least one employee that has pay set by NMW) and employee workforce, by employment size, per cent of enterprises and per cent of employees**

	Enterprises that pay an employee NMW (%)	Employees paid the NMW (%)
5–19 employees	0.8	0.2
20–199 employees	0.8	0.2
200+ employees	1.3	0.3
<b>Total</b>	<b>0.8</b>	<b>0.2</b>

Source: AWRS 2014, Employee Relations survey and Enterprise Characteristics (Recruitment screener) survey.

Base = 3044 enterprises. Enterprises that did not know if any employees were paid the National Minimum Wage are excluded.

### 5.1.2.2 Incidence of junior rates use

All enterprises were asked whether pay rates were set at junior rates for any employees. This concept was explained as setting the pay rate as a proportion of the applicable adult rate.

As presented in Table 5.7, less than one-quarter (18%) of enterprises reported paying at least one staff member junior rates. The prevalence of setting wages at junior rates was higher in the Retail and Accommodation and food services industries (28% and 35% respectively).

**Table 5.7: Enterprises with employees paid junior rates by key industries and employment size, per cent of enterprises**

	Enterprises with at least one employee paid junior rates (%)
<b>Industry</b>	
Retail trade	28.4
Accommodation and food services	35.2
Other services	13.0
<b>Employment size</b>	
5–19 employees	15.5
20–199 employees	25.1
200+ employees	3.8
<b>All enterprises</b>	<b>17.9</b>

Source: AWRS 2014, Employee Relations survey.

Base = 3057 enterprises with various characteristics, percentages by row.

### 5.1.2.3 Use of performance-based payments

Overall, just over one-third (35%) of enterprises reported using some form of performance-based payment in the previous 12 months.

As demonstrated in Table 5.8, the most common performance-based payments used by enterprises were irregular bonuses or payments (i.e. paid less frequently than quarterly), with more than two-thirds (68%) of enterprises that used performance-based payments having using this form of performance-based payment. The AWRS also enables estimates of the employee population to be generated for female and male workers.

**Table 5.8: Use of performance-based payments in the last financial year by employment size, per cent of enterprises that have used performance-based payments**

	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises that used performance-based payments (%)
Commissions	33.8	37.8	26.3	34.5
Regular bonuses (bonuses paid at least quarterly)	21.3	24.8	33.6	22.7
Other bonuses/irregular performance-based payments (paid less frequently than quarterly, including one-off payments)	66.1	70.7	76.7	67.7



	5–19 employees (%)	20–199 employees (%)	200+ employees (%)	All enterprises that used performance-based payments (%)
Piece work payments (e.g. payment per unit produced)	1.2	2.2	3.6	1.6
Other performance-based payments	1.4	1.0	0.7	1.3

Source: AWRS 2014, Workforce Profile and Enterprise Characteristics (Recruitment screener) survey.

Base = 1838 enterprises.

## 5.2 Wage increases

This section presents analysis of how enterprises applied wage increases for employees in the absence of a significant change to an employee's duties or responsibilities and how employees had attained wage increases.

### 5.2.1 Wage increases reported by enterprises

Enterprises were asked whether they used specific methods to determine wage increases and, if so, whether that method would be available to all, most or some employees. Table 5.9 presents findings for each method used by enterprises. Just over three-quarters (77%) of enterprises reported using performance assessments to determine wage increases for employees and almost two-thirds (64%) indicated that they had implemented increases resulting from employee-initiated negotiations.

**Table 5.9: Methods used to determine wage increase by employment size and main method of setting pay, per cent of enterprises**

	Pre-determined adjustments such as through annual increases (%)	Performance assessment (%)	Negotiations initiated by employees (%)	Other ways (%)
<b>Employment size</b>				
5–19 employees	57.5	75.6	63.9	5.0
20–199 employees	73.5	81.3	67.2	4.5
200+ employees	88.1	85.5	68.2	9.3
<b>Main method of setting pay</b>				
Enterprise agreement	83.7	69.8	56.9	4.7
Award	65.4	70.2	60.6	3.8
Individual arrangement	50.4	87.9	71.6	6.8
<b>All enterprises</b>	<b>61.6</b>	<b>76.9</b>	<b>64.4</b>	<b>5.0</b>

Source: AWRS 2014, Employee Relations and Enterprise Characteristics (Recruitment screener) survey.

Based = 3057 enterprises.

### 5.2.2 Access to wage increases reported by employees

As noted in Table 5.5, 43% of employees indicated that they had negotiated their pay rate with their employer. The AWRS also collected information about whether employees had sought to increase their wage/salary since they commenced their employment and how. Table 5.10 demonstrates that almost one-third (28%) of employees indicated they had received a better wage without having to negotiate with their employer.

