



**Australian Government**  
**Workplace Authority**



## **WORKPLACE IMPROVEMENT THROUGH EMPLOYEE ENGAGEMENT:**

**A guide for Australian employers in  
the resources industry**



INDEX

- Introduction..... 3
- What is employee engagement? ..... 3
- The business case for employee engagement..... 5
- Achieving employee engagement ..... 7
  - Key factors to building a strategy to engage employees ..... 7
  - Other practical steps ..... 8
  - The role of the business leader ..... 8
  - The role of the line manager ..... 9
- Achieving employee engagement - case studies ..... 10
- Maintaining employee engagement – case study ..... 14
- Achieving employee engagement under the *Workplace Relations Act*  
*1996* ..... 16
  - Australian Workplace Agreements ..... 16
  - Union collective agreements ..... 16
  - Employee collective agreements ..... 17
  - Employer greenfields agreements ..... 18
- Appendix A: 12 Questions to Measure Employee Engagement..... 19

For more information please contact your local Australian Mines and Metals Association Office.  
Contact details can be found at [www.amma.org.au/home/contact/contact\\_home.html](http://www.amma.org.au/home/contact/contact_home.html)

## Introduction

Employee engagement in the workplace is fundamental to improving and maintaining organisational effectiveness and can be achieved through leadership, structure and systems as well as strong relationships between employers and employees.

This guide describes the importance of engaged employees in the workplace and its link to workplace improvement. Specific topics covered in this guide include:

- the rationale (based on research findings) of why employee engagement is so effective in the workplace
- how we can achieve and maintain a high degree of employee engagement
- how an organisation can create a culture that enhances employee engagement
- the importance of the roles of the business and line managers in this process
- how employee engagement relates to the reforms under the *Workplace Relations Act 1996*

Case studies drawn from the resources sector provide examples of the challenges and opportunities of employee engagement including where the employee engagement activities have or have not contributed to the overall success of the business.

## What is employee engagement?

Employee engagement is a popular term for human resource practitioners, consultants and academics. But what are we talking about when we use the term *employee engagement*?

The Institute of Employment Studies in the United Kingdom defines employee engagement as ‘a positive attitude held by employees towards the organisation and its values.’<sup>1</sup> An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefit of the organisation.’<sup>2</sup>

The Gallup Organisation in the USA sees the engaged employee as ‘someone who is 100 percent psychologically committed to their role.’<sup>3</sup> They thrill to the challenge of their work everyday.<sup>4</sup> They are in a role that uses their talents, they know the scope of their job, and they are always looking for new and different ways of achieving the outcomes of their role.’<sup>5</sup>

---

<sup>1</sup> Robinson, Perryman and Hayday, *IES Report*, 408.

<sup>2</sup> Ibid.

<sup>3</sup> Gallup Organization, *Building a Stronger Workplace: Managers Workbook*, 1992-1998, 15.

<sup>4</sup> Ibid

<sup>5</sup> Ibid.

International Survey Research sees employee engagement as ‘the bond or attachment to the organisation, support of its strategy and values, and level of motivation to work hard toward its success.’<sup>6</sup>

These definitions suggest a number of objectives organisations are trying to achieve by seeking to engage their employees. The most predominant of these is the encouragement of employee to achieve and exceed the outcomes expected of the role and to find better ways of working. The definitions also appear to indicate that an increase in employee engagement supports improved productivity, continuous improvement, better staff retention and a commitment to the organisation’s success.

The following definition preferred by AMMA strongly suggests the role of the leader and the scope of work involved in effectively engaging employees.

*Engaged employees willingly work to the best of their capability in the interests of the organisation and are encouraged to do so through the leadership, structure and systems of the organisation.*

---

<sup>6</sup> ISR, *Alignment Drives Turnaround at Guild*, ISR.  
[http://www.isrinsight.com/pdf/insight/Alignment\\_Guild.pdf](http://www.isrinsight.com/pdf/insight/Alignment_Guild.pdf) site accessed 4 April 2007.

