

Saulwick Muller Social Research

WORKPLACE CULTURE IN AUSTRALIAN CORPORATE LIFE

A STUDY OF EMPLOYEE PERCEPTIONS

QUALITATIVE RESEARCH

REPORT

NOVEMBER 2003

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INTRODUCTION

The objective of this research was to explore current workplace culture among white-collar employees within large corporate organizations in Australia. It was commissioned by a number of financial institutions in Australia.

The study was conducted at a time when the Australian Government was debating possible changes to superannuation legislation, which would give employees additional rights in choosing a superannuation scheme. Allied to this was a growing trend among corporate organizations to outsource their superannuation fund management.

Taken together, these two factors represented a substantial change in Australia's superannuation landscape.

It was agreed that the researchers should explore attitudes of employees across a range of industry sectors rather than individual companies, and that they should seek answers to the following questions:

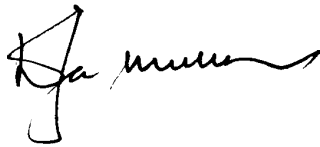
- ❑ What are the most common features of corporate life these days?
- ❑ What do employees like about these features?
- ❑ What do they not like?
- ❑ How do these likes and dislikes reflect on management?
- ❑ What are the effects on people's morale and loyalty?
- ❑ Does this rub off on their confidence in management's capacity to make the right decisions about employees' superannuation?
- ❑ Does this tell us anything about what people wish to see happen if the prospective Commonwealth legislation takes effect, giving employees greater choice over their superannuation arrangements?

Irving Saulwick and Denis Muller together facilitated the respondent discussions for this research and wrote this report.

In it they:

- ❑ Describe the methodology used;
- ❑ Provide a summary of main findings;
- ❑ Offer a typology of employees;
- ❑ Describe each of the groups impressionistically, and
- ❑ Set out the evidentiary basis for the findings in an extensive discussion segment.

The researchers take full responsibility for what is presented here and for the interpretations placed upon the data.



IRVING SAULWICK

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November 2003

METHODOLOGY

This report is based on eight focus group discussions. The discussions took place between June and October 2003, and were facilitated by Irving Saulwick and Denis Muller.

Each discussion group contained between six and nine people.

Of the groups, which were all drawn from white collar employees:

Three included people who earned less than \$75,000 per annum

Three included people who earned between \$75,000 and \$150,0000 per annum

Two included people who earned over \$150,000 per annum.

The first six groups mentioned above included employees of varying age, some of whom were tertiary trained and some of whom were not, who were drawn from a range of industries, some of which were growing, some static and some declining.

These discussions lasted between one and a half and two hours.

Of the two latter groups, one was made up almost entirely of senior HR and IR executives. The other included quite senior executives from a range of companies and organisations.

The discussions with these two groups took place during dinner around a Board table and lasted some two and a half hours.

The consultants guaranteed all participants anonymity. Thus while in this report we have quoted extensively from our participants, care has been taken not to attribute any comment to any particular person.

SUMMARY OF MAIN FINDINGS

1. Work in the Australian environment

The work environment is a microcosm of our wider social existence. The unfolding of personality, the personality needs, the need to be recognized and appreciated, to succeed, to learn, to offer of one's best, to enjoy the companionship of others, to be rewarded in one way or another for one's efforts, are all part of the work culture, as they are of life in Australian society itself.

Equally, as changes occur in Australian society, so the work culture changes, and over the course of the past generation social changes have been profound. In the United States and United Kingdom since 1978, and in Australia since 1983, the public discourse has been laced with the language of neo-classical economics: competition, contestability, rational choice, the level playing field, market forces, deregulation. In Australia these have been given effect through a series of policy shifts of historic magnitude: the floating of the dollar, the lowering or removal of tariff protection, the ending of centralised wage-fixing.

These essentially economic ideas have had far-reaching political effects. Government involvement in the market has become unfashionable. Governments are no longer directly involved in many areas of macro economic management. At a micro-economic level, programs of privatisation and corporatisation have lessened government involvement in the domestic market. These in turn have altered perceptions in the minds of ordinary people about the role, reach and possibilities of government. In contemporary language, the "nanny state" has been replaced by a "safety net".

These changes have been accompanied by a social rhetoric that asserts the primacy of individualism over societal interests more insistently than had been understood under the established norms of Australian political and social discussion. In the words of Paul Kelly, the past 20 years or so have meant the end of certainty for the Australian people.

While ordinary people do not go around speaking explicitly in these terms, they exhibit an intuitive grasp of it. What we have discovered in this research is the consequences of this for corporate life and corporate culture. These consequences affect the process of social bonding and the creation of social distance; the extent to which people allow themselves to belong to a group or hold back; their acceptance or rejection of hierarchy; the level of self-interest they bring to their calculations about what is good for them and what is good for the company; their preparedness to engage in collaborative activity; their readiness to ascribe generous or cynical motives to company actions and decisions.

Work is one of the pillars of people's lives. It occupies about a third of their life. In work people look for the economic resources necessary to live a life which is often defined by society as appropriate or proper or successful. But it goes well beyond this material quest. In work people seek a sense of achievement, of fulfillment, of belonging, of self-identity. In work people create communities that often spread outside the workplace.

Denial of these satisfactions – material and non-material -- can produce profound withdrawal symptoms, including loss of self-esteem as well as family disruption and economic fracturing.

Work is so central to a person's life that it is hard for individuals to be completely objective about it. This is not to say that people will not necessarily try to tell the truth when asked – it is just that personal assessments are influenced by many of the social and psychological pressures noted above. But in listening hard to people talk in a group environment, many attitudes and influences can be deduced. This report attempts to elucidate and interpret these attitudes.

What are these attitudes?

Largely against their will, employees find that to survive in what most see as this brutal new world they must match the general ascendancy of individualism with individualism of their own. They are most uncomfortable about this. They wish it were not so. They wish they could offer long-term service and loyalty to their employer, but feel that in any contest between loyalty and the bottom line the employer will choose the latter every time.

How they react differs with age and their own sense of their competitive capabilities.

Young professionals say we don't like this dog-eat-dog world but we can eat dog with the best of you – and, hey, we don't make the rules. So they keep a sharp lookout for new opportunities and will take them without hesitation if they come along.

Middle-aged people have been forced to become adaptive, many re-inventing themselves more than once. Some have grown in confidence through their ability to adapt, but others – especially the less well-educated – are deeply insecure.

Young and old alike work long hours. Most people say they work unpaid overtime virtually every week. Many do so out of pride in the job mixed with an uneasy sense that if they don't keep up a sustained level of performance, they will be out on the street. Some – particularly the middle-aged – have experienced this before, and want to avoid it again at all costs.

Young and old alike also actively seek out social networks at their places of employment, partly because it is essential to their sense of well-being and partly because they have found it necessary to stick together in the absence of faith that their bosses or their company will stick with them.

Many betray a sense of insecurity not because they lack faith in their ability or performance but because they do not know where the next “downsizing” or “restructuring” is coming from. The one thing many employees believe for certain is that if that day comes, they will not be told the truth, but will be bluffed and lied to until the very last moment. A good few speak from bitter experience of this.

They also believe that in the end the bosses will look after themselves, if necessary at the expense of their employees. They look this prospect in the eye and do not blink. In the age of individualism they expect nothing else. But they do not admire or like it.

Neither do they admire or like the “short-termism” which many see as driving the decision-making in their organisation. They say they understand that the market demands constant improvements in the bottom line, but they ask about the long-term effects. Will the company have new products to offer? What will happen to the corporate memory as wave after wave of experienced employees are laid off? Will the company ever take an interest in the non-economic aspects of life? What will I have to do to survive?

2. How employees see the business environment

How employees see the business environment in part depends on their personality and background, but also in large measure on where they sit in that environment – at or near the bottom, somewhere in the middle or at or near the top.

THE VIEW FROM BENEATH

The view from at or near the bottom is a mixture of hope and despair. Some believe or hope that they have the ‘marshal’s baton’ in their knapsack and it is only a matter of time, hard work and a bit of luck before they reach the top. These people are prepared for the hard work. They look with both hope and envy at those who have made it. Others are more ambivalent: some do not particularly like what they see: dishonesty, a private scramble, a potential sale or loss of ones soul and wonder whether the prize, if they win it at all, will be worth the price.

They often get pleasure from those among whom they work – in many cases the work environment becomes their society.

THE VIEW FROM THE MIDDLE

People in the middle are a mixed lot. Some are there through attrition: they have put in the hours, they have paid their dues and they are reaping their modest rewards. Some are travellers on their way to the top. Some are professionals whose reward is an interesting work life. They don’t expect to go much further, and this does not worry them. And some are biding their time until the right moment to jump out of the workforce or into a new and hopefully better position or into something that excites them and feeds their passion arrives. These people tend to view their organisation with detachment, irony and a good deal of clear-sighted cynicism.

Many people in the middle group, perhaps because they have been around for a while, are shrewd observers. They know who to trust and who not to trust. They know when people are playing games. They know when communication is real and when it is a façade. They know where the secrets are buried. Sometimes they know the secrets.

Some, particularly the professionals who represent the company, enjoy the chase. If they are in IR, for example, they will play hard, partly because to do so is expected of them both by their organisation and by their adversaries and partly because it is enjoyable to do so – quite beside the fact that the other side will also do so.

Cynicism and distrust

Cynicism and distrust is widespread when middle management talk about senior management.

(We use the words ‘senior management’ to denote the senior or top people in the organisation: they may be partners in a law firm, or owners of medium sized business or directors or very senior executives of a public or private company.)

There are a number of strands in these attitudes:

Self interest

Senior management is seen, almost universally, not only to be self-interested, but to be motivated primarily by self interest. It is believed that if this means that policy must be adjusted to meet this interest, even if it is not seen to be in the long term interests of the organisation, this will happen.

There is a belief that particular senior managers might be using the organisation as a stepping stone in their own career planning and that their interests, rather than the organisation’s long term interests, are paramount.

Token openness

There is seen to be a good deal of communication from senior management to people in the organisation. Often this is welcomed, particularly if it is seen to be genuine and informative. But too often it is seen to be ‘putting the party line’ – that is, demanding acceptance of managements policies and procedures without any attempt to listen to or learn from people who are charged with the task of implementing them. This is often resented. It is particularly resented if senior management is new or inexperienced and is

seen not to have a grasp of what happens on a day to day basis in the organisation or between the organisation and its customers or suppliers. (This is analogous to the often held views of voters when they complain that politicians not only have their own agenda but live such isolated lives that they could not possibly understand the lives of ordinary people, particularly those who are 'battling'.

Two-way communication

Upwards communication is sometimes seen to be encouraged, sometimes not. Where it is, it is welcomed, again unless it is seen to be tokenism – that is, practiced in form but not in substance.

Most people feel that they can talk to 'their' boss, that is, the person to whom they directly report, but most also feel that that is where it ends. Hierarchy and its constraints still widely prevail.

In some instances the managing directors door is always figuratively open, and staff feel comfortable about walking in. This one fact tends to define, in these instances, the culture of the firm.

In other cases this person is rarely seen or heard, and is certainly not accessible. Where the organisation is very large this is understood and tolerated. Where it is not large this lack of access is noted and is often resented.

Loyalty

Except for the minority of 'old fashioned' people, loyalty to the organisation, as expressed in a feeling that one should commit oneself to it for the long term, does not exist, and among most, is not expected to exist. These days, to the extent that employees are loyal, it means that they offer a fair days work for a fair days pay. It does not mean more.

Individuals may choose to stay with an organisation because they feel comfortable in it, or because they like their workmates or their immediate boss or because they fear change or think

that they could not find a better job or are too lethargic or habituated to where they are to move, but rarely through a sense of loyalty.

THE VIEW FROM THE TOP

A feature of senior managers, particularly top managers, is that, in a narrow sense, they are less concerned about their own position and can therefore give more time and thought to the position of the organisation than can many of their underlings. Of course this does not mean that they are not self-interested. It does mean that they have satisfactorily defined the terms of their employment with the organisation and can thus concentrate on running it, perhaps in a way that is consistent with their own interests.

They tend to be conceptual thinkers, to look at the big questions. But paradoxically this does not necessarily mean that they take a long-term strategic view. Often they are constrained by short-term bottom line maximisation requirements.

This has a number of potential consequences, although it must be emphasised that they do not necessarily follow.

Sometimes it means pursuing a slash and burn agenda to reduce costs, even if, in the medium term, this leads to customer or supplier dissatisfaction.

Sometimes it means promoting competition between components of the organisation, particularly of multi-national organisations, often to the displeasure of less senior executives.

Sometimes it means sacrificing parts of the organisation, and the people who are in them.

On the other hand, if the organisation is multi-national, partly because of its size, it can support less well returning or even loss making divisions, particularly if the product it offers has a long gestation time.

Top management can and often does set the tone. The tone can be one of high moral standards or one in which anything goes if it proves successful. There is evidence from our work, however, that the moral imperative is spreading – partly because it is more and more seen as good business and partly because it is seen to be right in its own right. Perhaps the activity of business watch-dogs, the media and shareholder organisations, together with some highly visible examples of corruption, has given impetus to this trend. An increasing interest in ‘ethical investments’ among shareholders may also be a driving factor.

3. Current issues for people in the workforce

LACK OF PERMANENCE

While a few employees find a cosy spot or a cosy company in which to work and then bed down for the future, most do not. Employees in the main say that they do not expect, nor do they believe they are expected, to stay in one job or in one organisation for a long time. They do not offer loyalty – in the form of a long-term commitment – to their employer and do not expect it to be offered in return. Individualism, and consequently individual choice, which are features of the broader culture, is replicated in the work culture.

There is a pervasive sense among people working in the corporate world that their hold on their jobs cannot be taken for granted. This is common to senior management, middle management and ordinary employees alike.

In some sectors – notably IT – this sense of impermanence is more acutely felt than others, but very few people are immune from it.

People working for multinational corporations feel particularly exposed. Even very senior managers of these organisations say their destiny is in the hands of faraway head offices, in whose thinking Australia plays a very small part. If the global organisation is doing poorly, the Australian unit suffers, even if it has done well.

Middle management people in these organisations tell stories of head office dissembling over the future of Australian operations, with local management being reassured that all is well, only for a sudden edict to be issued which requires extensive job-shedding or even closure.

In Australian-owned and foreign-owned firms alike, many at middle management level and below are resigned to a semi-permanent state of restructuring and job-shedding as new brooms come in at the top with what employees regard as little knowledge and less care.

HOURS

Apart from those whose working lives are regulated by shifts or fairly rigid operational routines, people at all levels of corporate organisations work whatever hours it takes to do the job to the best of their ability. They are driven partly by insecurity, partly by pride in their job and, among senior management, partly by commitment to the company. Very few people say they work standard hours. Most say they work between 40 and 50 hours a week, and very few are paid overtime. Senior management work longer hours still, but accept this as part of the territory.

Except where the work intrudes deeply into their personal lives – as, for example, with teleconferences in the middle of the night with colleagues in Europe – most employees accept their hours quite readily, and fashion other elements of their lives around these demands.

Sometimes there is give and take – a demand for long hours to meet an important deadline may be followed by time off. But more usually it is not. Long hours have become the norm. (In other work conducted by the researchers they have estimated that nearly half the full-time workforce work unpaid overtime each week, and that the average amount of weekly unpaid overtime worked is about 7.5 hours.

STRESS

Stress is accepted by people at all levels as something that is built in to today's working life. We would hypothesise that stress has been integrated into the work culture to such an extent that it is no longer seen as exceptional.