More males than females indicated that they had attempted (with or without success) to attain a better wage/salary through negotiation with their employer, with 19% of males indicating that they had attained a better wage without changing roles or had attempted to (2%) compared to 13% of females who had been successful or had unsuccessfully attempted this (2%). Almost one third (30%) of employees indicated that they had not attempted to attain a better wage/salary since they commenced their employment.

**Table 5.10: Proportion of employees who had sought a better wage/salary since commencing their current job and outcome by gender, per cent of employees**

	Female (%)	Male (%)	All employees (%)
<b>Received</b> a better wage/salary without pursuing it	27.3	29.7	28.4
<b>Successfully</b> attained a better wage/salary through a promotion	16.7	20.3	18.1
<b>Successfully</b> attained a better wage/salary for through negotiations with manager/employer (i.e. without changing roles)	12.7	19.2	15.5
Attempted to attain a better wage/salary though promotion, but <b>was unsuccessful</b>	2.0	3.0	2.4
Attempted to attain a better wage/salary in the same role, but <b>was unsuccessful</b> (e.g. request refused or ignored)	6.9	7.6	7.2
Have <b>not attempted</b> to attain a better wage/salary for since commencement of employment with this employer	33.8	25.6	30.3
Have <b>not attempted</b> to get a promotion	11.8	9.3	10.7

Source: AWRS 2014, Employee survey.

Base = 7525 respondents provided a response to the item asking if they had taken any action in regards to their salary/wages since they commenced in their current role. Columns will not add up to 100% as respondents were able to select more than one option.

As presented in Table 5.11, the most commonly reported reason for not pursuing a better wage or salary reported by employees who had not attempted to improve their wage since they commenced their employment was satisfaction with their wage/salary (33%).

**Table 5.11: Reason why employees have not sought a better wage / salary since commencing their current role**

	Female (%)	Male (%)	All employees (%)
Satisfied with current wage/salary	32.5	33.8	32.9
Satisfied in current role	23.7	24.7	24
There is no process/procedure to be able to access a better wage to perform the role	22.5	19.7	21.7
Role not seen by manager/employer as worthy of a higher wage	15.5	16.5	16
Concerned about negative effects on relationship with manager/employer	12.8	15	13.7
New to role / still on probation	10.5	10.1	10.4
Waiting for a review to conclude	1.8	1.8	1.8
Other	1.8	1.5	1.7

Source: AWRS 2014, Employee survey.

Base = 2617 employees provided a response to the item asking why they had not taken any action in regards to their salary/wages since they commenced in their current role. Columns do not add up to 100% as respondents multiple responses were accepted.

### 5.3 Wage-setting outcomes

The AWRS has collected a range of information that can be used to examine differences in earnings between characteristics of employees, such as gender. Data can be disaggregated to identify employees' occupations, weekly and hourly earnings, and components of earnings such as overtime, bonuses and superannuation. An employee's status as a junior, casual or part-time worker can also be controlled for.

Care should be taken when comparing AWRS survey estimates based on ANZSCO groups with estimates from the ABS using the EEH classification of 'managerial' employees. A variable classifying employees according to the ABS definitions of 'managerial' and 'non-managerial' is not included in the AWRS survey.

Table 5.12 shows average hourly ordinary time cash earnings (AHOTCE) for female adult non-casual, non-managerial employees was 83% of AHOTCE of all male adult non-casual, non-managerial employees. AHOTCE for females was \$36.91 (per hour), compared with \$40.65 for males.

The AHOTCE of all award-reliant female adult non-casual, non-managerial employees was 92% of the AHOTCE of all award-reliant male adult non-casual, non-managerial employees.

**Table 5.12: Average hourly ordinary time cash earnings (AHOTCE) for non-casual employees, by method of setting pay and ratio of female to male earnings**

	Female (\$)	Male (\$)	Ratio of female to male
<b>Non-managerial employees</b>	<b>42.36</b>	<b>51.20</b>	<b>0.83</b>
Negotiated amount with my employer	47.98	57.58	0.83
By an enterprise agreement	44.12	43.53	1.01
By an award	32.77	35.54	0.92
Market rate (more than the award/standard rate)	41.49	50.45	0.82
<b>All employees</b>	<b>44.43</b>	<b>55.79</b>	<b>0.80</b>
Negotiated amount with my employer	51.21	63.49	0.81
By an enterprise agreement	45.26	45.14	1.00
By an award	33.09	36.11	0.92
Market rate (more than the award/standard rate)	42.46	51.55	0.82

Source: AWRS 2014, Employee survey.

