

Newsletter December 2017

Considerable focus has been placed by media, Government and the community in recent months on important economic milestones and trends. This focus has included issues such as the modest level of wage increases, the increasing cost burden experienced by households, current levels of under-employment, Government proposals and intervention in the energy sector.

Lively discussion has included speculation as to how Australian corporations will compete globally while managing labour costs and a work week which is not competitive with many in our region.

While this newsletter is being released as the festive spirit becomes front of mind for a significant majority of Australians, the content of the articles are not uplifting and reveal the challenges of youth employment, graduate employment, the alignment between tertiary education and employer expectations of graduates fit for work, stubbornly high levels of under-employed members of the workforce and resistance to wage growth as commercial enterprises compete for consumer dollars in markets increasingly influenced by products sourced globally.

Clearly 2018 will be a challenging year for the community and for both private and public sectors as key stakeholders and influencers address these challenges and attempt to set a path for a prosperous and sustainable future for the nation.



Wage Growth in the Current Economic Setting

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Public Sector Pay

Has the community the right frame of reference when expressing views about the level of remuneration paid to employees retained by Commonwealth, State or Local Government organisations?



Unemployment and Employability

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Job Descriptions- The Million Dollar Document

The for-and-against arguments for job descriptions come in and out like the tide. Are they still relevant in “the age of disruption”?



The Agenda

‘The Agenda’ highlights current issues or matters that may be under review by the government or Boards.

Wages Growth in the Current Economic Setting

Over the past quarter there has been considerable comment on modest wages growth across Australia. Comment has come from the Governor of the Reserve Bank, numerous economists, the Treasurer, the ACTU and the Fair Work Commission, in varying capacities addressing in many contexts a wider array of economic indicators. The most recent aggregate data reveals that Australia's population is rapidly approaching 25 million. [The Consumer Price Index](#) rose by 1.8% in the year to the end of September. The most recent average weekly earnings data to the end of May stood at \$1,543.80 with the unemployment rate declining at the end of November to 5.4%.

In the 12 months to the end of the September quarter 2017, [wages and salaries seasonally adjusted](#) increased over the year by 2.0% with the trend estimate for wages and salaries being 1.2% for the September quarter. In the [12 months to May 2017, full-time adult average weekly earnings](#) increased by 2.1% compared to the average earnings of 1.8%, whereas all employees' average weekly earnings increased by 1.6% over the 12-month period. In the **private sector**, full-time adult average weekly earnings increased by 1.4% compared to all employees at 0.8% for the 12-month period. In the **public sector**, the increase in adult average weekly earnings for the 12 months stood at 2.8%, full-time adult average weekly earnings increased by 2.9% and the all employees average weekly earnings increased by 4%.

In MYEFO, released by the Treasurer in mid-December, the 2018 forecast wages growth was downgraded from 2.5% to 2.25% and in the 2019 Financial Year from 3.00% to 2.75%, with the jobless rate expected to fall to 5.25% in the 2018 calendar year. Further, economic growth for the current Financial Year has been downgraded from 2.75% to 2.5% though returning to 3.0% over the 2019, 2020 and 2021 Financial Years.

While there have been modest wage increases in recent years, though a more aggressive adjustment to minimum wages compared to the Consumer Price Index, concern in some industrial settings is emerging where employees, potentially subject to an Enterprise Agreement or Enterprise Bargaining, or salaried employees who are exempt from the above, are not being paid overtime. More modest wage growth is also clearly influenced by the small business sector, particularly given the improving company profits of listed companies and larger corporate entities.

An alternate perspective in our employment environment, not universally represented in all western economies though clearly in some, is that employers may reasonably expect the job to be done "by the end of the day" and if the job is not done, employees would contribute to the completion of an **expected day's work without additional pay**. Employers may not be unreasonable in holding this expectation in an employment environment where the full-time workforce have rights under legislation and regulation to 12 days' carer's leave, are often not required to work on public holidays and additionally benefit from 20 days' annual leave.

Nominally, in this context, a year's annual salary is being offered to full-time employees who have the benefit of legislated leave entitlements and public holidays, but who only attend work 44 or 45 weeks of the year. In this context, if wages or salaries are deemed to be weekly or monthly stipends for a focused, full-time employee to undertake and accept the accountabilities defined in their role, it is fair to assert that employees are being paid a premium of 15% or thereabouts given that between six and eight weeks of the year they are on leave of one form or another. Of course, these



entitlements are generally pro-rated to employees who work fewer hours than their full-time counterparts.