People don't make a big deal out of it. No one says they are being driven out of their job by stress. Even so, it is an identifiable feature of their working lives.

At the lower levels stress comes from demanding clients, unreasonable supervisors, and uncertainty.

Middle management people who are also professionally qualified often experience stress arising from tension between discharging their professional obligations in a manner to which they have been trained, and the demands of senior management to be bottom-line driven.

For many other middle management people, stress arises from frustration at what they see as ignorant, inexperienced senior management demanding change that is wrongheaded or ethically unacceptable, without regard for the opinions of middle managers with more experience.

At senior levels the incessant demands of market analysts and institutional investors for increased short-term profits create a daily tension between short-termism and what they see as essential long-term planning and investment. Senior managers, however, take this in their stride: for them the challenge is to find ways of satisfying both requirements.

COMMUNICATIONS

People at different levels of corporate organisations seem to be at cross-purposes over communications.

At lower levels people complain that communication is mostly top-down, although a few people in small to medium-sized organisations say the boss's door is genuinely open.

People in the middle say they don't have the information about the company's direction that they feel they are entitled to, and so can't answer the questions from below.

Senior managers, especially in large organisations, say they have introduced one initiative after another to improve communications, but in annual staff surveys always get marked down for poor communications.

Behind all this appears to lie a series of mismatched assumptions. Senior managers say that basically the rank-and-file want to know what is expected of them and how they fit in to the bigger picture. When attempts have been made to keep the staff fully informed about the state of the company's prospects, the response is, "too much information": the staff can't cope with knowing the fluctuations of the order book and other uncertainties.

The rank-and-file say they want honest information about where the company is going, not necessarily the detail but the general outlook and general strategy. And they want to be heard. While a few say the boss is genuinely open to views from below, most say that they aren't open their mouths because they don't trust senior management enough to be sure there will not be repercussions.

Middle management are equally wary. While some assert that the boss wants to hear the unvarnished truth, these tend to be in smaller to medium-sized organisations. In larger organisations the boss is either too remote to be reached or not well-enough known for people to be sure of the reaction. Many middle managers believe they have some wisdom to offer and say they don't mind if their advice is not followed, so long as they have been given a fair hearing.

System-based communications solutions -- such as anonymous e-mails which go to senior management and must be responded to within a fixed time, usually 24 hours -- have been well received in some very large corporations. But such systems are not seen by anyone to be sufficient on their own. They are an earnest of good intent. They engender a sense that someone up there is listening, but they are not seen as a substitute for personal communication.

Some senior executives place a high value on being visible and available. While this disconcerts some staff, especially those in cultures less egalitarian than Australia's, these managers swear by it as the only way of knowing what is really going on.

Senior people say that communications up and down the management line develop distortions along the way and that more direct lines of communication are essential. The difficulty in large organisations is, how.

The over-riding issue is that the acceptance of a communication is predicated on the receiver's trusting the source of the communication. Where people do not trust the source, they trust neither the substance of the communication nor the motive behind it. This appears to be all too often the case. Thus with the best will in the world and the devotion of a lot of resources, communications are often not effective: they are seen by people lower down as exercises in marketing or, where the communications are designed to elicit feedback, they are seen as a façade.

REMUNERATION

While most people wouldn't mind a little more in their pay packets, most people at all levels seem quite satisfied with their remuneration.

The issue around remuneration arises from what many lower and middle-ranked people see as blatant greed by senior executives. However, this tends to be a general observation rather than one directed at the executives of their own companies. There appears to be little by way of dissatisfaction, envy or resentment over pay.

THE WORKING ENVIRONMENT

Of much greater moment to most people is the quality of their relationships with their work colleagues, the extent to which they are appreciated and recognised, and the sense of fulfilment and purpose which their work gives them.

Of these, the one that nearly everyone in lower and middle levels says is missing is recognition and appreciation. People work prodigious hours to get a job finished by an impossible deadline only for the boss to say nothing or utter the most perfunctory statement of thanks. Young professional people in particular feel exploited in this way. It is as if the organisation has depended utterly on their professional skill to get the job done but does not want to acknowledge how valuable the person is.

Most people do feel a sense of purpose and fulfilment; if they don't they are usually on the lookout for a new job. People at all levels tend to define themselves at least in part by the nature of their occupation, but at very senior levels there is a recognition that they have crossed over from being an embodiment of their professional discipline to being an embodiment of the company. They seem to make this transition quite comfortably. It means they can no longer keep up with the latest developments in their specialty, but that is more than compensated for by the satisfaction they derive from exercising the prerogatives and meeting the challenges of senior management.

AMBIVALENCE ABOUT TOP MANAGEMENT

As seen from below, the view of top management is not particularly attractive. More often than not it is seen as isolated, out of touch with the real life of the organisation and therefore ignorant of what really takes place within it, inflexible and above all profit driven. This last description is offered as a negative. This does not mean that employees do not see the need for profit. Rather it means that top management is seen to concentrate on (short term) profit maximisation to the exclusion of all other considerations.

It is also seen as myopically self-interested. There is a wide belief that top management will pursue their own interests and that if there is a conflict between these interests and the interests of employees generally, self-interest will prevail.

BUSINESS ETHICS

The prevailing view is that companies are as moral as they have to be.

Large organisations are seen to be under scrutiny from a number of sources and therefore tend to act morally because the cost of not doing so and being caught is too great. Even so, there is a view that sometimes they may be tempted to try to act outside the rules.

Even so, the rules are seen as not always likely to ensure moral behaviour. The withdrawal of banks from country towns was cited as one example where the community interest was

sacrificed in the interest of profit – in this case our respondents argued that this demonstrated an infringement of morality or of a moral responsibility.

Smaller and less scrutinised companies are seen to have more flexibility and can often act a-morally with impunity. If it is profitable to do so the temptation is seen as considerable and at times irresistible.

The lower a person is in the hierarchical scale, the more cynical he or she is about the ethics of the company and of companies generally. Most people at this level believe that the company is entirely profit-driven, and will do whatever it can get away with to maximise profits.

A few middle management people want to think the best about their company. Even when they see senior management behaving in ways they disapprove of, they look for rationalisations: it must be a very difficult position to be in; they are under enormous pressure; I wouldn't want to be in their shoes.

However, most in middle management are outspokenly critical of the ethics and behaviour of senior management. One aspect of this is the perceived willingness on the part of senior management to take customers for a ride by selling deficient products or resisting efforts to right wrongs. Another aspect is the perceived unwillingness of senior management to take occupational health and safety seriously.

Most senior people, on the other hand, say they and their company place an enormous store by business ethics. In some cases the company has had a brush with a regulator or a civil law suit or has had a major disaster which has cost it a lot of money and sullied its reputation. As a consequence, corner-cutting is out, and those who want to persist in it find themselves facing a choice between changing or going. In the case of many multinational corporations, disasters, litigation or cultural imperatives abroad have resulted in the adoption of ethical standards and procedures in Australia that go beyond what the local laws and practices require.

Where obvious shortcomings remain, senior executives express determination to root out the causes. There was no cowboy culture evident among the senior executives who participated in this research. It was not that companies were good for the sake of being good, but for the sake of its being good business.

PLANNING

Here too there are different perceptions between those at the bottom and those at the top. Those at the bottom generally assume that short-termism rules unchallenged, and this assumption is shared to a large extent by those in middle management.

Senior managers, while concerned about the power of market analysts and institutional investors to exert pressure for short-term results at the expense of long-term investment and development, tend to insist that it is possible to achieve short-term results and invest in long-term strategies, especially where the chief executive is strong.

Some of the senior executives we spoke to worked in extremely long-run industries such as mining, aircraft manufacture, and automotive manufacture, where the sheer length of developmental time lines meant that long-term planning was inescapable.

In other industries, however, senior executives feel buffeted by the demands of the stock market. They deplore this state of affairs but can see no end to it.

SUPERANNUATION AND FINANCIAL PLANNING

A small minority of people – and they tend to be middle aged and in middle management – believe in superannuation and regard it as important.

Young people do not have superannuation on their radar at all.

Older people have it on their radar but many regard it as utterly incomprehensible (this is as true of very senior executives as anyone), vastly time-consuming, over-taxed, rigid, and offering a poor return.

Senior executives who specialise in HR see superannuation being used as a cheap bargaining chip by trade unions who, in their view, do not have their members' interests at heart on the issue. These same HR executives despair of interesting the younger members of their staff in

superannuation, even when the company is offering what is objectively a very attractive arrangement.

They have some sympathy for young people, however. They acknowledge that many young people have mortgages and heavy outgoings. They say it is understandable that young people place these pressing concerns ahead of an interest in superannuation.

This is what young people themselves say – and more besides. Superannuation ties up their money into the unfathomably remote future, by which time the value of the money might have been eroded, some of it will have been eaten up by fees, more will have gone in taxation. In the meantime they will have been robbed of the benefit of spending or investing it in what they see as better prospects such as real estate.

Most people – with some exceptions among the young – do try to plan their financial future, but most of their focus and energy is on paying off their mortgage and getting a spread of investments outside superannuation. Superannuation is regarded by most as a separate, untouchable, not very interesting and not very valuable asset.

Even so, in circumstances where there may be an outsourcing of their superannuation scheme, or the offering of consumer choice, employees want to have some say over what happens. . This attitude is reinforced by their distrust, born of cynicism, of senior management. They simply do not trust senior management to take their interests into account when making superannuation out-placement decisions.

Lower-level people in corporate organisations may not wish to complicate their lives by having to make a complex decision about the future of their superannuation, and many will simply go with whatever the majority in their organisation do. But they want the opportunity to be consulted. On the whole, they do not blindly trust management to make a good decision about the future of their superannuation, although people working for large organisations with prominent brand names tend to think the management would not do anything really stupid and put the organisation's reputation at risk.

Corporations that make unilateral decisions on this matter, or that do not adequately consult their staff, are likely to arouse a great deal of resentment among people at lower and middle levels.

Senior managers have a great deal more faith in their organisation's ability to make not only a good business decision but a trustworthy and properly motivated decision on these matters.

A TYPOLOGY

While there are as many attitudes to work and the work experience as there are people at work, for every individual's life is unique, we did find clusters of experiences and attitudes which allow us to offer some generalisations about groups of people in the white collar workforce.

We have divided the typologies into two: the people we met, and the people we heard about.

THE PEOPLE WE MET

Among employees outside senior management six groups were found.

The confident aspirers

These are young well-educated people. They have confidence in themselves and in the skills they bring to work. They are ambitious and believe that their ambitions can be realised. They are not afraid to work hard and on occasions are prepared to work impossible hours to meet impossible deadlines. While for some the world of work is their whole world, for most it is not. Their ambition is tempered by their belief that life means more than just work. They will give much of themselves to work while they are in it, and some will achieve leading positions, but others will walk away into less stressful, albeit less well-paid activities when the time is right, without regret or a backward glance.

The enthusiasts

There is a group of people, perhaps not a very large percentage of the white collar workforce, who are enthusiasts. They are captivated by their work. It gives them real joy. They look forward to coming to work each day. They would almost (but not quite) do the job without pay. Their enthusiasm springs from either a genuine fascination with the work they do, a deep sense of connectedness with, and pride in, what they do, or a complete acceptance of the values and relationships which go to make up their work environment. One of our enthusiasts worked in the car industry and was totally absorbed in cars. Another was a quite senior manager in a small financial institution who believed completely in the work the organization was doing, and in the way it went

about it. Another was a builder who had been “re-born” as a shopping center manager. He was immensely proud of the centre of which he had, until recently, been manager.

The seat warmers

These people have missed the bus and they know it. They tend no longer to be young, and often their skills have not kept pace with industry needs. They do not have the energy or the skills to reinvent themselves. Some are angry – perhaps with themselves or with a fate that has been unkind to them. This anger stems largely from the experience of having been bypassed or laid off. They have neither the confidence nor the power to rock any boats – they will continue to pull the oars until their retirement, but with as little expenditure of energy as possible. In the meantime, they will hang on grimly to what is left of their working lives because they fear that at their age their prospects of finding another job are remote.

The alienated

These people do not like their work environment. They do not trust their bosses. Often they think that short term profit maximisation policies are put in place by senior managers to meet their own needs rather than the needs of the firm or the majority of the people who work in it. They say they are given little real information about company policy, and that upwards communication is deficient or impossible. They do their job as best they can, but keep an eye out for opportunities elsewhere. They certainly have no real commitment to their employer.

The innocent beginners

These are young people in the early stages of their work life. They don't know much about work, or about life. They do not have the sophistication or the education of the young aspirers. They are embryos: they may develop over time or they may become alienated or seat-warmers or dependable souls. One or two may even become enthusiasts. But for the moment they are still in their embryonic state, and it is hard to see what will emerge. Certainly they need nurturing if they are to develop into valuable employees.

The dependable souls

These are the people industry depends on. They are often adequately trained for the task they are given. They welcome further education and training. They move up the ladder of the firm or of their occupation, not spectacularly, but steadily. They are competent, diligent and sometimes loyal. They see through cant and often have a quiet wisdom. They are no one's fool, but will never be high fliers. Often they believe, in moments of introspection, that they are not sufficiently valued. They content themselves with doing their job well according to their lights, and with the economic security that they hope their employment offers them.

Among senior management three further groups may be found:

The visionaries

These people are rare but they do exist. They are characterised by intelligence, resourcefulness and drive, but above all by a vision of where they want to take their organisation and the strength and courage to lead it there.

They are usually informed by a high moral code that is integral to them. This code is not a convenience, it is part of them. At times it might even be a burden. But because it is part of them they cannot discard it. It creates in them a level of fearlessness that enables them to confront resistance, whether from their Board, the institutional investment fraternity or elsewhere.

Equally, they recognise that because they live by the sword they must be prepared to perish by the sword.

They like to get information first-hand, relying on their own eyes and ears rather than on courtiers and advisers. This sensitises them to the culture existing at different levels of the organisation and gives them cues for driving change.

If they are trusted and backed by their Board they can transform organisations. If they are undermined or abandoned, they will walk away.

The trusted lieutenants

These are the people who run large organisations. They are well-trained professionals. Many are leaders in their own right. However, they often have to take their lead from the Visionaries and the Bottom Liners – sometimes with eagerness and approval, sometimes less eagerly and with scant approval.

They can significantly influence the outcome of the organisation, and can help to set its tone. If they lack respect for how the organisation is led this will be seen by perceptive subordinates throughout the organisation. They are the significant connectors between top management and the rest of the organisation.

The hard heads

These are the people whose mission in life is to advance the organisation's interests in the face of those who would do it down. They are tough negotiators, hardened sometimes in the furnace of industrial strife, sometimes in the cold wastelands of litigation. They tend to be intensely loyal to the organisation. Although not blind to its faults, they are very cautious about confiding any reservations to anyone who might conceivably use the information against the company or themselves.

They see business life as a game – though a serious and uncompromising one. They love the rough-and-tumble, absorbing the blows and dishing them out, without allowing the jousting to descend into personal animosity. Indeed they respect others like themselves, even when they are on the other side.

They revel in their self-estimation as rugged people of the world who live by their wits, their ability to judge character, and their astuteness in knowing the politics of any given situation.

THE PEOPLE WE HEARD ABOUT

Two other senior management groups about whom we heard may be defined as follows:

The Bottom-liners

These people seek to maximise profit, often in the short term. They have become more prevalent in recent years. They are offered generous, some would say over-generous rewards for achieving their bottom line goals. Sometimes they slash and burn to achieve their objective. They are variously applauded or criticised by people who report to them. Whether they will remain a feature of organisations in the longer term or will be seen as a short term or passing phenomenon remains to be seen.