Base = 4128 non-managerial employees and 5090 employees in total. Excludes persons aged below 21 years. Also excludes persons employed under an apprenticeship or traineeship and persons who reported hourly earnings in the top and bottom 5% of the hourly earnings distribution.

Note: Hourly wage rates are calculated using employees' reported standard hours earnings in the last pay period. Respondents who did not receive remuneration for standard hours (a base salary) are excluded.

For the purposes of this table, non-managerial employees are those classified to ANZSCO categories other than the ANZSCO

Note: 1-digit group Managers.

As demonstrated in Table 5.12, there are differences in the earnings of employees according to the different methods of pay-setting. Employees who have their pay set by an enterprise agreement, on average, have higher earnings than employees who have their pay set by an award.

The AWRS collected information from enterprises about how the wage rates in enterprise agreements were determined and how they compared to the relevant awards. There is limited data available

which reports on the extent to which modern awards may influence wage-setting arrangements and outcomes for enterprise agreements.<sup>6</sup>

The analysis presented in Table 5.13 shows that more than half (59%) of enterprises with enterprise agreements in place used pay structures that set rates of pay well above award rates. Just over one-quarter (27%) indicated that the enterprise agreement wage rates sat just above the applicable award wage rates. Few (9%) enterprises reported that the agreement rates replicated the award rates.

**Table 5.13: Enterprise agreement pay setting structures compared to awards by Industry, per cent of enterprises with an enterprise agreement in place**

Industry	Replicate award wage rates (%)	Sit just above the award wage rates (%)	Sit well above award wage rates (%)	Enterprise agreement wages have not been compared to award(s) (%)	Other (%)	Unsure (%)
Mining	0.0	6.6	84.4	6.8	0.0	2.2
Manufacturing	4.7	24.9	70.6	1.2	0.7	0.7
Construction	3.6	17.8	74.0	0.5	0.0	4.1
Wholesale trade	2.8	14.2	69.6	0.0	0.0	13.3
Retail trade	27.4	30.9	28.1	0.0	11.1	0.0
Accommodation and food services	13.1	42.7	33.7	1.1	1.1	7.7
Transport, postal and warehousing	5.3	34.2	58.9	1.9	1.1	1.9
Rental, hiring and real estate services	15.1	39.3	75.8	0.0	0.0	0.0
Professional, scientific and technical services	8.3	8.3	83.5	0.0	0.0	0.0
Administrative and support services	13.7	27.3	45.9	0.0	3.1	6.2
Education and training	12.2	24.6	54.3	1.0	0.0	7.1
Health care and social assistance	21.8	42.9	34.4	0.9	0.9	0.9
Arts and recreation services	7.1	40.3	44.4	0.0	0.0	8.2
Other services	2.2	37.3	44.0	14.2	0.0	4.5
<b>All Industries</b>	<b>9.1</b>	<b>27.3</b>	<b>58.8</b>	<b>1.3</b>	<b>1.1</b>	<b>3.7</b>

Source: AWRS 2014, Employee Relations survey.

Base = 812 enterprises.

<sup>6</sup> However note research published by the Commission in 2013, namely: Buchanan, J, Bretherton, T, Frino, B, Jakubauskas, M, Schutz, J, Verma, G, Yu, S (2013), Minimum wages and their role in the process and incentives to bargain, Research Report No. 7/2013, December, Fair Work Commission, Melbourne.

Healy J, McDonald I, Macaitis K, Mavromaras K and Sloane P (2011), *Research Framework and Data Strategy*, Research Report 4/2011, Fair Work Australia, Melbourne.

## 6 Employee experiences

This section of the report provides a selection of findings from the AWRS on the work experiences of employees in their *current* employment.

In addition to information about current employment, the AWRS also collected some information about employee work experiences over the past five years and whether employees had experienced any periods of unemployment or extended unpaid leave (i.e. more than three months) over that time. Reasons for not being in paid employment were also canvassed.

Of note, the findings about *current* employment presented in this section for almost all cases relate to the employees' *main* job (see Technical notes for relevant information about employee characteristics).

### 6.1 Job satisfaction of employees

The AWRS asked employees to rate their level of satisfaction across seven aspects of their job. These aspects were developed through consultation and cognitive testing processes. Employees were required to use a 7-point scale to indicate their level of satisfaction, where one was extremely dissatisfied and seven extremely satisfied. Employees were then asked to rate their overall job satisfaction, considering the aspects they had just rated using the same scale.