Over a 52-week year, full-time employees are nominally being paid for 300 hours when they are not at work. Is it unreasonable, then, for an employer to expect an employee to work an extra hour per day or two hours on, say, a couple of days a week to ensure work is completed and deadlines met? In the most simplistic terms, the benefit to the employer is the increase in the employer's capacity to remain competitive, the benefit to the employee is to increase job security, and the benefit to the community is to increase both productivity and employment.

In exploring the potential for improved prosperity of the average worker, the Government have drawn upon observations from the [Productivity Commission in their recent 5 yearly review](#). The review highlights some of the challenges to labour force productivity improvement. Many economists also share the Commission's observations of the challenges facing the nation in a period where profits are being challenged in a number of sectors, debt levels are increasing for many modest income earners, mortgage stress is on the rise in a number of areas, and employment is variable by industry sector.

[Egan Associates recently commented](#) on research outlining the productivity challenges facing many employees, including the impact of commuting time. Productivity may also be impacted on by the distraction of social media and access during periods of employment to mobile phones and other streaming of information and messages unrelated to the world of work.

Recent comment on modest wage increases reveals that **a proportion of employment growth is not full-time** (ABS Employment Statistics) and that the cost of living for many individuals and households is not adequately reflected in some Government statistics. This relates in particular to recent hikes in commuting costs, fuel cost, energy costs and employer expectations for extra effort often without recognition of the least well-paid through overtime payments.

The response to wages costs and profitability is observable to varying degrees and in varying sectors where organisations being required to pay penalty rates on weekends are choosing to either close their businesses or reduce their opening hours to those which are most profitable and which draw the highest customer traffic.

These broader economic and workforce challenges are being addressed in parallel with the detection and correction of gender pay inequality where it exists.

In a recent article in the Australian Financial Review, **Dr Peter Johnson** stated that slow wages growth was a global issue. He further went on to comment that new workers entering the labour markets in China, India and Southeast Asia and other developing nations, were bringing competitive pressure on developed nations with these initiatives, leading to a decline in local manufacturing, engagement in infrastructure projects and construction.

Dr Johnson went on to state that as Australia and other nations have recovered from the Global Financial Crisis, new jobs are in industries and sectors with sluggish growth. Dr Johnson claims this leads to a core challenge where labour growth is associated with low productivity growth. He goes on to indicate that developed nations' measures of employment growth and underemployment are not reliable measures of employment, as an increasing proportion of those employed are, in fact, underemployed.

While Government and employers are seeking to be part of a more prosperous and expanding economy, in managing the expectations of a multitude of stakeholders while also containing risk in the pursuit of opportunity both domestically and globally, current evidence across the entire

footprint of the economy would suggest that **wages growth nationally is likely to be subdued** until Australia can increase the level of full-time employment.

Productivity arising from a fully committed and focused workforce may lead to rewards arising from a new wages paradigm. Such a paradigm would see a committed workforce look forward to sharing in their company's prosperity by having a unitised or other share of profit growth rather than relying upon a wage increase above the CPI.

While this may lead to a smaller proportion of profit growth being allocated to management, it should not reduce management's total reward with increasing profits. In a national setting where the size of the productivity improvement pool is significantly greater due to strong leadership, effective deployment of investment funds, minimal public-sector wastage, and competitive individual and corporate tax rates, the entire workforce should be better off. Or is this Nirvana and a gap too wide to contemplate?

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Public Sector Pay

Has the community the right frame of reference when expressing views about the level of remuneration paid to employees retained by Commonwealth, State or Local Government organisations?

Egan Associates have observed over a considerable time the challenges faced by Government organisations in adopting and implementing senior management reward, which reflects the intent of the *Corporations Act* in relation to reasonable remuneration, while also managing a community perception of what is reasonable or acceptable.

All citizens are shareholders in Government enterprises as their taxes either directly or indirectly support Government operations. In that context, Governments have a far more complex and onerous task in managing pay than the vast majority of major listed companies, whether on the Australian Securities Exchange, the London exchange, or any of the major European, Asian or North American exchanges.