The snouts in the trough

These people are objects of intense dislike among employees. We more commonly heard of them from people working in large partnership-based organisations such as accountancy firms or law firms, rather than from people working in corporations. They are seen by their employees as being prepared to exploit people for the single purpose of lining their own pockets; of being completely uninterested in their employees except as earners of money. Not surprisingly they enjoy no loyalty from their employees. They create an entirely materialistic working environment in which employees work only for the money and as soon as a better opportunity comes along, they grab it and go.

OBSERVATIONS ON THE GROUPS

Group 1: Young professionals

This group consisted of four women and four men, all aged between their late twenties and mid thirties, and all professionals. There were three solicitors, a national process manager for a large bank, a financial planner, an accountant, an IT manager, and an actuary.

They were people who had been determined to establish themselves by obtaining a sound education and working hard. Though they were comparatively young, they had learnt that the workplace could be harsh and unforgiving.

They had seen young colleagues come and go, sometimes for no apparent reason, sometimes because of restructuring. This had engendered in most of them an underlying level of insecurity, and a reluctance to declare themselves loyal to their employer.

One or two, by contrast, had found havens where they were happy after previous experiences which had seared them. These tended to be people now working in smaller companies. They felt a loyalty to the firm and its people that they had not felt before. One said he could see himself working there for life. This was atypical.

A few – mainly those working in the finance sector – spent some time planning their economic future. For the most part, however, these were people with mortgages and commitments in the here-and-now. The future was for another day.

They were indifferent towards superannuation. For most it was there in the background, and their employer put money into it on their behalf. Few contributed anything themselves and remained to be convinced it was a worthwhile way to save. They were not hostile to it; they simply had not thought about it.

Group 2: Middle-aged professionals

This group included six people: an administrative manager for a Provident fund, a pharmacist from a group of pharmacies, an IT specialist, a technical writer, an accountant working in the IT area and a female Agricultural Science graduate working in a sales team at Telstra.

The administrative manager was a solid conventional and conservative manager: he respected business morality, tried hard to communicate with his staff and believed he was effectively doing so, looked to staying in his job until he retired not too early but not too late, and was happy to see his superannuation grow so that it would sustain him in retirement. Business turbulence, loss of jobs, heavy overtime and cynicism about management and managers had all passed him by: the world of work was still a stable, comfortable and familiar place.

The pharmacist was atypical. He was waiting for a partnership and for the comfort and affluence this would bring. Although the wait was frustrating it was worthwhile.

The three men in or around IT were both winners and losers. They had been in jobs in IT, had lost them as their firm lost contracts or otherwise changed, they had reinvented themselves, acquired new skills and found a foothold in the IT industry. It was not a sure foothold – but then, life was like that. Turbulence was the typical state: one adapted to it as best one could. Each had been burnt sufficiently not to rely on a boss or an employer to see them through. They did not expect to have many assets at the end of the day, but they did have enough faith in themselves to believe that they would survive. One felt that he and his partner would be able to find a business opportunity to combine with retirement.

The woman sales person was intent on climbing the advancement ladder. She saw the business culture with clear eyes: some people, if it were in their interest, would assist her, others, if it were not, would not. She would work as hard as necessary to make her way and would not rock any boats. Until now she had not been a saver, but was now resolved to attempt to save for a house. She had not thought about other means of capital accumulation: her efforts hitherto had been devoted to overcoming her penchant for indulgent consumption.

Group 3: Middle-aged sub-professionals

These six men were all well into their careers. They were in their late forty's or early fifty's. One was a sales manager, one worked in HR, one was in software technical support, one a project manager with a building company, one a project manager in telecommunications and one was a technical manager with a building supplier. Most had tertiary training, some had more than one degree and two had joined management after having worked as tradesmen – one a carpenter and the other a plasterer.

In the main they were highly critical of the management culture in their workplace. They had little respect for senior management, they thought that senior people looked after their own interests rather than those of the company, they considered that short term profit objectives over-ride long term or strategic planning and they believed that communications from the top were often inadequate and sometimes dishonest.

They did not seem surprised as they heard the comments of others around the table. Nor did they seem annoyed or saddened by what they said and heard. This was the reality of the work environment as they saw it. High fliers were a law unto themselves, they seemed to be saying, and one should not expect otherwise.

As a consequence they had little loyalty to their company. They will work there while it suits them – the salary is considered reasonable – but they will leave without regret if or when something better comes along or if they can plan their own escape route.

One of their number was the exception. The technical manager, formerly a plasterer, was happy with his company, trusted it and believed that, because it had been through the fire of litigation, it would now always act with scrupulous integrity.

Group 4: Young sub-professionals

This group consisted of four young men and two young women from a wide range of industries – travel, media, automotive, IT, pharmaceuticals and energy.

They were all relatively junior, although one was a workshop manager in a fairly large automotive dealership.

Four of them worked for large organisations. They included a clerk in a large travel agency chain, a marketing and promotions representative for a big television network, an export administrator in a large multi-national pharmaceutical company, and a distribution clerk in a major oil company.

The remaining two worked in small to medium organisations. They were the workshop manager and an account manager in an IT company.

Two of them – from the television network and the oil company – were happy and proud to be working for those organisations. They trusted the management and while there were day-to-day hassles, on the whole they took a benign view of their company, their managers and their fellow workers. They liked their jobs and hoped to advance in them by becoming recognised as good employees.

The other four had a somewhat more jaundiced view of their working environment.

The workshop manager was at the end of his tether and was going for a new job interview the next day. He regarded the company's management as grasping and unprincipled. This made life impossible for people like him who had to deal face-to-face with customers wronged by the company's actions and outraged by its attitudes.

The travel agent was quietly but irretrievably unhappy. He was biding his time until something better came along, fortified by doing the best he could for customers and comforted somewhat by the benefit of heavily discounted travel. He received no feedback from management and worked in a communications vacuum.

The export clerk had been with her employer for only a few months, had a good relationship with her immediate supervisor and the fellow members of her team, but middle and upper management lived beyond her horizons. Her experiences in a previous organisation made her wary of management. The job was fine for now but she felt no particular attachment to it or the company.

The IT account manager was humorously and openly contemptuous of his firm's management, regarding them as having no idea what was really going on and not interested in finding out. In his view their only concern was the bottom line and they were not too choosy about how it was improved. This did not surprise him. He had come to the conclusion that this was how the IT world worked, and he looked forward eagerly to the day when he could get out of IT and into his own business in a totally unrelated field.

Group 5: Middle-aged sub-professionals

Of the two men in this group, one was a printer and photographer who worked in a printing company and the other worked for a major liquor retailer. Of the four women, one was a bank manager, one worked for a retail chain, one worked as a day care worker for a church and one worked in systems management for a bank. All these people were in their fifties.

These were ordinary people coping with the ups and downs of life. The bank manager had been divorced and had few if any assets. The woman in retail and her husband had been unsuccessful in the textile industry and had lost most of their money. The printer was now single. The health care worker seemed more financially comfortable: her husband was a vet.

Life had taught them to be wary and to not bestow trust easily. Some trusted their company and its leaders – not only did they trust them but they thought that communication from and to them was adequate. Most neither trusted them nor thought that communication was adequate. Self interest, self-absorption, lack of detailed knowledge and personality deficiencies among their bosses were cited as reasons for this distrust.

They had little knowledge about their superannuation and perhaps little hope that it would do much for them but certainly would not want, despite this lack, their employer to make unilateral decisions about their superannuation without recourse to them.

Group 6: Middle-aged sub-professionals

There were nine middle executives in this group, three of whom were women. Of these three women, one was a writer, one was involved in information management and one was involved in

staff recruitment. The men were variously a car product manager, a logistics manager, a software consultant, a spare parts manager, a middle manager in a retail water company and an internal coordinator in the packaged goods industry.

These were no radicals, nor were they particularly critical of their companies. They saw themselves as still on the way up, although one wondered if, for most, this was not too optimistic an assessment. Whilst they had their gripes, and certainly differentiated between good managers and poor managers, they still believed that their future was in their own hands and that hard and diligent work would be rewarded by advancement.

They did not have much faith in superannuation and in general were looking to other forms of saving and investment to secure their financial future. Despite this they did want to control what little interest they did have in superannuation.

Group 7: Senior management

Of these eight men, seven were senior IR and/or HR practitioners. The eighth was a general manager. They had all been recruited through the Australian Industry Group. Some knew each other. As a result there was a sense of camaraderie about them: they were reasonably relaxed in each others company. As the evening progressed, and as they ate and drank well, this sense of relaxed intimacy spread.

They came from a range of large companies, a number of which were overseas based.

These were men who had been through the fire. They were seasoned practitioners. They had few illusions about the industrial relations environment. They expected their adversaries to play the game hard, and respected them for it. But they too played the game hard.

They came from diverse backgrounds and had a range of experiences: a number had not always worked in the same company nor always has IR or HR responsibilities.

In the main they had thought quite deeply about their work environment. Some were critical of some aspects of it.

There was quite some sense of frustration that multinational companies took decisions which were not necessarily in the interest of the local Australian company for which they worked. They understood the reasons for this, but this did not make the result any easier to accept. On the other hand some saw the fact that they had large and powerful parents as a benefit – it allowed the company, because of its financial strength, to take a longer view and therefore to provide somewhat more stability than would otherwise be possible.

Some were also critical about the amount of intra-company competition. These people saw it as divisive and believed it led to a weakening of the organisation.

One or two spoke approvingly of their company's high moral stance. They suggested that it made good business sense.

They believed that young and bright staff were unlikely to be loyal to the company. Their loyalty would be to themselves and to their profession. Nor would they expect young staff to be concerned about superannuation, except in a negative sense – they want their own money now, to do with as they wish, and are not concerned to build for the future.

Although they did not talk at length about their own financial position, one gained the impression that some were better placed than others. Those who still had young families (and they were not necessarily young themselves) still looked to large financial commitments, particularly for schooling. Others had been able to invest, were more financially comfortable, and looked to augmenting their savings by working as consultants on retirement from their present position.

Group 8: Senior management

This group of six men and one woman included high fliers and not quite so high fliers. The high fliers included a group managing director of a well known Australian company, a vice president of one of Australia's largest international companies, a director of a large overseas based manufacturing company and a senior executive from one of Australia's media companies. Of the other three, one was a senior executive with a Victorian government owned but corporatised body and the other two were from an education administration with responsibility for about one third of Victoria's primary and secondary students.

The high fliers, in particular, were thoughtful, optimistic about their ability to lead or to assist slowly to change the culture of their workplace, worried about some of the trends in employment and employee attitudes and practices they saw generally, particularly in large organisations, and sufficiently self knowing to have thought about their life priorities.

They accepted that many employees did not have loyalty to their employer. But they further argued that many employers did not have loyalty to their employees, gave them token learning, and were often glad when they moved on so that lower paid people could be hired in their place.

They were hard working and put in the hard hours – particularly those of them who were required to travel overseas a lot.

They believed that there was a trend towards more ethical practices in business, partly through the commitment of leaders like themselves and partly through necessity.

Yet they recognised that businesses were dominated by ‘the bottom line’ and that, in many instances, this led to short term thinking. They argued that it was only in times when business was particularly profitable and the bottom line not at risk that a longer term planning horizon would be widely adopted.

DETAILED DISCUSSION

Workforce mobility

Question:

Do you hope that you'll be doing the same thing in, say, three years' time or do you hope that you won't be doing the same thing in three years' time?

About half our respondents said they thought they would have moved on from their present employer within the next three years, even though many thought they would be doing to same kind of work.

A few – although not many -- were looking for a total career change.

The other half said they expected to be working for the same employer, although some said they would like to be doing different work.

A few felt trapped. They felt they were too old to move, or that the working arrangements fitted in with their other commitments such as child-rearing, even if the work itself was not rewarding.

A small number had just moved into new positions and felt they had much to learn.

One or two felt they had a lot to offer and were proud to be in a position to be useful.

I'd probably like to move to a level where I'm working with individuals more than corporates.

I'd say definitely not! Probably get out of accounting.

I think I might. The work's very varied and I'm getting to a point now where I can also hand down things I don't like.

Having only been there for a year and a half, in 3-4 years time probably in the same area.

I'll probably be moving on I think, in 3 or 4 years. I've been working in the financial industry for about 7 years now, so probably ready to change industry I think.

No. I wouldn't mind probably working for an organisation that actually makes things, makes products or something, rather than selling financial services.

I'll quite probably be doing what I do now, although maybe I think I'd like to work for people that maybe appreciated me a bit more.

Definitely yes. My dad worked for one company for 37 years so that's the ethos I guess I've been brought up with. I've been brought up with the idea that the company comes first and you put yourself out for the company.

I've come from a company where there was no real loyalty to a much smaller company where there's definitely an obligation, that you're there for a long time.

I think it depends on how you've been treated by the company too. I know with my former employer I don't think I would've left of my own accord. I only left under a transition program because they stopped delivering the service that I was employed to deliver.

I'm happy where I am but if things changed there then I wouldn't think twice about leaving. In something like a law firm where you've got partners, they're in it for themselves.

People don't have a loyalty towards firms, they have a loyalty towards the people they work with more than ever. Nothing to the firm at all. Most people.

-- Group 1: Young professionals

I do, simply because I've only been with Telstra for 8 months and Telstra is a very difficult organisation to get into. I was very lucky to get in.

Probably not. I think it's the nature of the industry that you work in (telecommunications). The organisation I'm working with is just changing so rapidly that I just couldn't see 3 years in front, I couldn't see 6 months.

Probably not, no. I was like a Branch Manager for about 12 years and got very burnt off with the middle management thing. I think my loyalty has kind of changed. I probably don't give as much as I used to do either.

The loyalty factor is if you do a good job you normally keep your position if that job is required. If that job isn't required then there is no loyalty at all.

It is very unsettling with a family situation. Even if the change is bad, you have to make something good out of it.

I see myself in the industry. I probably also see myself at the organisation. It's a secure organisation.

-- Group 2: Middle-aged professionals

I won't be. It's my choice, I want a change. I don't like the culture of the company any more and the direction it is going in.

I am a bit like Bob. I think that unless the culture of the organisation turns back to what I started with 7 or 8 years ago I suggest I will be somewhere else.

I am very comfortable there. I suppose where I am that's my department, that's my baby. I know this product inside out and back to front.

I hope not to in 2 years. There are other occupations that interest me more. Plus I disagree with the basic culture of management. Financially I wouldn't be much better off, but I will be doing something which I've always wanted to do.

I expect to be in different hopefully in next 12 months so I won't be in the organisation that I am currently in. I want to get back into the mainstream HR environment.

I am undecided. I would prefer to work in another industry. I think I am becoming a bit stale and I would like a new challenge.

I made a conscious decision about 3½, 4 years ago to get out of the construction industry. I have been in it all my life. I have had a gut full to be frank.

-- Group 3: Middle-aged sub-professionals

I do hope to be doing the same work because I don't think I'm at the stage now of being able to change.

I'd much rather be doing something else. I have a very taxing job. I have not only my job, I have 5 staff members. I have to always be on the alert.

I'm quite satisfied with what I'm doing because I really love selling.

Many customers come in and say I know nothing about it to which I say well look I'm glad you've told me that because we're here to do whatever we can to guide you.

And would you like to be doing the same thing in 3 years time?