The average scores presented in Table 6.1 and Table 6.2 that are closer to seven indicate employees were satisfied with an aspect of their employment, while scores closer to one indicate employees were dissatisfied with an aspect.

Overall, female employees were more satisfied across all of the measured aspects of employment than male employees. This is reflected in a higher average overall job satisfaction among female employees (5.49) than male employees (5.33). Employees were most satisfied with having flexibility to balance work and non-work commitments (5.67) and the freedom to decide how to do their work (5.66). Average satisfaction among females was notably higher than for males in these aspects of employment.

Male employees were most satisfied with having the freedom to decide how they can do their own work (5.59), while female employees were most satisfied with the flexibility to balance work and non-work commitments (5.78).

Both male and female employees were least satisfied with their total pay, with average satisfaction levels among male employees of 4.75, while for females it was 4.82.

**Table 6.1: Average overall job satisfaction of employees and satisfaction with aspects of current employment by employee gender and hours worked**

	All employees			Female			Male		
	All	Full-time	Part-time	All	Full-time	Part-time	All	Full-time	Part-time
Overall job satisfaction	<b>5.42</b>	5.37	5.56	<b>5.49</b>	5.43	5.59	<b>5.33</b>	5.32	5.44
The flexibility to balance work and non-work commitments	<b>5.67</b>	5.55	6.00	<b>5.78</b>	5.63	6.05	<b>5.51</b>	5.48	5.77
The freedom to decide how to do your own work	<b>5.66</b>	5.64	5.75	<b>5.72</b>	5.68	5.79	<b>5.59</b>	5.59	5.56
Your say about what happens in your job	<b>5.27</b>	5.26	5.33	<b>5.31</b>	5.27	5.37	<b>5.23</b>	5.24	5.12
The total pay	<b>4.79</b>	4.75	4.92	<b>4.82</b>	4.77	4.93	<b>4.75</b>	4.74	4.91
The job security	<b>5.32</b>	5.35	5.26	<b>5.35</b>	5.39	5.31	<b>5.28</b>	5.31	4.99
The work itself	<b>5.53</b>	5.51	5.61	<b>5.59</b>	5.55	5.65	<b>5.46</b>	5.46	5.40
The hours worked	<b>5.32</b>	5.27	5.48	<b>5.45</b>	5.37	5.58	<b>5.16</b>	5.18	4.98

Source: AWRS 2014, Employee survey.

Base = 7810 respondents provided a response for their overall level of satisfaction with their current employment.

On average, employees who worked in smaller enterprises with five to 19 employees reported higher levels of satisfaction with their current job (5.54), than employees who worked for medium sized (5.39) and larger enterprises (5.32). This is reflected in higher average satisfaction scores for all measured aspects of employment.

**Table 6.2: Average overall job satisfaction of employees by employment size**

	All employees	Employed in a small enterprise (5–19 employees)	Employed in a medium enterprise (20–199 employees)	Employed in a large enterprise (200+ employees)
Overall job satisfaction	<b>5.42</b>	5.54	5.39	5.32
The flexibility to balance work and non-work commitments	<b>5.67</b>	5.79	5.65	5.50
The freedom to decide how to do your own work	<b>5.66</b>	5.80	5.64	5.49
Your say about what happens in your job	<b>5.27</b>	5.46	5.23	5.06
The total pay	<b>4.79</b>	4.92	4.77	4.63
The job security	<b>5.32</b>	5.47	5.25	5.24
The work itself	<b>5.53</b>	5.61	5.51	5.45
The hours worked	<b>5.32</b>	5.42	5.31	5.17

Source: AWRS 2014, Employee and Employer Characteristics survey.

Base = 7810 employees provided a response for their overall level of satisfaction with their current employment. Of these employees, 1763 worked in small enterprises (5–19 employees), 4665 worked in medium sized enterprises (20–199 employees) and 1382 worked in larger enterprises (200+ employees).

## 6.2 Key drivers of job satisfaction

After employees indicated their level of satisfaction, employees were asked to consider the level of importance of the same seven aspects of their employment. Cognitive testing revealed that ranking all seven aspects was difficult and it was much easier and valid to restrict this assessment to the three