The business of Government is more diverse than a major listed company. The expertise which Governments call upon to provide services to the community cover virtually all occupations across the demographic spectrum - from school leaver through to individuals of national and international prominence in their field of endeavour.

Governments have traditionally held the view that remuneration of their employees should follow the market, not lead the market. The average voter looks to Government to provide a quality and timely service across a diverse range of activities which impact on their lives, the lives of their children and, for those with aging parents, their parents' lives.



Voters, citizens and the community expect Governments to keep them safe and provide efficient and cost-contained services to enable them to go about their daily lives securely and in relative comfort.

Most employed citizens, including those who are not currently eligible to vote at Local, State and Federal Government levels, are generally not looking for a dividend in a financial context. They are, however, subconsciously expecting valuable services to be

provided in exchange for the nation's tax dollar, but not necessarily value-created.

This is despite the fact that much of what Governments do is critical in creating *future* value for the community. Creating future value requires engagement and accountability by Government for policies and/or operations which impact on their citizens' quality of life, including affordability of housing, food and associated necessities; the cost and quality of healthcare and related services; education; personal and community security; and roads and public transport. Expectations are also that Government will competently and consistently support a breadth of private sector activities which enable enterprises to flourish and to profitably export services and goods manufactured or extracted from the nation's natural resources.

The community is generally critical of the provision of poor service by Government and on occasions of cost blow-outs by Government on infrastructure or other projects. However, the level of criticism such matters evoke from constituents can rise or fall depending on the perceived level of discomfort or pain experienced at any particular time.

In a privately-owned company, if a serious mistake is made, a family or collection of families or individuals can suddenly lose a substantial proportion of their wealth. Such a loss could be triggered, for example, by a poor investment, an error in estimating the cost of a development, or the failure of a particular product to meet expected objectives. The result can be not only catastrophic for the owners of the company, but may also have consequences for employees of the private company when staff lose their jobs.

In a listed public company, failures receive close scrutiny and comment by institutional investors, journalists and individual shareholders themselves. Shareholders will often refuse to support resolutions put by a Board, the increasing effect of which is the retirement of Directors or the Chief Executive and the separation of senior executives.

By contrast, significant cost blowouts or policy failures by Government may draw comment from the press, however such comment appears to have only limited immediate effect on the key proponents of the Government's initiative.

We hear increasingly of Government under-estimating costs in the realm of billions of dollars, not millions. We are told often of initiatives taken on the advice of Government officials which have failed to deliver as expected.

It often takes governments, through our political leaders, a considerable period of time to address failure. Those who make major decisions, notably Ministers in Government on the advice of their staff and senior public servants, remain in their position until a future election and are rarely directly held to account for significant failures in cost management and planning.

Two key questions for Government are, "*Would substantially increasing the pay for their most senior executive roles lead to the provision of better and more timely advice, more effective implementation of programs involving hundreds of millions of dollars? And could the nation save, say, between \$10 billion and \$50 billion a year in cost overruns if an additional \$200 million was spent in attracting, securing and rewarding the nation's best talent?*"

I recall a conversation I had with one of Australia's leading businessmen when I was a young consultant. I was commissioned to undertake, as part of a team, a benchmark study in a medium-sized manufacturing company. This was during an era when Chief Executives of major corporates were paid around 15% of current fixed remuneration levels. The major shareholder, on his initiative, decided to put \$2 million on the table if the leadership team were able to implement a significant transformation within an 18-month period. Achieving this transformation was expected to deliver between \$50 and \$100 million in increased wealth for the major shareholder. The objective was achieved. Management received a bonus well beyond their expectations and many multiples of prior earned bonuses.

While this case study reflects an early observation as a young consultant, it reinforces what I continue to observe today in major private companies and in a small number of listed public companies where key shareholders/directors reward a committed team for delivering dramatic transformation which flows through to all shareholders/stakeholders. I have also observed that without significant commitment for two or more years, key transformational initiatives are often not achieved to a standard of sustainable excellence that can be delivered by hardworking, focused and committed staff.

One of the earliest tenets that I have followed over a long career as a remuneration adviser is "what gets rewarded gets done".

Would voters support Government rewarding key teams, including the general workforce which they employ, with meaningful bonuses where they deliver programs on time, within budget, to the

highest quality standard? Or is the community's preference to see cost blowouts in the billions of dollars with only a small number of dedicated Government employees carrying the can for program implementation where their advice may not have even been sought?