Yes I would because there's a need for it.

I don't think I'll be where I am in 3 years time, merely because the work is quite physically demanding. I'd like to do something creative. In fact, I've just done a course in millinery.

I wouldn't be changing my place of employment at this stage of my life, unless something really good came along, like Tattslotto! They say they don't discriminate against your age, but they do.

I'm comfortable where I am because I've been there for a long time and I can look after the shop when there's no bosses there. I'm in charge so I feel very good about that. If I

went somewhere else I might have to start off at the bottom. At this age, you don't want to risk competing with perhaps younger people.

-- Group 4: Young sub-professionals

I think with currently where I am, I have only be there for 3 months so I certainly don't know I am going to be there, it's a 12 month contract.

I think generally from what I have noticed in the workforce and people around because I work for a big company a lot of people come and go. I think they feel that they have to get that experience under their belt and maybe 2 or 3 years in one position might be enough.

I don't see myself in the same position in 2 years.

I think I won't stay with the company that I am with for probably 2 years would probably be the maximum. I've changed careers and I think I will change again in about 3 years time. I want to own my own business and I basically have got a goal and in order for me to actually reach that I goal I have to achieve certain amounts of things before I actually get there.

I don't see myself with the same company hopefully even less than a month now. I've got a job interview tomorrow.

I see myself quite possibly with the same organisation but most likely in a different role.

I have only been in this particular job for about 6 months. I definitely want to stay in the same industry.

-- Group 5: Middle-aged sub-professionals

Not so much because I love my job but the company is very accommodating and flexible. I have two small children and they let me work from home during the school holidays.

I'm doing it because I have two mortgages. It's not where I want to be but I do it well and it's very specialised. I would hope not but I imagine I will be.

Wouldn't be my favourite job, if I had a choice.

I see myself still there but maybe with some variation.

I've still got a lot to learn in this job, so I'm happy to stay for a few more years. I'd like to be working part time so it depends on my company's attitude to that.

-- Group 6: Middle-aged sub-professionals

Likes and dislikes

Question

What is the best and the worst thing about your job?

People place considerable store by the socialising aspects of their working lives—their relationships with colleagues, being part of a team.

They also look for intellectual stimulation, variety, recognition, and challenge. Where these are present, they enjoy their work. Where they are absent, they do not enjoy it.

They do not like unreasonable, secretive or ignorant management, bureaucracy, politicking, and unreasonable demands, whether from clients or management. By this most people mean being expected to do more work without more resources.

Few people mention money as either the best or the worst part of their working lives.

The best thing would be the people and the social aspect of it.

I enjoy the people I work with. I enjoy my team. I enjoy my immediate manager. I think that we work really well as a team and I also enjoy a sense of achievement as well and you do get rewarded for achievement.

The work I do I find very intellectually stimulating, so I think I get a lot of self-reward from it.

Diversity in tasks. I'd go crazy doing the same thing. I like the fact that each day it's a different client, different situation.

I like the people I work with as well as the people I work for. I like the fact that I deal with individuals not corporations.

The best part of my job is the recognition from clients when I actually have done a good job.

Recognition – we get none.

For whatever reason we don't get recognised for what we do, especially my boss.

I would say the same as that – no recognition, that's pretty high on my hate list, but the worst thing about my job is the people I work for are very demanding. On a Friday it'll be, I'll see you tomorrow about 10 to go through all this. It's like an expectation that you'll drop everything to come back to work.

Bureaucracy and politics. Working in a large organisation and having to jump through 50 hoops to get something done. I find that frustrating.

Unrealistic demands of clients. They don't understand that you've actually got other jobs that you're working on at the moment and you can't just drop everything.

It's all a bit secretive. And you really feel watched and you don't know why someone was sacked, you don't know if you're doing the right thing or the wrong thing because of the lack of feedback. It's sort of a cross between insecurity and secrecy.

– Group 1: Young professionals

The best thing for me is the fortnightly wage. The worst thing would be the bureaucracy, the hypocrisy, the bullshit. (The company) has just gone through a huge restructure. Right up until the end my own management had face-to-face meetings with all of us and assured us that we were not being broken up and we all knew that we were. That's a classic example of hypocrisy.

With each sort of disillusioning activity you do, you lose your belief and to the point now, where, I mean I'm the type of person that wants to give 120-130%, but I know that you just don't do that because there is no loyalty.

I work with some really clever people so I really enjoy that. The worst part of it would probably be the current trend where you have actually no concern about people. We've just had a series of retrenchments. People with kids, dogs, lives, you know. I think they deserve to be treated a bit better.

For me I suppose the best part of mine is that I enjoy going to work. There's a staff there of 47 and on the management team there is 5 of us with an average service of 16 years and now none of us at that time has become complacent and just sitting in the seat until, you know, the 60 years arrives or the 55. We get on well with each other.

– Group 2: Middle-aged professionals

I have got some great people that I associate and work with and customers but I have also got some assholes as well.

I think the worst things about my workplace or my company is management. They know how to protect themselves very much. Even though when there is an economic bust you put restriction on the lower reins but management will still get to increase their numbers and also wallets.

I would say because my company is big company, the security they have was marvellous. And also you make some friends.

For me it is going back and seeing what I have been involved in creating. I get a real kick out of going back to buildings, houses, the things that I have had an input into.

The worst part I think would probably be inward-looking management and spend most of their time bumping into walls because they are looking at their feet mentality.

I love the challenge of my job. There is a lot of dodgy practices in the building industry and specifications that should be met that aren't met. I would like to think I am going to have some input in my time that might change that culture a little bit.

-- Group 3: Middle-aged sub-professionals

The worst thing is just the workload and it's like in every industry, there's not enough staff and you're expected to do 2½ jobs instead of one.

You're expected to do more and more, and the more you take on the more you're expected to do.

The worst is when it's quiet and you're just sort of standing around doing nothing and you feel not happy. That's one thing I hate.

What's the best?

It's nice to have employment and earn money and nice to have staff to talk to and learn, to have the satisfaction in your actual job of selling and know you've done a good day's work.

I think the best part of my job is just watching the children play and how they interact.

What's the worst?

And the downside is that I guess we work to a ratio, you know a staff-child ratio and often you could do with more staff.

I enjoy what I do because I've always enjoyed photography and printing and I've always been able to find something to do.

-- Group 4: Young sub-professionals

I guess I get to travel, so go out on the road whenever I want.

The best thing for me is the opportunity for career advancement based on the fact that I don't have a degree.

I'd just say the best thing is the people I probably work with directly.

It's good money. The bad thing about it is that it is my manager who likes to micro manage.

Probably for me the worst thing would be I suppose stress and the expectation of the people above me. I don't think the people who are in charge really understand the amount of work that our team does.

-- Group 5: Middle-aged sub-professionals

Flexibility.

I'm really playing with big shiny toys all the time. You dream about that sort of thing. Being given an outcome to achieve.

What is the worst thing about it?

The commitment to what I do is wavering, based on cost.

Being new, reluctance to change on the part of my manager, who's been there for eight years.

Pressure. There's a lot being put on people and they're being asked to work longer hours. Reluctance to put people on. If their work suffers, they get criticism rather than support.

Trying to sell the OH&S and overcoming the OH&S stigma. They ask you to look for loopholes.

-- Group 6: Middle-aged sub-professionals

Hours

Question

How many hours do you work on average a week and how many of those are theoretically unpaid?

Most people say they work well over the standard 36-40 hours a week and very few are paid overtime for doing so.

This is consistent with other work the researchers have done which shows that the majority of Australian employees work nearly a full working day's worth of unpaid overtime every week.

Probably between 60 and 70. I don't get overtime. I would do some work every weekend.

I don't work that long. I'd probably say between 50-60 hours.

I'm back to 50 now, I was up to 60 and 70 and I worked very strange hours.

(No one got paid overtime.)

-- Group 1: Young professionals

I work long hours. Knocking off for me at 6 o'clock is an early night.

Well I always take my laptop home with the intention that I should be doing a few hours, but I try and resist that. Definitely more than your standard 38-hour week.

Do you get paid overtime?

No.

Our hours are 8.30 till 10 to 5, three-quarters of an hour for lunch. Out of my own choice I get into work at about quarter past 7, that's just to beat the traffic and I can do a lot of work before 8.30.

I'm on call, so if something happens in the city at 2 in the morning and it's my rostered turn on, then I've got to be there – no ifs, no buts.

There are weeks when I do long hours; there are weeks when I do hardly any hours.

-- Group 2: Middle-aged professionals

I leave home generally 6.15, 6.20 and if I get in the door generally about 7.00, 7.30, I have done well.

During the week my wife and I have come to the realisation that like it or not we probably don't have a life as such during the week.

Well I don't work 9 to 5 but I couldn't really say how many hours I work a week. I work until the job was done.

I'm very similar. There is not set hours.

I think senior management expect a lot more for the same or less even.

It's becoming that way and it's the culture of the company turning that way and I don't like it.

Fortunately I have been able to work in some very good organisations and one in particular were it actually frowned upon if you are there after the boss has left. This is a multi national organisation.

I worked for Canadian who also have offices in the Netherlands and I consequently I get calls usually about 3 o'clock in the morning through to about 5 in the morning and expected to go to work the following day. It mounted to the point where I left the company because it just wasn't worth the trouble.

-- Group 3: Middle-aged sub-professionals

Over 40.

I work every Saturday.

Do you get paid overtime?

No. You don't get any penalties for working nights, weekends. It impinges on family life very much.

I work long hours. My normal hours are quarter to nine to five thirty. I seldom leave work before six thirty, seven o'clock. Up until now I haven't claimed overtime although I'm supposed to.

Why haven't you?

Because I was new in the role and I thought that, oh I was probably being stupid.

I'm probably a bit of a workaholic. Up until 5 years ago I always worked 2 jobs.

We're 8.30 till 5.00 with an hour for lunch. We've got a 40 hour week. If we do overtime we get payment.

-- Group 4: Young sub-professionals

40-ish.

Paid to be 37½ for me but on actual work probably about maybe 50 or 55.

Do you get paid overtime?

No.

I probably work about 60.

Do you get paid overtime?

No. It doesn't really worry me most of the time because I love what I do.

Probably about 50 hours a week.

About 35-40 I would say.

Probably 40.

-- Group 5: Middle-aged sub-professionals

Pay and appreciation

Question

Do you think you're reasonably paid for what you do?

Very few people grizzle about their wage or salary, but many grizzle about not being appreciated in other ways.

Quite recently I worked on a transaction where there was three of us and two of us didn't go home for two days, we were showering at work, not sleeping, but staying at work the whole time and at the end you wouldn't really get a thank you out of anyone. In fact one partner said to one guy I do not want you to go home tonight.

Is there recognition there in a monetary form?

Oh yeah they pay us very well.

The partners may be great at law and all that but they're shithouse as managers.

They wouldn't know who does the work that gets done.

-- Group 1: Young professionals

Look I would say I am sufficiently paid. And we have a magnificent leave loading, superannuation scheme.

Would you say you were appreciated at work?

No.

Depends on the day.

I would say most of the time, no, but when the manager really needs you I think he will appreciate you.

My sales team appreciate me (and I appreciate them) but senior management and head office no.

-- Group 3: Middle-aged sub-professionals

Do you think you're appreciated at work?

I'm of the opinion that loyalty's got to go both ways. Today's management push it, it doesn't work. I've often said that if we in the Army operated the same way as some of these blokes do then my soldiers would have mutinied.

Well yes and no. I got an excellent report last week.

Maybe I am but they don't let me know.

I could sell something for \$20,000 and my boss will deliberately turn away so I don't get the satisfaction that I've done a really good thing.

We're appreciated, we get bonuses from our managers, from our divisions, if you do well you get good reports, you get bonuses twice a year, but it still doesn't make up for the lost time, getting home late.

-- Group 4: Young sub-professionals

Poorly paid I would say.

For what I do I'm pretty well paid.

I am happy with what I get paid.

Well after hearing Emma and Alasdair work a million hours, I think for the amount of hours I do it is not bad.

Do you think you're appreciated at work?

I think I am definitely.

Yeah.

Well I have just had my assessment so I am still there so obviously they are happy with what I am doing.

Definitely because otherwise they wouldn't actually spend a cent on us.

Even when you are making him loads of money particularly when you've got a big job coming through and you make profits on it he would still be lucky to crack a smile from the face or a word.

-- Group 5: Middle-aged sub-professionals

No one gets paid enough.

Most people say satisfied in their staff survey. I've got no problems.

I think reasonably well.

It's fair.

I'm quite happy with what I'm getting.

Yes I do, although the pay rise this year wasn't to flash.

I'm reasonably paid but I'd like a bit more. It's secure. My husband works for himself and you know what that's like.

Do you think you're appreciated at work?

No one is indispensable. If my demands were outrageous they say see you later.

Yes, but I've only been there four weeks. Last job, yes, but it only lasted nine months.

I believe I am in this job, but not in my previous job and I resigned.

We've had a recent management change and I'm not the only one to have been told you're all redundant.

Appreciation is about more than just getting pay rises. The surveys my company does talk about having a best friend at work and having someone you can talk to, and about people coming up and saying you did a good job there.

-- Group 6: Middle-aged sub-professionals

The workplace culture

COMPETITIVE OR CO-OPERATIVE ENVIRONMENT

Question

Would you categorise your work environment as a co-operative or competitive environment?

Employees who work in a co-operative environment really appreciate the sense of teamwork and collaboration that comes with it.

Those who work in what they see as a healthily competitive environment where one division or unit tries to do better than the other, without doing harm, regard it as positive. Equally, it is accepted that some areas such as sales are inherently competitive.

What people do not like is what one called "aggressive competitiveness" where people are set against each other. Where this happens, people behave competitively to survive but they also look for a way out.

Another aspect people do not like is where competitiveness generates a culture of blame.

Mine is competitive. Totally. I don't particularly like it, but some people that I work with despise it and hate it and talk constantly about they're going to leave and that they can't deal with it. I don't like it and I try and ignore it as much as I can, but you do have to be competitive to get ahead.

I think we're definitely more co-operative, probably internally. It's more the justification of existence, if anything.

Totally co-operative.

In the team I work with, there's great co-operation.

-- Group 1: Young professionals

With me, because it sales, it's a very competitive environment.

Very competitive for me. A lot of my team just do not want to share information. They want to protect their own little job, they just want to protect themselves.

Co-operative.

Yeah my work's pretty co-operative. I grant you the techos we work with, it's a bit like a chook shed. They'll peck the weakest or the black chook. In the sales environment, where there's other sales people, yeah it's mostly co-operative I guess.

There is a definite pecking order in an IT place. You'll see the guys who've got the smarts and the people who haven't. They won't necessarily not share the information but you have to show the enthusiasm and chase them for it.

-- Group 2: Middle-aged professionals

I think the structure that we have got, it would be more co-operative.

Definitely competitive.

Competitive.

I call it culture of blame.

Probably the same. If something has gone wrong, it's who caused, shoot them in the foot and then we'll worry about to how to fix it.

My sales reps are pretty competitive because they have all got monthly and quarterly budgets and targets to meet. That's positive.

-- Group 3: Middle-aged sub-professionals

Well we have a competitiveness between branches because they have various things that they want you to achieve. I'm the sort of person that wants to win. I don't like losing, so I'm a competitive person.

-- Group 4: Young sub-professionals

From a sales point of view it is very competitive. Healthy competition, but at the same time they do co-operate as well.

In travel in the retail side of things there's massive amounts of competition.