## The business case for employee engagement

The rationale behind a move towards increased employee engagement is obvious – employees who are more committed, work harder and smarter, will be better for the company than those who turn up, do merely what they are obliged to do, collect their pay, and leave.

But what kind of difference does it make? Where is the biggest value added? Is it, financially, worth the effort? In this section we look at the research into the impact of raising engagement and the cost of disengagement, and more importantly, some real case studies of Australian businesses.

The link between employee engagement, increased employee performance and improved business outcomes has been researched by the Gallup Organisation. Over a decade ago, the Gallup Organisation reviewed its database of more than one million employee and manager interviews to ‘identify the elements most important in sustaining workplace excellence.’<sup>7</sup>

Twelve key elements were identified in the Gallup Q12 employee climate survey, which was first published in the Gallup Organisation’s book titled *First, Break all the Rules* in 1999.<sup>8</sup> The Q12 survey explores a number of questions about the quality of systems and leadership, especially team leadership, experienced by team members at every level in the business. A copy of the Q12 questions is contained in Appendix A.

The Gallup Organisation research revealed a link between teams in the top quartile of engagement scores based on the Q12 survey and better employee performance; this in turn resulted in significantly better business outcomes than for teams in the lowest quartile.<sup>9</sup> The 2006 Meta Analysis<sup>10</sup> study by the Gallup Organisation identified that teams within a business unit with a high level of engagement performed better than those with a low level of engagement: 12 percent more for customer satisfaction, 62 percent more for safety, and 12 percent more for profitability.

The Gallup Organisation also looked at labour turnover, distinguishing between companies in industries with typically higher turnover or lower turnover. The advantage enjoyed by companies with high employee engagement in turnover and retention was 51 percent in low turnover organisations and 31 percent in high turnover organisations.

---

<sup>7</sup> John Thackray, *12 Elements of Great Managing*, *The Gallup Management Journal*, The Gallup Organization, Princeton, NJ. <http://gmj.gallup.com/content/default.aspx?ci=811> site accessed 14 March 2007.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> A Meta Analysis is a statistical integration of data accumulated across many different studies designed to ensure greater credibility in statistical analysis.

In 2003, a separate study conducted by Ulrich and Smallwood questioned why two companies in the same industry with similar earnings could have vastly different market values.<sup>11</sup> Ulrich and Smallwood also found a correlation between employee engagement and customer satisfaction, identifying that for every one percent increase in employee engagement, customer satisfaction increased by 0.05 percent.<sup>12</sup>

Research of the effect of employee engagement on business outcomes has been undertaken by International Survey Research (ISR). The results showed that in one year, companies with high employee engagement levels improved their operating income by 19.2 percent while companies with low employee engagement levels declined by 32.7 percent.<sup>13</sup> Companies with high levels of employee engagement also 'demonstrated a 27.8 percent improvement in earnings per share (EPS), while companies with low employee engagement reported an 11.2 percent decline in EPS over the same period.'<sup>14</sup>

Literature on employee engagement also highlights the increasing importance of intangible factors in determining the market value of companies.<sup>15</sup> Factors such as the quality of leadership, the quality of team work and the learning and knowledge sharing systems in the company, (sometimes referred to as the social capital of the organisation), are estimated in some studies to account for up to 50 percent of its market value, particularly in direct customer service organisations.<sup>16</sup>

---

<sup>11</sup> Ulrich D and Smallwood M. (2003) *Why the Bottom Line Isn't! How to Build Value through People and Organizations*. New Jersey, John Wiley and Sons.

<sup>12</sup> Ibid.

<sup>14</sup> International Survey Research (2006), Engaged Employees Help Boost the Bottom Line, HRSM Conference, Washington DC, 1. <http://www.isrinsight.com/pdf/media/2006engagement.pdf> site accessed 3 April 2007.

<sup>14</sup> Ibid.

<sup>15</sup> See, for example, above n21.

<sup>16</sup> Ibid.

## **Achieving employee engagement**

To embed employee engagement as a business change into an organisation requires real commitment to building an integrated, multi-faceted strategy by scoping out problem areas, measuring the current culture and aligning solutions with the business priorities.