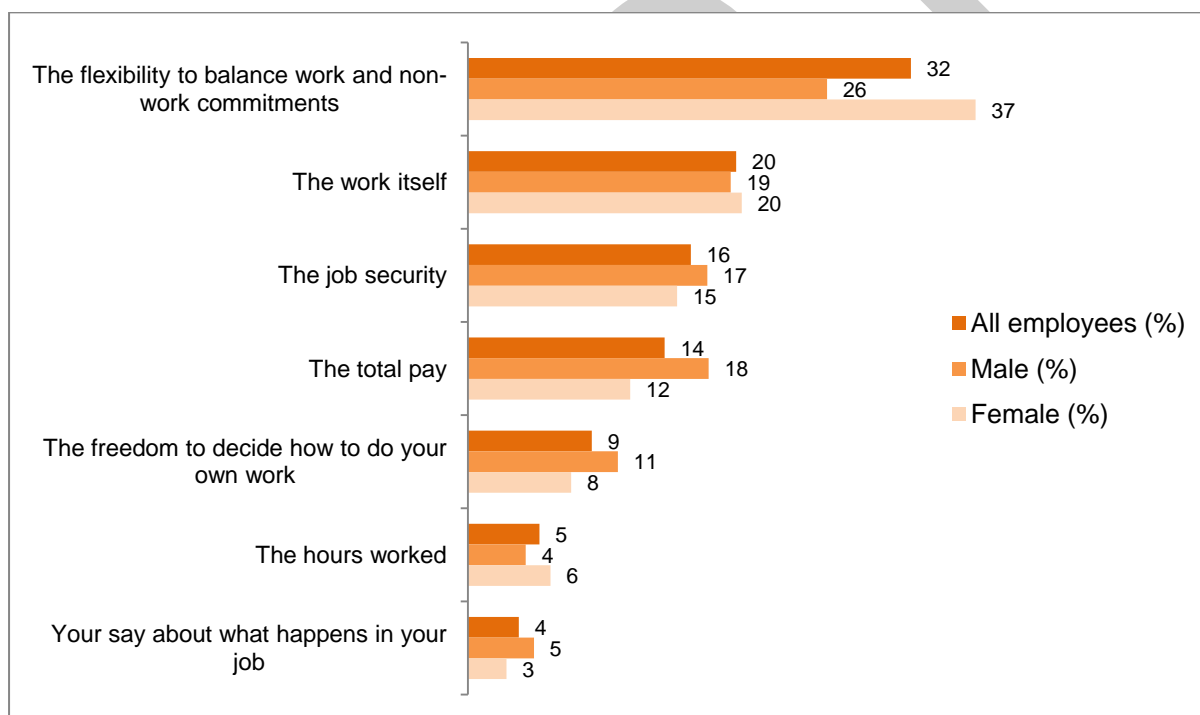
most important aspects, ranked from one to three. A rank of one indicated that the respondent considered that aspect to be the most important to them when considering their overall job satisfaction.

Figure 6.1 demonstrates the proportion of employees that selected an aspect as the most important (i.e. the highest ranked aspect). Further analysis could take account of the three aspects that employees considered to be important. Flexibility to balance work and non-work commitments was considered to be the most important aspect of employment for almost one-third (32%) of employees when considering their overall satisfaction with their current job.

A higher proportion of female employees (37%) considered the flexibility to balance work and non-work commitments to be the most important aspect of employment, compared to males (26%).

The total pay received by employees was the fourth highest ranked aspects of employment reported by employees. A higher proportion of males (around 18%) considered total pay to be the most important aspect of their job compared to female employees (12%). This analysis can be run by a variety of employment characteristics and demographics, such as level of household income.

**Figure 6.1: Aspects considered the most important when determining overall job satisfaction by gender, per cent of employees**



Source: AWRS 2014, Employee survey.

Base = 7505 respondents reported their gender and also ranked the aspects of job satisfaction by importance.

Note: Respondents by gender, who indicated that a specific item was ranked '1'.

Regardless of the industry employees worked in, the most important aspect of determining employee satisfaction with their current job was the flexibility to balance work and non-work commitments, as presented in Table 6.3.

The work itself was considered the most important aspect of employment for 29% of employees in the Professional, scientific and technical services industry. In addition, approximately one-quarter of all employees in the Education and training, Health care and social assistance and Other services industries also considered the work itself to be the most important aspect of their current job.

More than one in five employees in the Mining, Construction and the Rental, hiring and real estate services industries considered their total pay to be the most important aspect of their employment.