In my company they reward healthy competition because it is always good in a sales environment to have healthy competition.

-- Group 5: Middle-aged sub-professionals

It's essentially both.

Which is better?

Co-operative. I've never been able to achieve a greater outcome if I've done it individually.

I think a co-operative environment works better. We all know brainstorming works great. You're bound to come up with more ideas than if you try to do it by yourself.

It can be collaborative and competitive. In my small team – there are five of us -- it is very a collaborative environment. But outside of that there are some elements that are competitive.

We're competitive because Victoria wants to do better than New South Wales and Australia wants to do better than New Zealand.

Competitive is fine, but where it becomes internally aggressive, then it becomes very bad. We're going through a culture change at the moment with a new manager who encourages a culture of back-biting and morale has dropped quite significantly.

-- Group 6: Middle-aged sub-professionals

In (my organization) Australia were a cooperative organization which worked extremely well but has been integrated into more competitive silos as part of a global change. This is one thing that I've seen working for multi-nationals. You have change by European parents that doesn't take into account exactly how you run your business or it doesn't give any creditability to how you run your business here. Sadly there is distinct climate that's competitive between the parts of the organisation and the remuneration structure generates competitiveness between individuals. And I look down and I see parts of the organisation that will go out to a competitor of ours and give work to a competitor rather than giving it to another part of the organisation.

History, in an enormously important driver of it. Organisations and cultures which are passed down from generation to generation. I've had the benefit of working in two fast-moving consumer companies. (This man had worked for two food companies.) The cultures are contrastingly different between the two. The one that I worked with previously appears to be competitive in internal climate. My experiences were similar. At times we were quite counterproductive and destructive. The actual parts of the company competing against one another.

The contrast with (the company the guest now works for) couldn't be more stark. There is an extraordinary degree of cooperation. I've been extraordinarily surprised at the degree of cooperation and the lack of competition.

And what do you prefer of the two? Which is more productive?

That's interesting. As a Senior Executive it is more difficult to work in the cooperative environment, because one has to make decisions by taking the whole group of stakeholders and colleagues with you. Whereas you the previous organization one made decisions by dictat. Far more efficient, far less time-consuming. But I suspect at the end of the day the decisions that were made in the cooperative organization are better and more sustainable.

My theory is not so much competing against each other, but people competing to do a better job.

I think in my organisation I could choose examples where it would very much be in the interest of one sector managing director to screw a very good deal out of another sector managing director, and would hurt the other sector. It might mean fifty of a hundred thousand dollars' difference to his take-home package at the end of the year.

Would it benefit the organization ?

Well I mean that's sub-optimisation. They rely on that internal competitiveness to get the best out of people. People will drive hard, they will work hard because they'll be rewarded personally.

It's interesting for a French company. Is that a world-wide ?

It is now, and it's diametrically opposed to what they were when they were a bureaucratic French company.

You can change from a very competitive to a very cooperative group. I'm fortunate I work with a family company. It was totally cooperative. When professional managers were appointed to the business, and it was floate, it became competitive. But the dynamic depends on your G.M. or M.D. If your M.D. is a grass roots sort of guy, the communication will flow. But if he's not and he's very much related to the investors or main group that control the company, then he may not communicate.

– Group 7: Senior management

It's always cooperative. It's hard to think of many areas where it's competitive. We always, within limits, try to set the system up so we have one purpose, and that we all understand that purpose. In the context of selling product, it's very competitive. We've realised that a lot of things that we do to produce the solution we need requires that we cooperate with other industry players. Our customers seem to be demanding more complex solutions and as a consequence we're finding ourselves in more alliances where we are cooperating to deliver an outcome.

When I joined, the company was structured around product roles. We were restructured along business function lines. That turned things around quite a bit, where people worked more cooperatively with each other for a common cause, so it was quite a transformation in the organization. It worked for the better, it made different roles for us.

The most recent CEO is pushing it hard so that the concept of win-win is being reiterated.

One of the things I found out that actually helps break down internal competitiveness is transparency.

We (in the education sector) are informed by and are very much the culture of collaboration and cooperation. We've respected the sort of culture they're trying to develop and support within the schools, even though we are in very much a market-driven environment now with education.

It depends where you're looking. Japanese corporations are far better, in terms of organization, integration, cooperation. In other words if you've got to run a slick, complex system, the Japanese have built into their business culture certain drivers that help cooperation along. And they're good at manufacturing. However, if you're talking about breakout ideas – creativity, new directions -- then the Americans are better at it. Because they're not constrained by any conventions which they must fit in, in fact, standing out is a positive in that culture, so if you wanted to run an ideal company, have the Japanese in charge of the manufacturing and Americans in charge of marketing. So it's not always, it's not a one-size fits all idea, cooperation versus competition. In fact one of the major balancing acts in commercial organizations is to actually conserve enough of both.

Is the question, do you have to be internally competitive to be impressive? Is that what you're saying?

Do you have to have people really on their toes and looking for the main trend?

They can be on their toes with confidence.

Co-operation wins, regardless of the industry.

I think that a lot of the different industries that I've been in, and I've been in about half a dozen, there's a huge amount of innovation every year. And that was not done through being competitive, it was done by cooperation. If people understand what the overall

goal is, cooperation seems to work better than competition where you're pitting people against each other. But it's a very delicate balance.

System and process. System is very important, in my book. I think a lot of organizations – and I've been in five or six -- seem to be use an autocratic style. , Often in an autocracy people don't bring their brains and hearts to work.

The culture of my organization is much more amiable than most organizations I've been a part of. A major manufacturer in regional centre . So people join it for reasons other than passion, or drive, or ambition, to refuel their lifestyle. So the archetype is a person who's seeking security, seeking relatively no hassles in their life. That's a problem for us, in some ways, as a competitive organization. but it certainly creates a great sense of cooperation.

When you say it's a problem, what do you mean, why would it be a problem?

Lack of passion. Lack of the desire to be better.

I don't know if anyone has seen a great movie called 'Spotswood'. Well, it was a lovely story because it actually showed the confusion about competition and cooperation and in a sense that's the feeling that seems to be coming through. As a community, we have a sense of confusion and even a lack of clarity about the dimensions of cooperation and competition.

-- Group 8: Senior management

COMMUNICATION

Question

What about communication upwards and downwards?

People at lower and middle levels of organisations generally believe that most communication is downwards, and that senior management do not really want to hear from below.

People at senior management level have had the experience of trying to improve communications but not having their efforts appreciated by those below.

People at these different levels seem to be at cross-purposes over what type of communication is needed.

We just had our appraisals, end of financial year and all that, and we still don't know what's going on.

Let's say 1 out of 5, with 5 being good.

There is a segregation between the partners and the rest of the practice.

I found a lot with upwards communication is that a lot of feedback is being asked for but at the end of the day you find that the decision is already made before the feedback, so your feedback doesn't count for anything at all.

– Group 1: Young professionals

It depends who you're talking to in my organisation. If you're talking to another IT person, they have no social skills. You cannot communicate with them unless your talking C++ or Cobalt or Fortran or this or that.

We try to do our utmost to have as much communication as we can. (Company) has very much, I think, a top down form of communication, but I think that is very slowly changing. It very much depends on your own manager.

Communication is constantly a problem because with head office and pharmacies spread out, but it's always going to be a problem regardless because you never have enough communication. Usually information will get put up on a board. If an email comes from head office it'll either go into a book that they all have to read each day or onto a noticeboard.

– Group 2: Middle-aged professionals

The company that I work at they think they have masses of communication all the way from the top down, generally in almost broadcast type style and it is always treated with a fair bit of disdain and disbelief.

We count it as marketing rather than open and honesty.

I'm required to communicate with managers and senior managers all the time and from my perspective if I need to talk to you I will.

We feel that higher management hides things from us. Hides their forecasts, their ideas of what they want to do for the company, what is going to happen in the company, what projects they have in mind for the company.

I think the communication is a hell of a lot better than it used to be. There is a lot of trust in the way the communications are actually made and how it comes down from the Chief Exec.

I think my company is pretty fair. There are times when you don't get enough communication and are expected to be a mind reader. I find that a little bit frustrating but generally it is pretty good.

Well we've got a new CEO who has taken over the organisation at a pretty tough time he has made it his business to know.

-- Group 3: Middle-aged sub-professionals

It's just a personality thing in my case. It's not such a big company like the banks, we've only got one boss really and he's just not a communicator.

We don't really know what's going on. Our Co-ordinator goes off to a meeting perhaps once a fortnight but she never brings anything back to us.

We do. We get a lot of communication.

There's always stuff coming down to our department, what projects are going on, what's going on where and the General Manager of our department has a monthly meeting we all can go to. They're very good as far as that's concerned.

-- Group 4: Young sub-professionals

That's one of our issues that we have at work is that there is no real communication from upper management down. The only time that you hear it is when things go into the negatives.

Pretty poor in my job. We really have to push hard to get information even from our Team Leader.

Shocking. I'm more likely to read about it in the paper.

The Managing Director has got an open door policy and you can actually go and sit down and have a chat with him. I wouldn't have any qualms about going and seeing him about any issues that I had.

I would say they would want to know if something was going wrong.

-- Group 5: Middle-aged sub-professionals

Certainly the people above me, up to the director of sales and marketing. The one thing they don't want is a "yes man".

What they say and what they want are two different things. They say they want someone to challenge the sacred cows, to stand up and say what they believe in, but in my company, depending on the person, the manager, you stand up to, the outcome could be totally different.

I've got one senior manager who I feel I could be upfront with, and there's another one I'd be very wary about, because he's someone I don't totally trust.

It can depend on how closely you work with them. You won't feel trust with the one you work as often with.

We get heaps of downward communication from management, mainly by e-mail. "Message to all staff" and blah blah. I think they over-communicate that way.

Most communications are a fait accompli. One-way communication. The unionised workforce get a lot more involvement in decision-making, but the staff people who are expected to be "mature" and "adult" enough to accept the changes that are required for the company to move forward.

Heaps from the top down. You get an overflow of information. But you can send feedback through surveys and meetings.

We're doing too many surveys, because the feedback came back very strongly: don't ask us what can be improved if you're not going to do anything about it.

-- Group 6: Middle-aged sub-professionals

Certainly, previous to our American takeover it's been quite noticeable, we were previously owned by a Europe and English company and the communication was all one way – south.

There's nothing worse than communicating when you don't have anything to say, or don't have answers. We've done that. Going through the changes, we've stood up without answers and said, look, things will be all right. Just trust us. All the things you're reading on e-mails, or the things that you hear in the papers, or the things that have been reported in the media saying the company is folding like a deck of cards. Don't worry about that. Trust us. You'll be all right.

The union in many cases inhibits the flow of communication up and down the ladder. I've been in numerous situations where I'd have loved to tell staff what tomorrow's going to bring and it was just impossible because one of the militant unions in our industry would have made it absolutely impossible to do that. So in many respects the unions, especially in Victoria and some respects New South Wales, inhibit the ability to communicate up and down.

We had an opposite experience to that. Following a shortage of work, we had a clause put in our Enterprise Agreement saying we would consult with the union and keep them advised about forecasts for the manufacturing plant. And we did that, and the request came back from the unions after about a year, please stop giving us this detail, we can't sleep.

This issue of communications is a very difficult one. I've done a lot of work with employee surveys and invariably the companies get marked down on communications. I've worked with companies that have devoted an enormous amount of resources to communications and they get marked down on them. I don't know if there is any easy or ready answer to this. I would think, based on my experience, the communication point that is most critical is the point between the employee and his or

her immediate superior. It's very nice to have these statements from the CEO -- glossy brochures and stuff like that -- but the communication point that people put the most reliance on is that between them and their immediate superior.

I think a lot of the time people trust their immediate superior because he's playing the good guy. The boss wants you to do this but look, you only have to do this.

Yes exactly.

We tried to overcome that with e-mails, questions and answers system. People can put any question they like onto an e-mail anonymously, shoot it through to a central bureau and we will have to answer that question. H.R. get lots of questions, Finance lots of questions. It's very useful and the issues are really challenging, but we have a commitment to respond to them in a fair and open manner. Unless of course they're very vindictive or individualized type of thing. We find that a very useful process.

And is it used much?

Yes, regularly I'd answer a question a day.

So it goes back onto the Intranet?

Internal Internet. The responses go back in a broadcast approach. Everyone can get the benefit of the question asked.

-- Group 7: Senior management

I think we tend to make it too complex. And I think with communication I think it just needs to be simplified. Because I find most people just want to know what's expected of them in the workplace, they really need to know what's expected of them, and if I do my bit, how does it fit in with anyone else.

Generally, the way organizations are structured, communications just takes so long. The message gets convoluted.

There's another aspect. I hate the word, personally, it's just too broad to be very useful. But if you say that communication is a process, and people having their information needs met, then number one: how do people take in information? So, it seems to me, the science we haven't got, because I think most organizations actually try fairly hard to be good at it, but the science we don't have is the science of responsiveness, which is to say we don't actually respond with kind of the information that people seek and which they can digest it.

I'll agree with that. I think it's about being able to respond to what people need.

You learn what they really need by asking questions, rather than making an assumption and trying to communicate in terms which may or not be relevant to them.

-- Group 8: Senior management

SHORT-TERM OR LONG-TERM IN OUTLOOK

Question

What about short-term and long-term thinking and planning.

Most people at all levels believe there is too much attention paid to short-term outcomes at the expense of long-term planning and development.

At lower levels people do not know what the company's overall direction is, so they find it difficult to make a connection between planning and what is actually going on.

Senior managers blame market analysts and institutional investors for much of this.

I think planning's a really funny thing in all those companies, because we seem to do a helluva lot of it but I don't really know that any of it makes a scrap of difference.

I think our problem is we don't have a direction. I don't know what it is.

I think our planning all happens behind closed doors and we don't know.

They never come out and say this is our long-term goal, or they come up with some useless mission statement.

– Group 1: Young professionals

Short term.

They like to give you the impression that they are looking at the long term picture but they are not really. They are looking at short term I think.

You don't see many CEOs stay much more than 4 or 5 years.

So they've got to perform in that time or they don't make a mark?

Or they don't get their bonuses.

They take a Government view of things where they are there for a short period of time so we will get maximum impact for me or for our leadership group now.

Just looking at the previous Board and the CEO that presided over a share price that has fallen from mid 20s to \$8 or \$9. We are getting asked to achieve more on less people. Just squeezing, squeezing, squeezing when there is no juice left in the orange.

I would love to think it was driven by something than just and immediate need to meet stock market needs. I suspect it is not.

Short term.

And also for me it's more about momentary glory and you're only as good as your most recent performance.

-- Group 2: Middle-aged professionals

The other company was definitely a Band-Aid company. I guess this company is more long term because it is a steady growing company and it has been going up all the time.

I think my company is a very forward thinking company. They are looking long term at how they can improve things down the track in 5 year or 10 year plans. I think that is what drew me to this company.

-- Group 5: Middle-aged sub-professionals

Our managing director is focused on the long term, but the next guy down is a mix of long and short term.

It's the opposite for my company because often the senior people are only in the position for three or five years, so they're trying to make a name for themselves.

Our company likes to report quarterly progress so the focus is on that and end-of-year targets.