A workplace with engaged employees is an environment where employees:

- know what is expected of them at work,
- have the resources and authority they need to do their work right,
- have the opportunity to do what they do best,
- are encouraged and given opportunities to learn and develop,
- receive honest and constructive feedback about their work, and
- are rewarded for their individual contributions to the organisation and for their achievements.

### ***Key factors to building a strategy to engage employees***

Building a successful strategy of engagement is actually about getting employees to participate in the process as it is impossible to make people committed, driven and motivated by something they play no part in at all. The quality of leadership and team work, and the learning and knowledge sharing systems in the company all play a role in identifying the culture of the organisation that supports an environment where employee engagement can flourish. This means that employers and employees can communicate constructively and effectively in a trust relationship.

When drafting a strategy it is important to:

- Emphasise the importance and the role of employee engagement in the workplace as part of the culture of the organisation.
- Ensure that the structure of the organisation and the design of roles within that structure are conducive to employee engagement. That is that they are aligned to the skills of the employee and that the employee understands what is expected of them and their place in the business. This also means establishing a process for development of work roles.
- Establish a mechanism of internal communication to ensure employees are kept informed about the context of their role in the business and changes that affect their work and the organisation. This will help employees feel they have a sense of control over their work as opposed to being dictated to and will result in them feeling more trusted and valued.

### ***Other practical steps***

- Give employees the opportunity to develop pride in their organisation, e.g. consider implementing programmes such as Workplace Giving (organisations match employees' charitable donations)
- Give employees the opportunity to get involved in the organisation's strategic corporate philanthropy or corporate social responsibility activities, such as getting paid time off to volunteer, be a mentor for community organisations, or get involved in community events that the organisation sponsors. There are huge opportunities in the resources sector for this.
- Participate in relevant awards or recognition programmes, (e.g. 'Work and Family Awards') so that the organisation strives to be best practice, and gets recognised for its efforts to engage employees.
- Conduct an employee survey. Ask your employees what's important to them. Explain what steps you'll do to act on the feedback. Make resulting action visible, and not token.
- Give employees a seat at the table e.g. hold regular consultative committees, or management and employee forums.
- Ensure HR policies and practices (e.g. recruitment, induction, agreement making, performance management, OHS) reflect concern for employees.
- Value employees' wellbeing by providing a free employee assistance programme or other perks such as access to a gym.
- Ensure a focus on employees is included in the organisation's values. And if the values need an overhaul, involve employees in coming up with the values.

### ***The role of the business leader***

The Chief Executive and senior executives set the tone for engagement in any organisation, large or small. As a result, their actions are critical in inspiring employees to go 'the extra mile'. The most important task of senior leaders in driving employee engagement is communicating a clear vision of the future.

If you are a senior leader you can ensure employees are engaged effectively by:

- Getting the message across to the key people that their input in the process is essential and ensure that they are, and remain, an integral part of the engagement process.
- Take employees' contributions seriously. Once you have achieved employee participation in decision-making processes ensure these are valued and considered seriously.
- As a leader be visible and accessible to your employees.

- Ensure that the agreed messages in the boardroom are the ones that are presented outside the boardroom; i.e., that there is no misunderstanding amongst senior leadership as to the correct message.
- Ensure as far as possible that the communication channels used are in line with the gravity of the message. For example, when the decisions are likely to have a high-level impact on staff, the most credible source for that message should be from high-level leadership.

### ***The role of the line manager***

The line manager can be a powerful tool for engaging employees at every level, as the direct link between employees and the leadership of the organisation.

Line managers interact daily with front-line employees and can make a real difference to improving the workplace. The research study outlined earlier in this guide indicates that the critical elements for managers to build employee engagement are:

“creating a climate of open communication”; “helping employees understand their role in the organisation’s success”; and “building trust.”

The research also highlights that there is a need for greater leadership skills from front-line managers for them to be inspirational, credible, visionary and participative role models.