COPY



**Table 6.3: Aspects considered the most important when determining employee overall job satisfaction by industry, per cent of employees**

	The flexibility to balance work and non-work commitments (%)	The freedom to decide how to do your own work (%)	Your say about what happens in your job (%)	The total pay (%)	The job security (%)	The work itself (%)	The hours worked (%)
<b>All industries</b>	<b>32.2</b>	<b>9.0</b>	<b>3.7</b>	<b>14.3</b>	<b>16.1</b>	<b>19.5</b>	<b>5.2</b>
Mining	32.4	9.6	1.9	21.3	15.1	14.7	4.8
Manufacturing	28.2	9.4	3.6	14.7	21.9	16.7	5.5
Electricity, gas, water and waste services	32.7	9.8	4.6	13.1	19.0	15.7	5.3
Construction	24.5	9.6	4.0	20.1	21.7	14.8	5.3
Wholesale trade	28.5	9.4	4.7	19.1	19.1	14.4	4.5
Retail trade	29.4	8.3	4.0	17.1	18.4	15.0	7.8
Accommodation and food services	37.0	8.8	2.8	15.2	12.5	15.3	8.5
Transport, postal and warehousing	32.2	9.6	4.1	14.9	19.6	16.3	3.1
Information media & telecommunications	39.0	10.3	1.3	15.5	9.9	22.1	1.8
Financial and insurance services	36.2	8.2	3.0	12.0	17.4	17.7	5.4
Rental, hiring and real estate services	32.0	11.1	2.9	20.9	14.4	14.4	3.7
Professional, scientific & technical services	38.3	5.5	1.8	8.6	12.3	29.1	4.6
Administrative and support services	32.2	14.1	5.3	13.6	11.8	18.6	4.3
Public administration and safety	29.7	9.0	4.4	12.2	21.3	19.8	3.2
Education and training	33.9	11.1	3.7	11.9	9.8	24.6	5.0
Health care and social assistance	33.9	7.4	3.9	10.4	14.6	25.1	4.8
Arts and recreation services	33.7	7.9	4.6	13.4	13.4	22.8	3.9
Other services	31.8	8.1	4.9	12.5	16.1	24.5	2.1

Source: AWRS 2014, Employee survey and Enterprise Characteristics (Recruitment screener) survey.

Base = 7525 employees who provided a response and excludes 358 employees who did not provide a response.

Proportions shaded in orange denote relative standard errors greater than or equal to 50 and should be treated as indicative only.

### 6.3 Career development and opportunities

The AWRS contains a range of items that can be used to indicate the opportunities that employees reported they had to develop and progress in their employment and the barriers that exist to achieving goals and aspirations.

#### 6.3.1 Opportunities for development and progression

As presented in Table 6.4, over half (59%) of all employees had taken part in some form of training directly related to their current role in the past 12 months. More females than males reported having taken part in training over the past 12 months that was directly related to their role (55% and 46% respectively). In addition, most of these employees who had taken part in training were employed on a permanent basis (85%) compared to one in ten who were employed on a casual basis (9%).

Of all employees who undertook some form of training related to their current role in the past 12 months, employers reportedly covered the entire cost of the training in most cases (84%).

**Table 6.4: Per cent of employees that have accessed training opportunities funded by their employer by gender, hours worked and employment status, per cent of employees**

	Participated in training in past 12 months (%)
<b>All employees</b>	<b>59.3</b>
Male	45.5
Female	54.5
Full-time	76.7
Part-time	23.3
Permanent	84.6
Fixed-term contract	6.4
Casual	9.1
<b>Funding source for training undertaken by employee</b>	
100% funded by the employer	83.5
Part funded by the employer and part funded by the employee	9.7
100% funded by the employee	6.7

Source: AWRS 2014, Employee survey; AWRS 2014.

Base =7875 employees provided a response to the question if they had undertaken any training in the past 12 months that directly related to their current employment, with eight respondents not providing an answer. Of the 7875 respondents who answered the training item, 7849 had also provided a response to the gender item. 7813 were classified as either full-time or part-time according to the definition used by the ABS, 7603 able to be classified as permanent, fixed-term contract or casual. Respondents who could not be classified as permanent, fixed-term contract or casual (272 respondents) were excluded.

Base = 4735 employees provided a response to the item about funding for the training they undertook, with 11 respondents excluded from the analysis as they did not answer the item.

#### 6.3.2 Perceived barriers to development and progression

As shown in Table 6.5, just under half (44%) of all employees indicated that at least one type of barrier was impeding their career progression in their current employment, with more females than males indicating that they are experiencing barriers to achieving career goals.

Limited promotion opportunities and/or few higher-level roles was the most commonly cited barrier preventing employees from achieving particular roles or career goals, with almost two-thirds (63%) of the employees who felt that they experienced barriers reporting this.

Of the employees who cited their commitments outside of work as a barrier to their career progression, a notably higher proportion was female compared to male (13% and 5% respectively). Perceived barriers may or may not be related to reported job satisfaction levels, as presented in Table 6.1, where females had higher average satisfaction with flexibility to balance work and non-work commitments compared to males.