-- Group 6: Middle-aged sub-professionals

We've had both cultures. Our company was originally part of the very first company in Silicone Valley. And one of the conditions to go off to Stanford University was that you had to have a university-type culture and it was all very patriotic and was all very learning-based. And if we produced a 2 to 3 per cent return on sales per annum, that was fine. Four years ago the company was split up they became a completely independent organization. And we are now absolutely and totally driven by managed funds. And if we don't turn in 15 per cent we are going to be torn to bits. We have to hit three-monthly targets. We've been told they're coming back to one-monthly targets. And they are reported publicly. And the culture and the behaviour is dramatically changed.

Fund managers are driving certain resources sectors. They expect six-monthly annual returns on funds managed funds. These days you wouldn't consider a project like Olympic because you couldn't get the return to shareholders.

The CEO has got a structure in which we speak about short-term outcomes at the same time as long-term. First, you're looking at growth long-term, so he's not prepared to compromise the future of the business to satisfy the short term.

You have to manage the business as you find it every day. You don't have to necessarily reward (short-term) behaviour. You can still ensure that your senior

executives have to hold a certain amount of stock. You can still make sure they have a long-term incentive.

-- Group 7: Senior management

Short-term.

That's easy. Just read our Annual Report!

The answer depends which part of the business part you're in. Making money, it looks good, so you can afford to be long-term. If not, you'll start to get very, very short-term.

Do others of you agree that it's pretty easy to answer this question?

Yeah, I think that's absolutely right. I think it's a disgrace. I've taken the high moral ground and I've explained to the board that it's unacceptable, the board has to take longer-term views and the short-term possibility, because the (transport) industry's a disgrace.

There is no question, short-term is the phenomenon of the times. Twenty or thirty years ago there was a much greater emphasis on business as part of the community, business as long-term, building structures. For example, with a relationship between employer and employee, it's much more expedient than it was. And you notice that, I mean, I'm noticing it now, I haven't been back in manufacturing after awhile out of it, it's different. So I agree, it's a defining idea of the times, and it's got lots of faults.

Is there any sign that it's coming to the end of its time?

The average lifespan of a CEO depending on which measure you go for, is somewhere between two years and eleven months and four years and three months.

No, no it's CEO's, broadly defined, because most of them possess ideas, they want to be builders, most of them, but their problem is, how do I survive this year? They cannot avoid the quarterly analyst reports, and that's the Achilles heel of public enterprise or public companies.

-- Group 8: Senior management

BUSINESS ETHICS AND MORALITY

Question

What about business ethics and morality?

Cynicism about business ethics and morality is greater at lower and middle levels than at upper levels, where senior managers say it is taken very seriously.

The consensus, however, is that businesses generally behave as well as they have to if they are to stay out of trouble. It is widely recognised that public opinion can be very damaging and that there are many watchdogs.

I think that's more at the professional qualification level rather than a company level. I know that if you're seen to be representing your profession so what I say and what my peers say needs to be within the Code of Conduct of the Actuaries. But in terms of the company itself, I don't get the same sense of that.

I know lawyers have shocking reputations, but we've actually been trained to be ethical and not bend the rules and you can't imagine anything worse than getting a letter from the Professional Standards, and you get a letter from one of them and I mean it's terrifying.

-- Group 1: Young professionals

It's very important and critical to the well-being of the future of any organisation and I think the proofs in the pudding with some organisations that have gone under. If you were to do an autopsy on them you would find that most probably morals didn't rate and their behaviour was totally unethical. It's an indictment on our business leaders at the moment where there is an opinion in society that the upper echelon are purely just pigs with their snouts in the trough.

The banks are bad for sacking all their staff to make greater profits. I would say morally that's probably a wrong thing to do. You're destroying country towns.

-- Group 2: Middle-aged professionals

I am only speaking because its public knowledge but (company) got absolutely canned by Alan Fels and from that day on (company) has been absolutely squeaky clean.

I think no.

We have orders to say certain things and not to tell customers certain things and yet we say we are absolutely honest and management gives us directives and positives which effective is actually cheating customers.

-- Group 3: Middle-aged sub-professionals

I think it's because of the largeness of the institution but they say one thing and do another. I was in Tasmania working in a Department which was being streamlined and they came down to Tassie to talk to us and said oh you've probably heard a rumour that this area is going to be moved into South Australia, but it won't be happening, you guys are fine, don't worry about it, we still want you down here. Six months down the track he came back down again, sorry, you're going now.

-- Group 4: Young sub-professionals

Not important.

It's all about the money.

I believe it comes to money as well. Cost cutting and whatever is cheaper, they will go with it.

I think my company is moral. It has to, it is such a highly regulated industry.

-- Group 5: Middle-aged sub-professionals

Certainly in our organisation it's taken really seriously. Our CEO set up an industry body to improve standards and so forth. It's all about reputation. Our business ethics are very strong. To be seen to be doing the right thing.

Our industry is very transparent. You're high profile and your name is over the door. All motor companies in Australia are very high profile. So ethically they have to be high profile. There's a lot of people watching.

-- Group 6: Middle-aged sub-professionals

I think it's very important with the decorporatisation of individuals which we've been talking about. If you've got your vision of values and you can develop that psychological contract with that individual before they start work and they'll come and choose you as an employer for them, then you've got an advantage. We have to look at different ways of attracting people and binding them. People who are really talented say I want an individual contract. Hasn't happened yet, but I think we're going to see it more and more.

I think a lot of people, particularly younger folk, use morals as a bit of a fad. There are some truly committed people, but most of them are not. We have a very, very highly structured business ethics program that came out of a disaster in the late eighties, where we nearly lost all of our U.S. Government contracts. That would have wiped out 60 per cent of our business. Hence the program, and it's very public and it's published in all our material.

I can think what type of morals you're talking about. The company's honest with people, honest with the people who work for you. And the way I see business morality is, you make clear to your employees when things are difficult, and you do all you can to carry your people through difficult times. Because most business these days have their peaks and their troughs. But what I've found is that increasingly large organizations are unwilling to carry people through the troughs. They just cut people and then they go back out in the marketplace. The fact of having those special people that we integral to your business which will keep through the hard times is not there any more.

Are there back room deals being done that are not entirely kosher?

I've seen it, where a wink is as good as a nod. That was very prevalent in the transport industry, as everyone is aware from the eighties. This was done because there was some very good management incentives at the end of the financial year, when everyone made a big quid.

In our situation we're very up-front with morals and ethnics, and we're seeing more and more of that. If the slightest thing goes wrong our company will publicly burn. People who do that will be fired so fast that it's just not worth it. Our people walk away from it now.

If your company is big enough you're always going to have really competitive people going to try. The difference is, if you've got a standard set of values and a standard set of rules then the person knows they're running the gauntlet, as long as you take a consistent approach to that.

A wink and a nudge was alive but slowly over three years it has gone away . The American company turned around and said, we'll lose today to ensure 2008. And we're going to do it properly. We're exactly the same.

Because the public listen. It's a big factor.

The guy that founded Kraft in Australian, Fred Walker, was the sort of guy that had a sign on his gate saying "We regret that we have no Vacancies". It starts with that sort of thing. He was one of the first people to bring in morning tea breaks, because he understood the productivity and also it was the right thing to do. And I think that does prevail all the way through.

-- Group 7: Senior management

It's a big deal.

They've had a Business Conduct Guide out for a number of years. You can't operate in complex countries unless you've got very strong values.

Companies that are owned outside of Australia, multi-national companies that have big operations here, are they different from Australian companies in this regard at all?

Yes. The kind of professional conduct that comes down the line is very strong.

Why is that? Is it good business, or is it just because it's right?

Well, I think in the American case, I think it's because they're in a litigious environment. They actually have to clean up their act because they can get sued.

In our case, we manufacture brake pads, and brake pads might have forty ingredients in them, some of which have got a few nasties like until recently asbestos. People would want out of lead now, not in five years' time when the Australian government decides

that they want out. So, for example, we recently traced out asbestos, Honeywell in the US, which is one of our parent companies, they said do it in Thailand or Malaysia as well, and for us that was the big call, because our competitors in Thailand and Malaysia weren't subject to the same restrictions.

Where's the push coming from? Is it more likely to be driven externally, or internally?

I think it's really acculturation and evolutionary culture that determine the world view, and the media.

My argument is that's a fairly realistic view of the world, but not an encouraging one, because it means that you're only behave if you believe –

If you're going to get caught.

People don't do this voluntarily.

I'd put it almost another way. I rather welcome the idea that there is a framework that helps me to be a competitor, as well as being a good citizen.

We represent an organization that's in significant transformation. Our priests are aged, they're no longer seen as being the link to youth, and our teachers are actually playing a major role in the context of transformation, or transmission of faith, morality, beliefs and values. We are wrestling with how we are going to manage that transformation, because that's universal across the world.

We have now produced several videos to take home for the drivers, and also for the spouses. We've introduced random drug testing, we're introducing all sorts of things. I feel so passionate about this. It's costing us market shares with some of our customers, because they say 'we'll go somewhere else and get it cheaper' and I say 'well that's fine you can go' but I'm prepared to take it. Now that's a big risk, because at the end of the day you sort of think about it and say 'well, okay, that might get me the arse, literally.' Because I'm not making a buck. Suffice to say, the few things that are appearing now with people that are our customers that are thinking about the broader context of the game that they're in and there's some legislation coming through called Trade and Responsibility, and everyone's starting to say 'shit, we might have to do what (guest's company) are doing.'

We made a decision we were not going to charter vessels more than fifteen years old. That cost us the chartering terms. And we put a lot of dollars into the chartering costs. So you can do it.

Okay. But you say, well I hear you say, 'well, we did that' but the bottom line is it's rare, and it's risky, and (guest) is saying he's taking the high moral ground and I respect him for it, but it's risky and he might get the bullet.

I don't really care. I don't give a toss if they do that. I really don't. I know it's a very complex decision to make that call, you know, to be bold enough to think 'yeah, well I don't give a shit'. And I don't! I mean, it's the right decision.

There are ways around things. CEO's do use tools. The tools are things like corporate liability. So if you go in to a public company board saying is 'we can't live with this, this is unsustainable and someone's going to end up in jail.'

-- Group 8: Senior management

Views of senior management from below

Question

How would you describe top management in your organisation?

The view of senior management from the lower and middle levels of most organisations is not flattering. They are generally seen as out of touch, driven by the bottom line, remote and not willing to listen.

Inflexible.

Very isolated. We don't know what decisions are being made.

Profit driven.

I find them cagey. Not genuine.

-- Group 1: Young professionals

I think they have a very difficult job. Even our State Managers, they have a hellish job in terms of responsibility, in terms of the figures they have to bring in, in terms of some of the decisions they make.

They're not in an easy position. They have so many masters to answer to, whether the staff who are relying on a salary to survive, to the Government, to the country, town. It's not easy.

Half the time I personally believe that they don't really know what's going on. They don't have any idea because they're not down at the bottom working; they don't know what's going on in their own organisation.

If I look back at the organisations that I have worked at, very few of those CEOs up there ever came down to see what we're doing, very few.

A couple of times they will get a very senior manager in a room with, say 18-20 generally high performing staff and where those staff have the opportunity to actually really express from the coalface some of the problems they're facing and I think there should be a lot more of that.

Where I'm working at the moment, this is a private company and there's 4 directors, and one of the directors he likes the open plan. No-one has an office, it's flat, there's 2 other line managers out of a 130 people, so I mean everyone communicates.

-- Group 2: Middle-aged professionals

It's the senior management making it more impersonal. Everybody was more involved with everybody else. Now they have made the culture very competitive which is good in a way but it is not good in other ways. Every member of staff used to be able to pick up the phone and speak to the General Manager, you can't do that now.

It may sound corny but we used to be a people oriented company and we valued people's opinions and we always looked for the win win. When the company started to be run by the bean counters everything has got to be measured by dollar, we took away the win win. We were put in the position of screwing the best prices out of sub-contractors, consultants, anybody that we dealt with.

-- Group 3: Middle-aged sub-professionals

Don't know them.

The guy up the very top, lacking knowledge of the industry that they're leading and this seems to be a trend in company practice in this country, import people from other places who know nothing about Australia on the one hand, nothing about our market and also are new to the industry and they come in at the top.

Our management at the moment is very good. The top. Our CEO has been there for quite some time and very innovative, and listens to his other people.

A good CEO might be very good in certain aspects, but they're short of time, because the share market's not going to give them the time.

The company is run by two brothers and one tends to go around and does say good morning, goodbye, comes around Happy Birthday on your birthday and the other one about once a year he'd say g'day to you and he's very abrupt.

-- Group 4: Young sub-professionals

Arrogant.

Sometimes manipulative.

The only thing I can think of is the Simpsons and Montgomery Burns.

-- Group 5: Middle-aged sub-professionals

Cultural issues from a senior management perspective

Is there a level of trust in the organization or are people wary or sceptical?

I think people trust if they're part of the unit and that unit can be big or small. They probably trust the people in that unit, and they're probably trust the group that oversees that unit. And that might be quite a large organization. (Guest's company) in Australia turned over about 1.7 billion dollars last year. There's probably a fair degree of trust in that organization. But in a multi-national environment they're not masters of their own destiny, and even the people they trust in the top of the organization in Australia are not masters of their own destiny.

The European headquarters cancelled Christmas one year, even though we were going well. It's a small thing, but let me tell you when you talk about trust, you spend decades trying to get that one back.

Loyalty

I think it's another whole dimension to this. What we've found is that there are role specialists and role generalists. Role generalists are the people like ourselves who tie their wagon to the company for a period of time. While none of us is absolutely up to date on the contemporary aspects of our relative disciplines -- we have lawyers and consultants and things like that to support us -- when it comes to the company we're probably know everything about the company. So we're role generalists, we're the type of people who fit into executive and fit into general management. Then you go to IT or Tax or Law and have role specialists. And these role specialists are people that aren't loyal to the company. They are loyal to their discipline and they'll move all the time.

I think it's not so much to do with loyalty in so much as to do with loyalty to one's self other than one's company.

It's a huge challenge for us as company leaders, because increasingly people don't have company loyalty and we have reinforced why you shouldn't have company loyalty. People have experienced generation after generation of downsize, or retrenchment or what have you. And we scratch our heads and say, why aren't these people loyal? Well they're not. They're not going to stick around. And if you look at the demographics of the working population in Australia, in a few years' time it's going to become a seller's market for labour.

We're finding this now.

I think a lot of our companies are. And that's going to be an enormous challenge for us, to actually persuade people why they should work for us, rather than vice versa. And we oughtn't be surprised.

Morale

From a multinational's perspective it's almost totally driven by the success of the company. If the company is successful, if people feel good about the company, they feel good about working there.

Ninety per cent is very positive. That's why I was talking about family. It's not a family-owned business but it's as close to a family that you can have. We have a common enemy (rival firms). And that bonds it together.

We've very recently done a survey, and it was in the high 80 per cent or something. That said they liked working for us. They like going to work. Strangely, and it really surprised us, about 70 per cent said communication was good. Are you yourselves sort of comfortable with the cultural your working in. I mean –

You become part of the management team, become part of the mixture of the company and you love it, and you love going to work and because it's successful and it's well known. And you're working with good people and you have a fairly challenging job. So, yes, you get happy with that mix. I don't think I've been in a job that happy.

– Group 7: Senior management

I think the answer is a mixture. We run surveys internally and people feel passionate about the organization, and that gives us a good brand name. But equally, there are things that turn people off. Confusion about this management style, which affects people. Lack of transparency in the organization, so I think there's good and bad. I think that during the course of the working day, sometimes you feel very passionate about what you're doing, and very happy about it, and other times they don't.

I think it's based on the workplace environment. It depends on the business really.