## Achieving employee engagement - case studies

Senior leadership and front-line management have the most influential role in creating an environment in which employees feel valued and respected. Organisations capable of building strong relationships between leaders and employees will be able to create a supportive people culture.

Where trust is established between management and employees or management and unions, significant improvements in organisational effectiveness can rapidly occur.

The following case studies document the experiences of two metal smelters, Comalco Aluminium (Bell Bay) and Southern Copper Limited, as they introduced workplace change to improve operating performance.

The greatest challenge facing primary metal smelters is to be cash positive at the bottom of the metal price cycle. Changes in technology occur infrequently and involve huge capital outlays. Process efficiency, product quality and safety can be significantly influenced by attention to detail by employees. As technology ages, the difficulty of maintaining and improving the position on the cost curve intensifies. Continuous improvement is necessary for survival.

**Comalco Aluminium Bell Bay Limited (Bell Bay)** and **Southern Copper Limited** operated sites within the CRA/Rio Tinto group. Southern Copper ceased operations in 1995.

Both smelters had been marginal operations for a number of years and were faced with costs and operating issues in respect to old technology. Each had an unacceptable safety performance, needed to address environmental performance and improve product quality and process stability.

Each smelter had a history of episodic enterprise bargaining with multiple union agreements and extensive tribunal involvement.

Initiatives were introduced to significantly reduce or eliminate overtime through a move from time based to task based work (via annualised salaries). Voluntary redundancy schemes were offered to reduce employee numbers. Leadership at each site was committed to improving smelter performance and the culture of the organisation.

However, there are clear differences between the two smelters, with Bell Bay being a dominant employer in a semi rural environment, compared to Southern Copper's position as a non-dominant employer in a heavily industrialised region.

While Bell Bay could do little to change its 1950s technology, Southern Copper invested over \$150 million in new technology. However, despite this, the poor environmental performance at Southern Copper continued and required substantial investment to meet its environmental licence requirements. Schools, homes and other private and public infrastructure had become established in near vicinity to Southern Copper's operations.

## Bell Bay

In late 1994, nearly 95 percent of employees accepted offers of staff employment in the form of an individual common law contract of employment. Note: AWAs were not available until 1996. These contracts operated outside the Bell Bay Award.

The acceptance of individual employment arrangements was the culmination of years of efforts to build leadership capability and employee engagement. The transformation started as early as 1987 with concerted efforts to improve safety systems and occupational health and safety. This included the use of tree-trunk safety investigations and the compulsory use of respirators when working on potlines. The latter policy was successfully introduced despite union opposition.

Values based leadership development programs were conducted for line managers across the smelter starting in 1988. Poorly performing managers and superintendents were removed from their roles and inappropriate behaviour at the workplace was strictly dealt with. All these actions signalled a real change in leadership behaviour which laid the foundations for changing the culture of the organisation.

Key systems changes were made such as the introduction of individual performance appraisals for award employees and the elimination of overtime in a number of areas through an overtime incentive system. This involved moving from a time based pay system to one where compensation for any extra work was factored into the salary thus eliminating the incentive to generate overtime and encouraging employees to complete tasks in normal hours and avoid rework.

The company adopted the practice of communicating and consulting directly with award employees rather than relying on union delegates. Closed shop arrangements and union fee deductions were also terminated. Tribunal proceedings were successful in reducing multiple union coverage at the site. The General Manager, managers and superintendents went to great lengths to ensure employees and their families understood what was involved in the offer and acceptance of individual employment arrangements.

All these initiatives helped pave the way for the acceptance of individual employment contracts by the overwhelming majority of employees.

The company attempted to formalise these employment arrangements by entering into an Enterprise Flexibility Agreement that contained an 'opt out' clause to enable common law contracts of employment to be offered to employees without contravening the award. It attempted to do this under the *Industrial Relations Act 1988* (Cth), but it attracted significant opposition from the trade union movement. Their opposition was initially successful with the AIRC declaring that the establishment of conditions of employment at an enterprise level through a system of individual contracts between a company and each of its employees is one at variance with our system of industrial relations.