The increasing demand for outsourced resources and the potential that Government bodies are not able to either attract or retain their share of the employment market's best talent, raises a number of challenges for the future. Should Governments review their employee reward paradigm, modify their employment practices and upskill their better performing employees to assume increased engagement in policy development and planning and empower them to assume full accountability for service and program delivery?

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Unemployment and Employability

Year on year unemployment has declined from 5.9% to 5.4% with employment growth exceeding 380,000 over the last twelve months.

Notwithstanding, data from the [Australian Bureau of Statistics](#) reveals that the long term unemployed in Australia, at the time of the GFC, was around 17,000 and today exceeds 50,000. In 2008 the proportion of youth unemployment was less than 9% and today it is more than doubled.

A recent report published by the [Brotherhood of St Laurence](#), reflecting on the past decade post the GFC, revealed that youth unemployment has tended upwards and that long term youth unemployment represented one in five of 15 – 24 year olds in September 2017. The Brotherhood of St Laurence attribute this largely to the lack of entry level job opportunities, poor education outcomes including diminishing continuing education, and a mismatch between employers' demands for particular skills and experience and the skills and experience of these youth. There was no evidence of any variation in the job seeking activity of this demographic during these periods.

Brotherhood of St Laurence research also reveals little difference between young people and older job seekers in the range and distribution of job search activities undertaken by those looking for work.

In the course of their research, the Brotherhood of St Laurence drew upon survey material arising from interviews with approximately 15,000 individuals undertaken by [Household Income & Labour Dynamics in Australia](#) (HILDA) Survey.

The HILDA research, which spans the years 2001 to 2015, reveals the five most significant causes of difficulty in seeking a position were:

- Lack of experience
- Lack of education
- Transport
- Number of applicants for the position
- Limited opportunities in their field of interest/capability

For those aged 25 and older, the factors were:

- Number of applicants for the position
- Lack of education
- Lack of experience
- Limited opportunities in their field of interest
- Too old.

In the above context, underemployment has also become a focus of Government. Unemployment and underemployment rates have historically tended to move in lock step, though since 2015 this long established relationship has changed with underemployment remaining stubbornly high, even though the jobless rate continues to firm at around 5.4%.

[The underemployment trend rate in the November quarter of 2017](#) was 8.4% - a modest decline over the prior 12 month period (previously 8.9%). It is this circumstance which is also contributing to

modest wages growth as the level of underemployment reveals a growing spare capacity among the underemployed to pick up any slack, potentially below the full-time equivalent wage rate. This unused capacity in the labour market is not reflected in the unemployment rate.

Further, it is highly probable that part-time workers or the underemployed will become an attractive alternate source of employment to the full-time employed workforce who may not be contributing productively to their employer's prosperity and sustainability.

Notwithstanding these observations, and job growth in the 2016 calendar year being predominantly part-time workers, more than 80% of the growth in the current calendar year has been for full-time participants with the female participation rate also increasing.

Research also reveals a sharp decline in the number of entry level jobs over the last decade with a reduction of more than 50% which is contributing to the challenges that young job seekers face today. The HILDER research further highlights the view that the nature and composition of future jobs is far from clear and for young people seeking to enter the labour market an entry level job has an entirely different meaning today than in previous generations.

The research reveals that up to 44% of jobs available in Australia today will potentially be automated. At the same time, many new and as yet undefined jobs will be created, thereby presenting both opportunities and new or increased risks, according to a [research paper by Edmonds & Bradley in 2015](#).

The paper also indicates that the current combination of technology, social demographic, geopolitical and environmental forces is ushering in a period of rapid transition revealing that young people must be equipped with the networks and adaptive capabilities required to take up new work opportunities, whilst at the same time being armed with the knowledge they need to navigate the evolving labour market.



Recent Government advice focussing on the criticality of Federal and State Government initiatives in the next decade has identified education as one of the three critical areas requiring an increase in consideration and attention. This is essential to ensure that the delivery of education and training is aligned with current demands of employers and to also take into account the uncertainty surrounding Australia's future and economic advantage across all industry sectors.

In order to have a positive impact on Australian citizens and those in the workforce, Government focus needs to be upon adapting to an ever-changing digital economy, big data, and our competitive advantage in the delivery of services while ensuring, as a nation, we gain from our natural resources, from our agriculture, and from our local price competitive engagement in construction and infrastructure development.