I suspect we're maybe not having as much fun as we used to, as a general thing in a business. And I guess I'm seeing a bit of a retreat from socialization and self-actualisation to survival.

Because of the pressures?

Oh, absolutely. Every pressure there is. So I think people are living with significant pressure. If you look at WorkCare, you see the growing sector is work related illness.

It's hard to get a feeling about what stress means. But people who actually are attached to an organization, and have a sense of connection there, and if there's a mission or a goal that they feel attached to, there's a clarity of their function throughout the day, then they should say they enjoy work. And that's what the teachers are saying to us.

Right. What about your people at the Age? Is it an enjoyable –

I was actually hoping you wouldn't ask that!

I actually think that the situation is dire.

The fact is that the fun seems to be definitely going down hill.

Could I raise one thing in that context? Technology. Some people are slaves to their emails. That's a modern age disease, in my opinion.

I had somebody ring me and go, 'I sent you an email three hours ago.' You haven't responded.

Well I think it's how you handle it. The thing I'm saying is I just refuse, in my organization, if you want to contact me, you ring me.

-- Group 8: Senior management

Have you ever felt comfortable with the culture your working in or feel you could influence the culture your working in?

Comfortable with it, yes. Can influence it? The biggest food company in the world? Realistically, no. I can't influence the overall workplace. Do I derive as much fun and satisfaction out of going to work as I did 10, 15 or 20 years ago? No.

Why not?

It's, it's harder, the pressure is harder. It's constant. It's in your face all the time.

And the fact that you work for such a large company, so many of the decisions that influence the success of your own business here remains outside your scope of control. You get a decision from Paris that says do X, do Y. You query it and you're met with no response. We're fairly small in the scheme of things. We're big companies by Australian standards but small by global standards.

Is it a learning environment or not?

For a modern company survive they have to be a learning institution where people come and they may stay for awhile and then they go off but they learn something from it, and then they move on. Unless you take that model as part of your way of operating your business, you're not going to survive.

Young students coming through see the business as a learning opportunity. We acknowledge with good luck they might come back to us in, say, three or four years' time and take a more senior role. We actually acknowledge it's part of progress in our business. The bit about the learning organization has to be part of your progress otherwise you won't survive.

I would say our organization is like postgrad school at a University, at an Engineering School. And people would be gaining all the time and then learning from each other and bouncing ideas off each other. But if you're talking in terms of learning to be better

equipped to be in the workforce, to be a manager, to grow, develop, to expand as a person, I think we're stifling that.

Why?

I think because of the short-term focus we were talking about before, I think there is no time for it. There's no money for it. The technology, yeah, that's all moving ahead nicely. But in terms where that next Program Manager is coming from, where's our next Team Leader coming from; there's no time for that.

We spent a lot of money on organizational learning and development, both within the organization and externally. Because we're an engineering company, we're technology driven and it's quite interesting – the people who are least likely to stay with us and be loyal to the company are the people we've spent most of our money on. I've seen a decline in people being fostered into higher learning in H.R. or higher learning in management and operational roles. It doesn't mean that specialists aren't still cultivated, but they're all specialist driven, none of them are generalist driven.

-- Group 7: Senior management

There are a lot of training programs in my organization and very few of them actually teach.

The learning has changed, so it used to be more of a corporate learning centre, we're now more business specific. There's a big emphasis on basic skills, problem solving skills, equipment operation, you know, you're running a \$16,000,000,000 dollar piece of equipment, historically we wouldn't give them a lot of training, now we actually make sure they have personal coaches who work with people.

The organization is obsessed with process. So, training is a sort of an end in itself rather than a vehicle for teaching people. So the more courses you can demonstrate to the people, the better the result is. Today some people in my organization were conducting a course called Transition which was essentially about how to deal with problems, how to deal with people who you know should have a pay-rise, but you can't give them a pay-rise, and how do you actually handle that?

There are people that are really passionate. And they just like to keep up with what's happening and make decisions, and you know it's great for them.

But aren't they great people? They're bloody great people! You go down there, and if something's wrong they'll fix it up, really salt of the earth people, and you've got to look after those people. You know, you've got to take time out, just take a breather and go and say g'day.

Normally we train teachers and all their research and training, but they're involved in their research in the context of their work, and all of the training. It's a real bonus for us, because they're engaged in improving the system.

-- Group 8: Senior management

If there was one thing you could change about your organization and culture what would it be?

Competitive structure. I think that Australia is too small a market to have an organization that's internally competitive.

Cut off the bureaucracies. There's a whole lot of government, ACCC regulations been put in, duty of care, and all those sort of things and you get buried in that mire.

Loosen up the control a bit. I mean to quote Chairman Mao, let a thousand flowers bloom. Allow individual enterprise and let individuals to go out and do their thing in the context of what the company wants to achieve.

There's a whole world out there and I think businesses have got to the stage where we're just internal naval-gazing instead of actually looking up for the opportunity.

-- Group 8: Senior management

If you had your time over again, would you be where you are? Would you be doing what you're doing now?

I wouldn't change it.

I wouldn't change.

You really build your life, take the opportunities as they come along.

There's luck, but you make your own luck I believe.

You know we're all sitting around this table and none of us are particularly struggling, I mean if you're sitting around this table you wouldn't be sleeping in a bus shelter somewhere and you can be sort of philosophical and say, well I would've done a few things differently, you know, to look back and if I knew the winner of last year's Melbourne Cup I wouldn't be here today! It is pretty well what it is.

It's like a real-life game of Chess.

That's why the competitors are always different. They go from obnoxious to quite reasonable and it's an entertainment in itself and when you can settle huge disputes that have been going on for weeks and weeks in the back bar of a hotel, Matilda's or whatever.

It's a bit of a buzz isn't it.

That's why I wouldn't change.

But the whole thing is, it's a bit like going to the RSL. It's great to go and have a drink and talk about it, but when you're in the trench it's no fun.

You don't need to be a brain surgeon to do IR because it's the only game in the land where the person on the other side of the fence hasn't got a flashy education, but he's got his street smarts and they can bring someone to their knees who thinks their shit doesn't stink and I like that!

Also there's enormous satisfaction. I work in manufacturing. There's an enormous satisfaction in going into a back room and having a guy or a lady in the factory showing you what they're doing and demonstrating enormous pride. I get my rocks off on that sort of stuff. I love it. I love being in there.

A couple of times I've sat back and thought gee, who wants to be an auditor all their life? But apart from that, I'm a migrant, I came out here in '73 following my wife from Europe. In hindsight this was probably the best decision I made, to come to this country.

-- Group 7: Senior management

Superannuation and financial planning

Question

How do you feel about your economic futures? Do you plan it or do you let it happen?

Most people try to plan their financial future, mainly by trying to save, and by getting into the real estate market.

Superannuation plays little part in the calculations of most people. It is there because the law says it has to be. It is complicated, something to be considered tomorrow, heavily taxed, subject to rule changes, and a poor way to invest money.

The middle-aged take a closer interest in it than most, but even they find it daunting.

I think I let it happen. If I'm happy enough and I've got enough money to get me by, I can't say it's my focus

Sounds similar to me.

I plan my finances, set aside a certain amount of money each month for savings, allocate certain money to investments and that stuff. I read a lot of investment magazines.

Because I don't think I might lose my job tomorrow, that I haven't really done anything about putting money aside, which is wrong, probably should, but I know that the income is coming in every fortnight and that money's going to be there.

What part does superannuation play in your planning?

Superannuation is probably not something that I'm going to channel money into because I think it's overly regulated and I can probably do better.

It's something that comes out of my pay.

I don't encourage young people to put extra money into super.

As a financial planner?

Correct. I do plan myself, but I only plan short-term. I can't get over the hurdle of short-term planning personally.

Do you put money into super?

I've got my own super fund.

I don't contribute any more than the company.

The restrictions are too severe for younger people.

For those of you who don't work in finance, have any sense of the relative importance of this in your lives? I mean is this a, have you ever given any thought to it?

Not really.

No.

I probably understand that it is really important, but probably just haven't taken the time to understand what it means for me in, you know, 40 years' time or whatever.

Are you saying that it's so far off into the future?

Pretty much.

Yes.

And also I think if I had some spare money I'd rather pay it off my mortgage or go on a holiday, then I've got something a bit more tangible.

And also like if you, like I may not retire for another 35 years, I don't know what the taxation implications are going to be then.

I have my plan set out, my goals, exactly what I want to achieve six-monthly, daily. A bit too much effort on that side of things! That's why I set up my super fund. I'm pretty risk-averse. But it is good, it is safe, it's one of the safe things that I do have.

I'm an employee so they have to make compulsory contributions. I don't put anything over and above.

Do you know if your firm actually has its own superannuation fund or it doesn't? Would you be sort of content, in principle, to stay in the firm's superannuation fund, come the day when you make a choice or would you say, oh that might be an opportunity to get out of here?

No, 23,000 other people have done it and so I'll just go along with the crowd.

Do any of you use financial planners to help you plan your financial assets?

Too expensive!

– Group 1: Young professionals

Well, we try, at least I try. I'm actually a heavy investor in property, just buying and selling whatever I can.

And you think the property market is the best way of growing your...

Well it's better than the banks. I'm not in business, I'm not working my backside off, to keep the banks happy.

My super. I try not to live beyond my means. I do a projection every year as to what my super is and what it's anticipated to be when I'm looking to retire. At this stage I'm looking to retire at about 60.

And is super your major investment?

Yeah.

We're in a slightly different scenario. My fiancé and I are only renting and we are both carrying a lot of debt. I am not good financially. We at the moment are just going through a huge debt reduction, eventually, hopefully in the next 18 months we're looking to buy our first home and I guess then beyond that, well debt reduction, buy our first home and beyond that would be property investment.

I don't put too much thought in it at the moment because there is the expectation that soon it's all going to change very much with profits coming in and therefore, hopefully, I'll be able then to be investing the extra money.

Do each of you have superannuation? Do you each pay into super? Do you know that you may be able to choose whether to stay with your current superannuation fund or move to a new one if you're in a company that's got a super?

The barrier there for me is, because I've swapped jobs quite often in the last 3 or 4 years. Every time I swap superannuation providers, they hit me with a huge rollover fee to bring my paltry amount of super across. So I don't have a lot of confidence in super personally.

I must agree with you on that point, that's why I've invested so heavily in property. Like my father has paid for years into a pension, when the time did come to get the pension the Government just turns around and goes, nuh, you're too rich, no pension, get lost. So super, I don't want to know about it.

Super's probably a great way of saving, whether or not I'm not cynical enough to believe they won't change the rules again at some point. I believe they probably will.

It doesn't matter how much you're earning, I think you spend and live accordingly, so it's very, very hard to actually put that money aside. So, yeah, we've got the compulsory super, but my wife and I we went broke in a business about 15 years ago, so we had to start again, so I guess we're not going to retire with lots of dough. We're probably looking at doing something lifestyle wise where we can actually buy a business in a regional area and live okay rather than live where we are at the moment.

Do you seek financial advice from anyone or do you just make up your own mind and take your own counsel?

I don't know about investment advice, but my perception is that with any money person I've ever approached, as soon as they discover I have no money it's just whoosh.

We're getting letters from the Westpac Bank and stuff and I would take them up fairly regularly if I had more happening at the moment.

Kerry was saying that (company) have got this mob Advantage Edge. Does the fact that (the company) make it available to you make you kind of trust them or mistrust them or does it have no effect on either?

It makes me trust them because I think (company) as a large corporate, would be very, very cautious about anything that they lent their name to. So if I receive any correspondence from Advantage Edge I would accept that correspondence as 100% accurate.

(Company) had a financial person and they actually got a group in of Chartered Accountants, that you could go to once a year. I did listen very carefully to that. You took on the advice. This is probably about as close to good advice as you can get.

The Financial Controller, he's very open where I work. They changed superannuation consultants. They had the guys in, they forewarned us, or set up meetings where we could go and have a chit and a chat and I think they were very good.

– Group 2: Middle-aged professionals

I've got a combination. Short, medium and long term objectives.

Is superannuation planning part of your plans?

Huge.

Absolutely.

I resent not having a choice.

We have the choice now. There was a trade off for that. Superannuation was pegged at 15% by company contributions and then they gave us the opportunity to stay in the company run fund at that rate or if we chose to manage our own funds the company contribution would be reduced to 10%. So you had to think long and hard.

I've got my own fund.

I would probably think very seriously about moving it out of the organisation one. I've got my own fund which has lower overheads than a lot of the organisation ones and I've got it in a relatively aggressive fund at the moment. I feel that I would like to have a bit more control.

How secure do you feel your economic future is?

When you are asking the questions about super for me it seems a long way off. Super is nice but it is not going to help me tomorrow and I consequently feel more immediate needs about financial security

I need to get involved but we talked about the pressures of work and how many hours we have. I am looking for another Financial Adviser who is actually going to have my interests at heart and not his.

-- Group 3: Middle-aged sub-professionals

You think about it a lot.

Do you use financial planners?

Well we've got free facilities at work.

I've bought two investment properties in the last 18 months because I thought my superannuation's not going anywhere.

I'm concerned about superannuation at the moment, the way certain superannuation funds have been investing their assets, it's become a negative.

A lot of people are losing money on it.

All the funds are down the chute at the moment.

My husband he has his own super managed fund and he really puts a lot of time and effort in.

Unfortunately we had a business in the knitwear trade where we were manufacturing and then a lot of our customers started importing from China so we lost a lot. It's very late now for us to start planning, but I think about it a lot.

Say the bank or any of the other organisations that you're working for, decided that they were no longer going to run their own superannuation scheme, they were going to outsource it to somebody else, would that concern you, is that something you'd want to know about?

Oh yes.

We'd want to know about it but it wouldn't surprise me.

No control. I got a letter to say that superannuation fund now is going to take an extra five bucks, ten bucks or something, out of my super fund every week as a protection against loss of pay and I rang them up and said what's this about and they said, I said you can't take anything out of my super fund without my permission and they said yes we can. I had to write them a letter to say don't you dare touch my money I can't even touch.

The legislative minefield that surrounds superannuation. It's a little bit like AFL football, the rules change every year. The taxation effect on it, I think is immoral.

I'd want to make sure that whoever it was going to was better.

Would you trust your management to see that that was the case?

No.

I'd want to know why they were doing it.

Thinking about the fund's performance, things like fund's performance, services to you as members, that's providing you with financial advice or other services, or things like investment, what would be the most important among those three?

Trust.

Trust and performance.

I'd have to look at background.

Who are they, where are they, what are they.

How would you feel if the company chose to outsource, went and outsourced it to somebody and told you.

Not acceptable.

No.

If we're members of the fund you can't do that.

And I don't think they could do it legally anyway.

-- Group 4: Young sub-professionals

How do you feel about your economic future? Do you think it is secure? Do you worry about it? Is it something that you think about or do you think the future will look after itself?

Definitely it is something that I think about and that's why I have actually put a plan to start my own business in about 3 or 4 years time.

I feel like I have partly got control over it. Anything can turn pear shaped. It doesn't matter how small an investment or big an investment you make.

Try and save. Try and think about Financial Planners if you can afford it

Are you able to save?

Yes.

I am looking at buying a house.

Intention of paying off a mortgage soon hopefully.

I am the worst spender, holiday taker until about 12 months ago I thought this is ridiculous. So I saw the Financial Planner, got the savings happening because I did I started to freak.

I think turning 30 was a big oh my god what am I doing I have got to get these things in order and you can't always be having lots of fun.

I have created a spreadsheet and that is about it.