It was not until some 21 months later, in 1996, that the AIRC certified the agreement which underpinned the offers of common law contracts of employment at Bell Bay.

The negotiations for the Enterprise Flexibility Agreement were conducted at a time when the future of the Bell Bay Smelter was in question due to the failure to negotiate a new power agreement with the Tasmanian authorities, in addition to cyclically low metal prices. This was influential in the company's decision to offer common law contracts of employment, as it believed that such arrangements could provide significant benefits in terms of the productivity of the smelter.

## **Southern Copper**

Southern Copper faced similar pressures to improve its performance but with some important differences in the industrial relations context. It continued to work through the established delegate and union structure and the traditional industrial relations framework.

Initial progress was made with many entrenched restrictive work practices neutralised through a trial of annualised salaries which dramatically reduced overtime. Workforce reductions through the offer of voluntary redundancy received only limited take up. The key external union official fundamentally opposed any reduction, alleging work would be intensified for remaining employees.

The union official, with the support of local delegates, continued to exercise a veto over necessary changes to work practices, many of which would have created new precedents. The union sought to slow the rate of change in a region which had been undergoing significant structural adjustment and workforce reductions.

### **Outcomes achieved**

Bell Bay made a successful transition from collective to individual employment arrangements. With this came significant rapid improvements in the smelter's performance, which was achieved without any change in technology, especially where individual operators could give close attention to detail.

In particular, shortly after individual employment arrangements were accepted, off specification metal fell from as high as 28 percent to as low as 7 percent; the lost time injury frequency fell by about 60 percent; and overtime ceased to be necessary. Between 1990 and 2000, absenteeism levels halved, current efficiency (a key performance indicator for energy intensive aluminium smelters) increased 1.5 percent; workforce declined from 1500 to 500 employees and tonnes per annum increased from 122,000 to 150,000.

In the case of Southern Copper, the benefits of increased capacity from the investment in new technology were slow to be realised and costs remained above that which was planned. Although a collective agreement was eventually reached, it was not certified because of the company's inability to attract additional capital to support necessary improvements in environmental and operating performance. Further changes to work practice and voluntary redundancies were required. A 30 day strike ensued and only ended after the closure of the plant was announced.

The plant was put into care and maintenance and subsequently sold. Attempts to restart the facility have proved unsuccessful.

These case studies highlight the importance of building effective relationships between management and employees or management and unions if organisations want to engage their employees. However, it is too simplistic to suggest that employee relations factors alone explain the differences in outcome between these two smelters. Shareholders at Southern Copper had already invested heavily in an upgrade and more was required. The pace of operational improvement and cultural change was very slow. However, it does illustrate that if conditions of trust and employee engagement can be established, rapid improvement in performance can occur.

Progress is possible under bargaining based arrangements but it is difficult to force the pace of change. It can be difficult to escape adversarial relations when there is a history of mutual distrust and the changes required may be perceived to be prejudicial to the wider interests of the union in the relevant labour market.

In Bell Bay's case, its willingness and ability to test the boundaries of the system were rewarded by the commitment shown by its employees and its stance vindicated by the eventual certification of its Enterprise Flexibility Agreement.

## Maintaining employee engagement – case study

Once the desired level of employee engagement has been achieved it then needs to be maintained. Some key challenges to achieving and maintaining employee engagement are:

- Failing to establish mutual trust between management and employees
- Failing to address entrenched behaviours that are barriers to achieving employee engagement.
- Dealing with third parties that are not aligned with the needs of the business.
- Changes in leadership without appropriate measures in place to ensure incoming leaders do not take the established relationships for granted.

Many companies have found that at some stage, one or more of their systems shaping employee engagement have slipped, ceasing to add value to the business. Fortunately, the underlying business model of these companies has been sound and steps have been taken to redesign the systems involved to align more closely with the needs of the business.

The case study below follows the experiences of Hamersley Iron and Argyle Diamonds and demonstrates a key challenge in sustaining effective leadership.