Within the above context, it is also pertinent to reflect on the fact that in a recent [survey of major companies' CEOs, AFR's Chanticleer \(Tony Boyd\)](#) revealed that the key focus of CEOs in the period ahead will be on investment in technologies such as artificial intelligence and data analytics.

The parallel emphasis on productivity in this context is likely to seek to ensure that workforce conditions do not adversely impact optimal employment potential by ensuring that Australians of all ages are equipped to contribute to the changing world of work. This focus is unlikely to replicate the focus of past Governments on industrial relations reform as the cornerstone for boosting

productivity and employment. Rather, the focus will be on ensuring that our youth and older workers are both educated and continually trained to enable them to adapt to changing competitive influences and the opportunities that such initiatives would create for Australians.

Further, in pursuing increased productivity across the entire economy, those representing the nation's constituents will need to manage the conflicts between ideology and policies and investment and ownership.

To achieve national and workforce productivity benefits, a critical initiative of Government will be engaging with the private sector to optimise outcomes at the least cost in the shortest time. This is essential to avoid what is increasingly seen across headlines nationally as cost blow outs and time delays in the delivery of critical infrastructure and related community benefits, with such blowouts and delays costing taxpayers billions of dollars.

Increased partnership between resources outside public sector employment is essential, together with a potential re-think of how a positive future for the nation and for all generations can best be delivered with the melding of economic imperatives and the nurture and support of citizens of all ages and capacities.

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Job Descriptions- The Million Dollar Document

The for-and-against arguments for job descriptions come in and go out like the tide. Are they still relevant in “the age of disruption”?

When jobs are constantly changing, what is the point of documenting them, only to see those documents become outdated within months?

The trouble with the “outdated” argument is that it can apply to almost everything. Everything you require to meet an objective needs a clear specification. A job description which reflects the past will not incorporate the accountabilities and capabilities relevant for today and a changing future.

A sub-optimal job specification will not only hinder the process of finding an individual suited to the organisation’s needs and expectations of a role, but may set you back months - or even years.

In Australia in 2018, acquiring the right talent with the right background and capabilities – for example, in a senior professional role - will be crucial. Where such a role is poorly documented and the incumbent does not assume the non-traditional accountabilities within 12 months of his or her appointment, an organisation can face a loss on its investment of up to \$500,000. Mitigating such loss, reducing risk and optimising the potential to employ the right staff with the relevant capabilities to meet the organisation’s objectives are primary accountabilities for members of an organisation’s leadership team.

Changes in today’s job descriptions and role priorities are as constant as the changes in expectations of an organisation’s stakeholders. Adaptation between and among all roles within an organisation, and their accountabilities, is ongoing and must be sustained in order to achieve organisational success now and in the long-term.



To stay ahead of these challenges in a real time, Egan Associates have created *Workforce*, a cloud-based software as a service which can significantly reduce the risk of poor hiring decisions and outdated role expectations – both of which can have a major negative impact on a company’s productivity, morale, balance sheet and perceived shareholder value.

Workforce facilitates an organisations preparedness to deal with change in the nature and breadth of accountability of all roles throughout the organisation, together with changes in reporting relationships and incumbent capability requirements.

The ***Workforce* Job Description module** incorporates over 13,000 accountability statements and more than 1,000 job descriptions across 25 job families.

Using *Workforce’s* job description module, a user can:

- Draw upon a best-practice job description format that is completely customisable to an organisation's needs. It remembers the organisation's preferred format to create the company's corporate template
- Choose job description templates for standard positions, add tailored sections for specialist positions, or download existing positions from the *Workforce* library and easily adapt them using any of the accountabilities relevant to the positions being defined
- Choose job accountabilities based on job family, organisation reporting level and type of accountability (e.g. policy and planning, relationships, core operations)
- Simultaneously add a role to an organisational chart the instant a job description is created
- Clearly model organisation structures in the accompanying organisation chart module using simple drag and drop reporting lines
- Store all the organisation's job descriptions and organisation charts online for instant access anywhere, any time or download and save locally
- Enjoy security and peace of mind knowing that *Workforce* is designed, supported and hosted in Australia.

Workforce's job description templates include the C-Suite, senior and middle management, senior professional, technical and supervisory staff roles as well as trades and administrative jobs, many of which may be covered by an Award or Enterprise Agreement.