What about superannuation? Does superannuation planning part your plans? Are you putting in money of your own?

No.

Not at all.

Never.

I've just done it.

I was told not to.

Who told you not to?

Mother. She said you are better paying off your houses.

I don't know much about super. My dad says it's losing money and that's all I know.

Would you put any of your own money on top of what the company puts in?

No.

Why wouldn't you?

I think I want to buy a property and use it now.

If you changed your job would you take the super with you and put it into a new company that you were working for or into another company of your choice or would you leave it where it is and just forget about it?

I'd have them all in one.

I'm really bad, I haven't done that. I have probably got about three. I keep meaning to tie them all up together but I just never actually get around to.

Is there any sense of how well the fund performs?

I do quickly have a look through I don't read it in detail and I have got a friend who works at Vic Super so give him this letter sometimes and he gives me his opinion on it and how different super companies are going as well so I have got a little bit of an interest. I'd probably just keep it there.

We have our own. The network (employer) has its own. It's been performing OK considering.

Do you have any desire to get control over that money at all?

No.

No I am not a financial person.

The company pay it into a fund that is outside the company.

The superfund I will be happy with because my mother used to work for that company so I know.

What about you Imran, where does your money go?

It goes to a super fund. It was rolled over from my previous job so I was able to elect the fund that I actually wanted to actually go into with this new company.

How did you chose when you came to elect? How did you go about chosing that?

In was something that my housemates were actually using so I got the advice from them.

Some of you have super funds which are not run by your company but placed out with a fund they are not company funds. How would you feel if your employer made a decision to move your super to another fund.

It would be why? What is their reasoning behind it? Was it a gain for them? Is the fund where they want to move it any better than where it is now?

I would find it highly unusual if they were going to move it if it wasn't performing better. Why else would you be doing it? I would want to know that.

Would you expect to be consulted before it happened?

Definitely. It is your money pretty much.

I'd like to know how they can move my finances. Can they do it?

I guess I would want to be consulted but at the end of the day I think I would probably still go with them.

What happens if the company decides to outsource. What would be the important factors that in your view the company should take into account?

Probably their history of performance as well would be pretty important to me.

I think it would be good to actually whether the money is actually being invested internationally or within Australia.

The range of product that they offer.

Probably performance and the different options would probably be equally important to me.

Probably performance.

Do others of you trust your employers in that way? Would you trust them to act in your best interest in a situation like this?

I would.

If you've got a history and if you know and trust management and you know the management are capable of doing and making the right decision, yeah definitely.

No.

Imran used a perfect word there 'trust'. Just on knowing management and the top end is everything in his pocket, if it better for his pocket he will do it. If it makes his house bigger, if he can buy another vintage car her will do it. So to me it's no.

-- Group 5: Middle-aged sub-professionals

I have a financial adviser and meet with him fairly regularly. I have properties and shares.

I think about it by getting someone else to think about it. I use a financial adviser. I had another bloke who advised me on how to pay off my mortgage faster.

I'm a spender, my husband's a saver. We have two houses, a block of land, a share portfolio, and a good savings account. It's very important to us to be financially secure. It's like his hobby. He subscribes to BRW and all those things.

You have to these days if you want your life style in the later years.

I'm not as assiduous as the others. I've had consultations with financial advisers but one said come back when you've got some more money.

I have a quite in-depth knowledge of the financial services industry. A lot of their advice is commission-based and they need to clean up their act. I don't trust them.

I trust mine because we're diversified and he works for a very large company.

I probably didn't think much about it until about five or six years ago. I don't want to be struggling in my later years, but my view is slightly tainted by what happened to my parents: they set themselves up quite nicely for their retirement, and died very young. You don't know what the future holds. You've got to enjoy life as well.

Super?

An evil necessity. The more the Government push it on, the less I want to be in it.

I think super's still a strong investment and a strong package but I'm looking at doing my own. I haven't been happy with the company's handling of it. I'm just sitting there watching it fizzle away.

There was an article in The age this morning about the Senate committee considering prohibiting lump-sum payments stopping people when they retire from paying out their home or whatever they want, and then going on the pension. And I'm thinking, this is my money, and they're going to tell me that I can only have an annuity now.

I just have my company's super. I don't add to it. I've got a bit of property and shares as well.

I add a little but because of the tax. The super's the base of what I'm going to retire on, but you've got to have other money if you want to enjoy living.

I do the same.

I'm going to take it out of the company fund and put it in my own DIY fund.

That's what I'm doing too.

(Most of their employers had their own super funds)

Ours is outsourced and they decided to transfer it across to this new (fund management) company, and it was very much bulldozed through at a busy time of year. I left (my money) with them but in hindsight I don't know if that was a very good decision. But they're all doing so badly now, it's kind of academic.

I got my statement yesterday and it's shithouse.

It's your money but it feels out of your control.

What are the important things in making judgments about super funds?

Performance.

Performance over the long term.

Entry and exit fees.

Their reputation.

Its ethics.

Tobacco?

Yep.

Uranium?

Yep.

Pornography?

Yep.

I could never invest in a tobacco company. My mother died from lung cancer.

Where would you draw the line? What about alcohol, a brewery?

There could be a line between where people have a choice and where people end up addicted.

In all honesty, if I showed you four per cent return here, in a company that plants trees, and ten per cent here in a company that makes alcohol and tobacco, where would you put your money?

Personally, I'm the sort of person who buys Australian products, even though they cost a bit more because I really do believe I want that money in Australia.

What if it's four and four, or four and six. Where's your cut-off point?

Oh, 25 per cent differential, I'd say. Everything else being equal.

One per cent's a lot of money over a working life. I'd take the money.

That's where I differ. I recently went for another position and it was worth quite a bit more than my existing position. However, I didn't like what the company stood for, and I didn't want to go and work for them. I didn't need the money that much.

I'm setting myself up to the best of my ability so I'm not a burden to my children.

I'm sorry but I'm not going to buy a rug that is made by 10-year-old children in Pakistan. It might look nice on my lounge room floor but I'm not going to do it.

How do we know, though? It's a minefield. How do you know whether the company you invest in hasn't invested in another company? There was something on 60 Minutes where a big car firm had invested in pornography or something.

That's second-hand. It's if you knowingly do it.

I accept we shouldn't be a burden to our children, but shouldn't we also be setting up an environment that is good? I also want to live in a society that embraces that.

How secure do you feel your economic future is? You have a fair bit of working life ahead.

This is going to sound hypocritical after I've just been talking about how important money is. I'm looking for a change in lifestyle, and money's not going to be as important. I want to spend more time with my family, probably be able to challenge myself by starting my own business.

I've gone through major change, had a redundancy package, found it hard to get another position, young family, mortgage. So everything you've planned for all of a sudden is gone. You plan roughly, but then suddenly something can come from left field and run you off the rails.

I'm recovering from something that came from left field. My husband works for himself and we went away for a five-week trip and when we came back his business partner had completely shattered it and there was none of the business left. He took all the clients. We now feel that hopefully we're consolidating. But we need to do more because we're not in the position where we would have liked to be.

Australia is a place where you can survive and keep going. It's one of the best places to be able to financially plan and that sort of thing.

-- Group 6: Middle-aged sub-professionals

Thinking about your future. How do you plan your personal economic futures?

I've got a three week old child!

I've got a 26 year old son that's still dependent on me, so it's a bit hard to say, well, you're going to organize your retirement so in 5 years time or 10 years time you're going to have X dollars when you still have some major outgoings which is called your kids!

I made my decision to retire with no dependants, but now I've got two kids living back because of relationships and travel and whatever.

I'm pending retirement and, yes, I probably now spend a lot more time thinking about the future. Today, I spend time thinking about retirement or superannuation returns because I tended towards superannuation rather than property and I've always done that and I didn't think a lot about it until I was 53 or 4.

Would you leave it there when you retire? Or are you likely to pull it out?

I have structured my finances so that I don't depend on that as much, so I won't touch superannuation, I'm just going to live on my income plus I'll work, do some part-time. I'm just sick of five days a week. I'll work two or three days a week if I can.

I might like to retire but I've got a couple of kids who are going to keep me poor with school fees for the next 10 years or so, so I'm starting to think about retirement. Certainly I don't intend to be in the workforce 10 years from now and made the momentous decision about six months ago to establish a DIY Super Fund because the financial advice that we had was that we were far better off doing that than paying huge fees to other people to lose our money for us when we can lose it ourselves and it costs us less in fees!

That's the big issue with most company-type funds.

I've never really been able to figure out what it all means. I've got teenage kids, I've got a wedding coming up and I've got a 21st birthday and all of those types of things and you tend to be busy, you tend not to think about it. I'm probably three or four years away from saying well, I need to give this some serious consideration.

I occasionally read the report and understand the Reasonable Benefits Limit and things like that and I sort of scratch around in the drawer and find the statement and it seems to indicate that what's in there is consistent with what you thought, without really being sure what that means.

I still don't understand enough about super and I frankly don't want to understand about it. You come home from work, you've worked 12-13 hours, you've got to actually digest it after 12-13 hours and you throw it in the drawer and that's where they normally stay for 13, 14 years. Part of the issue is that the whole concept is really difficult to comprehend. It's just a nightmare. People have got better things to do than try and understand it.

We have people come into our organization, young people, very smart people, with engineering degrees and Masters degrees and all sorts of things and we say to them, all right you earn a certain amount of money, if you are earning more than \$75,000 a year, would you like this Defined Benefits Scheme? We say, if you join this Defined Benefits Scheme you have to put 3% in after tax. And they say, what does that mean and I say, currently the company pays 15.6% employer contribution in a Defined Benefit Fund so you put your 3% after tax in and you get 15.6%. It's a good deal. But most say no, I don't want to put any money in; I'd rather have the 9% in the industry fund.

Why?

Disposable income. They want it in the hand.

They don't want forced savings they want to piss it up against the wall.

They want to buy a house so an extra 3% in Super, they don't want to piss it up against the wall, they've got to pay the mortgage.

And if they put it in they can't get it out. It's non-accessible.

They think, what's going to happen to this money? It's going to be stuck in here, it's going to be eaten up by fees and this can happen or that can happen.

I get so shitty on the Government stinging tax. You're paying taxes all your bloody life and all of a sudden you get to an income level where you can afford to put a large sum away and then they kick the shit out of it taxation-wise.

In my situation I had to go and buy an investment property because I can't put anything into super and the company is getting stung, this 9% this paltry contribution, they're getting stung an extra tax on that plus I'm getting stung an extra tax on that.

Yeah and the idea of the threshold initially was \$70,000 it's now been suggested that you're super-rich if you're on a salary of \$70,000.

What we've found is that the role generalists are really happy to be in company superannuation funds. The role specialists, the people that are there for a short term, don't want to know about it, they don't want to know about company funds. They like high energy, high return funds, because they're just know that in two years for three years they'll be gone. And they're risk-takers. They just they rely on their specialty to keep them afloat.

It's an age thing, and a generational thing as well. Our research and development establishment has about 120 people in it, there's a lot of young people within five years

of graduation coming through. And they really couldn't care less about superannuation. They're not the slightest bit interested. What they're interested in is a whole range of different activities for themselves based around lifestyle. And if the company can provide that, they'll be loyal, but if the company can't provide it, they'll go away. Superannuation is just something that is not on their screen.

Obviously, there are generation differences and there are whole bundles of issues -- life stages and all sorts of things, and I think that the mobility of people is important. They want portability if they're transferring from one job to another. Younger people want portability.

And uncertainty is not such an issue. They're not so concerned about being made redundant in their first five years of working. Much more prepared to take risks.

Superannuation is an extremely sensitive issue, it's an issue that can generate disputation, you can end up in a Court or in Industrial Tribunals, but certainly Superannuation is an I.R. issue.

When you're negotiating with unions it becomes a bargaining issue and when the unions say we want a 5% increase and 3 of that can be in salary and 2 in super, it certainly is an industrial relations issue.

In our situation, exactly half our workforce is unionized, and after months and months and months of negotiating, the Union want a clause about super. It's got to be compulsory, industry. But for the other half of the workforce, we have a new, quite modern accumulation plan. There's a lot of interest in it. But the unions present a clause at mass meetings that say: "This (industry scheme) is the way to secure your future. The company are resisting this. The company are jeopardizing your retirement by not agreeing to this. You must push at this. They are trying to sell their own scheme to you. The union will look after you. Go to the Industry fund, etc, etc." It has just all become too hard, and you've got to say, "Well, if they want their money to go into an industry fund, and they're going to go on strike, to hell with them."

And what's driving the Union to do this? I mean, in terms, do they really think the company will go down the gurgler and take their money, or is it, the Union's got some other agenda of trying to get that money into the industry fund?

I think well, in the early days, they must. The officials were paid commissions.

The union pushed steel workers, actually everybody, into industry superannuation funds.

I don't think there is a vested interest, in the sense of the legal term, vested interest. But what the unions are saying is that they want people to maybe have the ability to choose between company fund and industry fund and part of that has been coloured by some rather unfortunate practices with company funds in the past where, when the company went belly-up, hey presto! These superannuation funds...

Well, yeah, the other point I was going to make while I've got the floor, is that some of us have just been through something called Campaign 2003, which essentially was a

campaign by some unions, not all of them, some unions but a whole series of standard claims, one of which was to increase superannuation contributions by one per cent. In the last six months I've negotiated five EBA's with Campaign 2003 and in each and every one, one of the first claims that was dropped off was the increase in one per cent in superannuation contributions.

And what's the significance of that?

Well I think it's perhaps a bellwether that the troops, the rank-and-file employees, are saying 'this is not something we're getting excited about.'

It's not real money.

There's other things to be more concerned about, like wage increases and protection of entitlements and stuff like that, but we're not about to go to war over an increase of one per cent in superannuation.

If you go back to the discussion about values, that's what it's all about. Do people trust a company? Do they genuinely believe that company is going to do the right thing?

-- Group 7: Senior management

DISCUSSION OUTLINES

For Groups 1 to 6

1. If you were to describe the essence of your work to someone, what would you tell them?
2. How long have you been in your current position?
3. Do you hope you will be in the same company in three years time? Why?
4. Do you hope you will be doing the same sort of work in three years time? Why?
5. What would you say was the best thing about your job?
6. What is the worst thing about it?
7. About how many hours do you work each week? (probe paid/unpaid overtime)
8. How do you feel about this?
9. Do you think you are reasonably paid for the work you do?
10. Do you think you are appreciated at work?
11. How would you describe your work culture –
 - ◆ cooperative or competitive
 - ◆ good or poor communication upwards and downwards
 - ◆ eye on the short term or the long term
 - ◆ business morals important or not important
 - ◆ nurture staff or use staff
 - ◆ enjoyable or not enjoyable
 - ◆ a learning environment or not a learning environment
12. How would you describe top management in your organisation?
13. If you had your time over again, would you be doing what you are now? If not, what would you be doing?
14. Do you plan your economic future? How?
15. How secure do you feel your economic future is?
16. And now a fantasy: if you could be anywhere you wanted, doing anything you wanted – where would you be?

For Groups 7 & 8

1. How would you describe your work culture –

- ◆ cooperative or competitive
- ◆ good or poor communication upwards and downwards
- ◆ eye on the short term or the long term
- ◆ business morals important or not important
- ◆ nurture staff or use staff
- ◆ enjoyable or not enjoyable
- ◆ a learning environment or not a learning environment

2. Do you plan your economic future? How?

3. How secure do you feel your economic future is?

4. If you had your time over again, would you do the same thing?