**Table 6.5: Perceived barriers preventing employees from achieving particular career goals, per cent of employees**

	All employees (%)	Female (%)	Male (%)
<b>All employees who perceived a barrier to achieving career goals</b>	<b>44.0</b>	<b>25.8</b>	<b>18.2</b>
Age	19.3	11.0	8.3
Gender	7.5	6.9	0.6
Ethnicity	3.3	1.7	1.6
Commitments and responsibilities outside of work (e.g. caring responsibilities)	17.8	13.2	4.6
Limited access to training	19.2	10.0	9.2
Limited promotion opportunities / few higher-level roles	63.3	35.5	27.8
Inequitable recruitment practices (e.g. people not always chosen on the basis of their ability and experience)	17.1	9.2	7.9
Other barriers	5.4	3.3	2.1

Source: AWRS 2014, Employee survey.

Base = 7883 employees provided a response to the question if they perceived any barriers to their career progression at the place of their current employment. Respondents were considered to have perceived a barrier if they had indicated 'yes' to at least one of any of the eight options provided.

Note: Columns will not add to 100% as multiple responses were permitted.

## 6.4 Preferences for more hours

Overall, most employees wanted to maintain the number of hours they worked, with two-thirds (64%) reporting a preference to maintain the number of hours they currently worked (Table 6.6).

When compared to full-time employees, a greater proportion of employees working part-time reported a preference to work more hours (27% and 39% respectively). Almost half (46%) of casual employees indicated they would prefer to work more hours (for more income).

**Table 6.6: Employee preference for more or less hours if given the opportunity, by employee classification and status, per cent of employees**

	All employees (%)	Hours worked (%)		Employment status (%)		
		Full-time	Part-time	Permanent	Fixed-term contract	Casual
More hours if given the opportunity (for more income)	29.9	26.6	38.5	27.2	24.5	46.4
Maintain the number of hours currently worked (same income)	63.5	65.6	58.1	65.6	65.5	51.4
Less hours (for less income)	6.7	7.9	3.4	7.2	10.0	2.2

Source: AWRS 2014, Employee survey.

Base: 7842 respondents provided a response to their preference for more or less hours, with 41 not providing a response. Columns may not add up to 100 due to rounding.

## 6.5 Future intentions of employees in the next 12 months

The AWRS collected information about where employees *want* to be in 12 months time. The options presented to employees to choose from included working for the same employer in the same or different role or working for a different employer in the same industry or a different industry.

Three-quarters (76%) of employees indicated that they wanted to remain with their employer for the next 12 months. Table 6.7 shows that over half (57%) of employees reported that they wanted to be working for their employer in the *same role* in 12 months time. A desire to remain in their current role was highest among employees in the Electricity, gas, water and waste services (66%) and Education and training (64%) industries and lowest among employees in the Accommodation and food services (46%) industry.