**Hamersley Iron Pty Ltd** and **Argyle Diamonds Pty Ltd** had successfully implemented individual employment arrangements and experienced increased organisational performance.

However, over time, staff turnover resulted in changes in leadership in both organisations at corporate and operational levels, which was accompanied by a loss of institutional memory. Very strong business performance at Hamersley and the need to significantly reduce costs to extend the life of the mine at Argyle Diamonds drove a very strong operational focus in both companies.

In this context the effectiveness of a number of key people systems started to decline, as did the extent of direct interaction and communication between front line staff and managers at all levels. First line supervisors were focused very much on output, in some cases at the expense of their managerial development and training on people skills.

In addition, as a response to the major changes in the federal workplace relations legislative environment, employee support via workplace ballots to establish new industrial arrangements to underpin the individual agreements was sought. The employees had little understanding of, or interest in, a non union collective agreement under the federal *Workplace Relations Act 1996* that was offered for employee approval. This was accompanied by feelings that the leadership of the organisation had not been communicating well and not sharing enough information with them.

The rejection of the company's proposals by a substantial majority of employees indicated the management team had been unable to explain the reasons for the changes sought and had lost touch with the issues that concerned the majority of the workforce.

At Hamersley, for example, a review of key employee relations systems, such as performance management and remuneration was undertaken. Amendments to these systems were made with substantial input from the employees affected.

Direct communications with staff were also increased and additional training in front line supervision skills was given high priority in both companies. The effective implementation and application of the performance management system have become key indicators of leadership performance. These initiatives have helped improve direct relations with their employees.

Constant and consistent attention to leadership development and systems supported the desired leadership behaviour, putting the organisations in a better position to manage any future changes in leadership roles.

This case study shows that ongoing attention to key people management systems such performance management, communications, consultation and leadership coaching and development is essential to maintaining employee engagement.

If early warning signals that employee engagement is waning are missed, an opportunity to rectify the situation may only arise if the company is given a 'wake up call' such as from the unexpected results of workplace ballots.

## **Achieving employee engagement under the *Workplace Relations Act 1996***

There is plenty of evidence to suggest that improved business outcomes can be achieved through increased employee engagement, although experience shows that achieving and sustaining those gains is not easy. As was observed by Greg Gailey, the CEO of Zinifex at the AMMA Annual Conference in 2006, 'government can provide the legislative framework for workplace relations but it can't determine the character of those relationships.'<sup>17</sup>

The 2006 amendments to the *Workplace Relations Act* were designed to help companies achieve better business outcomes and give employees more choice about the type of arrangements they work within. This section reviews the agreement making options under the *Workplace Relations Act 1996* and how they can be used to ensure a more engaged workforce:

### ***Australian Workplace Agreements***

If a company's purpose in offering AWAs is to build a more engaged and productive workforce, the social process of the offer and acceptance of the AWAs is crucial. This is because the success of the employee engagement does not rely solely on the legal form of the contract of employment but also the quality of the process and the existence of systems to support the expected behavioural changes

Careful preparation and effective leadership by line management when offering AWAs is necessary. If this does not occur, the existence of multiple forms of legal engagement may create division in the workforce. Additionally, good administrative support systems are required for the management of AWAs, a process more laborious than the application of a single collective agreement.

If the emphasis on 'people issues' is not appreciated and valued by the organisation as a whole, even the most well designed and implemented systems involving individual contractual arrangements can become bureaucratic. This risk increases over time with the turnover of managers who understood and championed the initial changes.

### ***Union collective agreements***

The 2006 changes relating to the making of collective union agreements, access to protected industrial action via secret ballots and access to remedies in the Australian Industrial Commission and/or Federal Court have helped reduce levels of industrial

---

<sup>17</sup> Greg Gailey, CEO Zinifex, speech presented to the AMMA National Conference, *The Bygone and the Brand New: The changing face of employee relations*, 16-17 March 2006 – Launceston Tasmania.

disputation.<sup>18</sup> The costs and productivity losses that occur from industrial disputes while more apparent, are only part of the losses occurring from adversarial relations at the workplace. A workplace with an adversarial culture will result in higher process costs and the need for greater industrial relations and human resources infrastructure.