The *Workforce* methodology enables roles where there is a universal expectation of content to be customised to any organisation's environment with its unique features and reporting attributes.

Workforce's job families cover global enterprises, private companies, listed entities and Government organisations, within the organisation reporting structures nominated above, across 25 job families.

Once a job description has been created, **the second *Workforce* module, Job Evaluation**, allows roles to be evaluated using the most up-to-the-minute, user-friendly job evaluation process available.

Finally, ***Workforce's* third module – Pay and Workforce Analytics** – enables the user to effortlessly produce data analytics that provide insights to understand and respond to the company's demographics and reward profiles quickly and effectively, including job family, age, gender, work value, location, division/operating unit, and length of service. We strongly recommend any organisation wishing to effectively, easily and reliably define and evaluate positions, and utilise powerful pay and workforce analytics, to call Egan Associates now on 02 9225 3225. We can arrange a quick, obligation-free demonstration either in your office or online. Or visit www.workforceandgovernance.com. We think you'll like what you see.

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The Agenda

Are Employees Underpaid? HR Managers Should be Aware of Award Classifications and Pay Entitlements

According to an article in the [HRM magazine](#), HR Managers need to be fully aware of Award classifications and wage payments for employees. There is less tolerance from the [Fair Work Ombudsman \(FWO\)](#) regarding HR professionals and their liability in underpayment cases.

They must be aware of the Fair Work Act of 2009, which holds third parties to be liable. Additionally, the Fair Work Amendment Bill of 2017 is aimed at giving the FWO the capacity to examine and discipline parties in circumstances of underpayment. These circumstances are not uncommon in large corporations. Good intentions of employers who choose to pay employees above minimum Award rates will not excuse an employer in instances where the employer has overlooked certain other employee entitlements, such as allowances, penalty rates and loadings. Such oversight may well result in serious legal ramifications for HR Managers and employers.



University Education & Vocational Training

We note that the most recent graduate outcome survey reveals that in 2017, 89.3% of individuals who graduated in 2014 had gained full time employment. This was down from a comparable study in 2010 when 92.6% of graduates were employed in a similar period from leaving university.

Robert Bolton, in his *Financial Review* article entitled, "[Falling Employment of Graduates Gives Simon Birmingham a Stick to Attack Unis](#)", raises the issue referred to by the Federal Minister for Education, Simon Birmingham, recently when the Minister highlighted in Parliament the disconnect between some of the courses universities are offering and the jobs on offer. The Minister's observation could be interpreted as highlighting the view that universities and institutes of higher education need to assume a greater degree of accountability for ensuring that courses in which students enrol will provide them with the necessary capabilities to undertake meaningful and challenging work in a changing and dynamic employment environment.

Research also reveals that university enrolments have steadily increased for more than a generation, though in this context indications are that only two thirds of students are finishing their degrees within six years and for those whose entry scores are modest that figure increases.



A recent comment on the ABC by Victoria's Skills Commissioner, Neil Coulson, highlighted that Victoria is experiencing major skill shortages in many areas, with increasing university enrolment rates leading to a decline in school leavers pursuing a trade. This observation highlights a potential conundrum in terms of employment, where university students are not

acquiring capabilities relevant in the employment market while the nation is ignoring technical training where jobs are always available and pay is comparable with many roles undertaken by graduates. These emerging trends in a rapidly changing employment environment should lead to increased engagement between universities and vocational education training centres in an

endeavour to optimise graduate capabilities and suitability for employment on completing post-secondary education.

Other observations in relation to the time it takes students to complete university study, relate to the number of hours each week that they are working to support themselves. That is, they are multi-tasking. One to provide economic support and the other to master the requirements of a university degree.

Extending the Basis for Paid Leave?

A recent article in the [Australian Human Resource Institute's "HRM"](#) caught our attention. Chloe Hava, somewhat tongue-in-cheek, reflected upon recent global initiatives, some of which are being considered in Australia, for paid leave in circumstances outside current policy parameters.

A particular reference was made to an occasion in the UK where an employee was granted two days' leave to take care of the employee's sick dog. While the employee's leave was initially approved as annual holidays, the employee successfully contested the leave allocation with the help of an animal advocacy group and received [pet carer's leave](#) as paid leave.