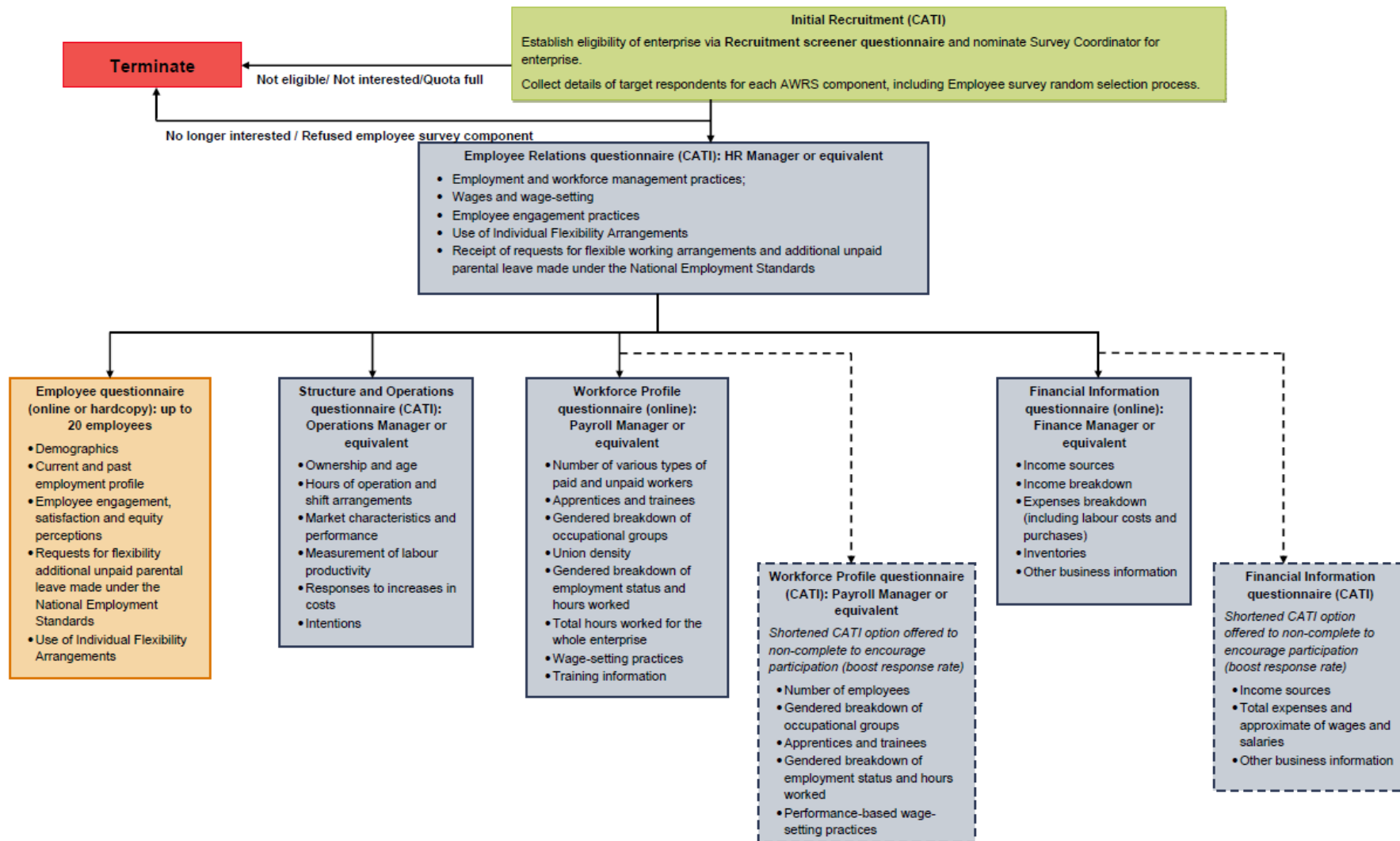
**Table 6.7: Employee intentions in the next 12 months by industry, per cent of employees**

	Working for the same employer in the same role (%)	Working for the same employer in a different role (%)	Working for a different employer in the same industry (%)	Working in another industry (%)	No longer working (%)	Other (%)	Unsure (%)
<b>All industries</b>	<b>56.9</b>	<b>18.6</b>	<b>5.7</b>	<b>7.0</b>	<b>2.1</b>	<b>1.6</b>	<b>8.1</b>
Mining	56.1	22.9	10.7	2.8	1.9	<b>0.9</b>	4.7
Manufacturing	61.7	15.0	4.1	6.7	3.2	0.7	8.6
Electricity, gas, water and waste services	66.2	17.6	<b>2.2</b>	8.1	<b>2.2</b>	0.0	3.7
Construction	62.5	19.2	7.2	3.2	1.4	1.4	5.1
Wholesale trade	58.1	18.6	3.7	6.5	3.1	0.8	9.2
Retail trade	54.4	18.7	4.3	9.6	2.2	1.4	9.5
Accommodation and food services	45.7	17.1	5.4	14.9	3.1	2.9	10.9
Transport, postal and warehousing	59.4	17.1	4.3	6.9	1.6	1.9	8.8
Information media & telecommunications	52.6	20.9	6.1	3.9	2.2	2.6	11.7
Financial and insurance services	58.1	21.2	4.7	6.2	1.2	<b>0.6</b>	8.0
Rental, hiring and real estate services	59.6	19.7	2.2	9.2	<b>0.3</b>	<b>0.9</b>	8.0
Professional, scientific & technical services	53.4	27.4	6.3	2.7	<b>1.3</b>	2.7	6.3
Administrative and support services	50.8	21.1	3.9	12.2	2.3	<b>0.7</b>	9.0
Public administration and safety	51.8	26.6	7.3	3.7	2.3	<b>1.4</b>	6.9
Education and training	64.0	14.3	7.2	4.4	1.8	0.9	7.4
Health care and social assistance	57.7	16.8	6.4	6.4	2.1	2.7	7.9
Arts and recreation services	53.6	17.9	7.9	10.1	1.7	<b>0.9</b>	7.8
Other services	56.3	15.1	7.4	8.1	1.8	2.6	8.7

Source: AWRS 2014, Employee survey and Enterprise Characteristics (Recruitment screener) survey.

Base = 7847 employees. Proportions in orange shading denote relative standard errors greater than or equal to 50% and should be treated as indicative only.

Appendix A—AWRS fieldwork components



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