To maintain a competitive advantage, employers need to consider how employee engagement can be built directly with their core and peripheral labour force. This will be especially important given the chronic shortages of skilled labour.

Improved business outcomes can also be created by promoting the mutual interests of union members and the company (e.g. equity participation and gain sharing schemes). However, the ability to effect change may be more difficult in operations covered by more than one union, each of which will have different organisational purposes.

A business model based on union and management cooperation recognises a role for the union in communication, consultation, dispute resolution and in the design of key people systems. In the past, the union role was mandated but this is no longer so under the *Workplace Relations Act 1996*. In the current system, the union, through the strength of its membership, may still maintain a role in the workplace if the members choose for their union to be involved.

Without the mandated role of unions in the workplace, it can be expected that many companies will seek to assert authority in areas of employee relations where unions and tribunals previously played a major role.

### ***Employee collective agreements***

These agreements are much easier to obtain than those available under the pre-reform *Workplace Relations Act 1996*. Some employers may perceive them as more administratively convenient than multiple AWAs. The question for the company is how this form of agreement will advance employee engagement.

Some critical issues to be solved are:

- What if the agreement gets a bare majority?
- How do you engage the capability of someone who voted against the agreement?  
In the past the employee's displeasure may have been directed at the union, now it is more likely to be directed at the company.

---

<sup>18</sup> In 'other mining' industrial disputation in the March quarter is only 0.2 days per thousand employees: [Australian Bureau of Statistics, Industrial Disputes, Australia, Cat No 6321.0.55.001, March quarter 2007](#) Released 7 June 2007.

- What can be done to reduce the likelihood of industrial action occurring upon expiry of the agreement when protected industrial action can be taken? (By contrast AWAs with expiry dates occurring at staggered intervals reduce the likelihood of an organised industrial action occurring).

Any ballot process carries some risk that it will entrench opposing views or become the vehicle for a protest about other issues which management has allegedly ignored. It is also an opportunity for leaders to widely interact with employees and better understand the perspective from the shop floor. Leaders must take that opportunity and continue to build their understanding of how employees see things during the operation of the agreement. A solitary effort running up to a vote will not build engagement and trust.

### ***Employer greenfields agreements***

Subject to minimum safety net requirements employers in this situation have a clean sheet of paper. Experience of AMMA member companies suggests that this presents an opportunity to build a business model that may be very different from previously established arrangements. This could involve innovative approaches to outsourcing or a form of individual employment arrangements and labour cost structures which do not have to follow traditional standards.

If the business model is flawed, experience suggests employee engagement will not of itself be sufficient. However, under the *Workplace Relations Act 1996* there is much greater capacity to adjust to adverse business conditions. The process to be followed in response to these changes in trading conditions can of course be a feature of the agreement.

## Appendix A: 12 Questions to Measure Employee Engagement

The Gallup Organization has created a feedback system for employers that would identify and measure elements of worker engagement most tied to the bottom line - things such as sales growth, productivity and customer loyalty.<sup>19</sup>

Gallup's research produced the Q12, a 12-question survey that identifies strong feelings of employee engagement. Results from the survey show a strong correlation between high scores and superior job performance. The 12 questions are detailed below:

- Do you know what is expected of you at work?
- Do you have the materials and equipment you need to do your work right?
- At work, do you have the opportunity to do what you do best every day?
- In the last seven days, have you received recognition or praise for doing good work?
- Does your supervisor, or someone at work, seem to care about you as a person?
- Is there someone at work who encourages your development?
- At work, do your opinions seem to count?
- Does the mission/purpose of your company make you feel your job is important?
- Are your associates (fellow employees) committed to doing quality work?
- Do you have a best friend at work?
- In the last six months, has someone at work talked to you about your progress?
- In the last year, have you had opportunities at work to learn and grow?

---

<sup>19</sup> <http://www.workforce.com/section/09/article/23/53/40.html>