In the same article, reference was made to an American author, Meghann Foyle, who raised the question in relation to comparability of [maternity leave for singles as a form of sabbatical](#), noting that in France employees can take a sabbatical after three years' service, albeit that such leave is unpaid.

The article also noted that in some countries [marriage leave](#) is granted, revealing that in Greece employees are allowed five days and in Argentina ten days. In the Czech Republic immediate family can also apply. It was noted that Japan embrace a similar concept in congratulation leave for newly-weds and new parents.

Russia allows [time off to donate blood](#) or, where an employee needs a blood test, allowing a day's leave. In Bulgaria, employees are entitled to up to two days, and in Argentina and Brazil one day's leave is permissible.

In another AHRI publication of recent weeks, it was revealed that in the US, some companies are offering [employees paid climate leave](#). This issue has clearly become a topic of international discussion with world leaders having met in Bonn in last month to discuss the impact of rising temperatures. Recent major weather events, notably hurricanes in the US, have caused a number of companies to give consideration in their HR policies to accommodate the challenges arising from such events.

Notwithstanding, it was also noted that some organisations told their employees that failure to show up for work due to evacuation would only be a valid excuse 24 hours before an anticipated storm. In the above context, we understand that the US technology company, Fog Creek, is offering employees paid climate leave.

Should we anticipate a broadening of current leave provisions in Australia to incorporate a broader array of reasons for leave to include the giving of blood, time off to celebrate a marriage union, to care for a pet, to deal with unexpected outcomes of nature and other, yet-to-be identified causes of planned or unplanned absence?



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About Egan Associates



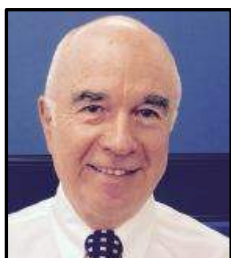
For more than 25 years, Egan Associates has advised leading organisations and emerging enterprises in Australia and New Zealand on the remuneration of Board Directors, executives and key staff members, as well as performance management, corporate governance and Board effectiveness.

Our Services include:

- **Remuneration reviews and benchmarking:** for CEOs, executives, senior management and professional positions, including specialist roles
- **Annual incentive plan structures:** advice on performance criteria, target and maximum payment levels as well as deferral and clawback provisions
- **Long term incentive plan structures:** advice on participation, performance hurdles, equity instruments, valuation and allocation, as well as provision of performance monitoring services
- **Corporate transactions / IPOs:** assistance transitioning pre-IPO reward arrangements into the listed company environment (or any other corporate transformation) considering issues including escrow provisions
- **Government pay reviews:** assistance at federal, state and local level in administrative, policy and corporatised environments on reward for senior executives, professional and administrative staff, and governing Boards
- **Board fee reviews:** benchmarking Board fee levels, including Chairman and Director retainer fees, Committee Chairman and member fees and fees for adhoc engagements.
- **Board effectiveness:** assistance with Board reviews, Board skills matrices, scenario planning and Board documentation.
- **Workforce & Governance:** *Define and evaluate positions and analyse pay the easy way!* Our new cloud-based software captures more than 30 years' knowledge, learning and experience in organisation analysis and remuneration in a suite of products which operate either as powerful, stand-alone modules or as an integrated combination. Access more than 1,000 role templates and over 13,000 accountability statements or easily create your own PDs from scratch. Organisation charts are generated automatically. Powerful analytics give you pay and workforce insights in one click. And our intuitive, user-friendly job evaluation module is designed to bring your JE process into the 21st century. And because *Workforce* is designed and hosted in Australia by Egan Associates, you know you're in great hands!



John Egan



John's early career was with Cullen Egan Dell (now Mercer Human Capital), which he chaired from 1983 to 1989, when he formed Egan Associates. John has been an advisor to Boards and senior executives on organisation, governance and reward issues over many years. He has assisted a significant majority of Australia's top 200 companies as well as a myriad of entrepreneurial organisations and government entities across a wide range of industries.

John has been actively involved with Universities, chairing Sydney University's Board of Advice for its Faculty of Economics & Business (2001 – 2010). John is an Honorary Fellow of the University and an Adjunct Professor in the School of Business.

John's personal interests are in cool climate gardens – www.thebraesgarden.com – and he served as a Trustee of the Sydney Royal Botanic Gardens & Domain Trust from May 2010 to June 2014.