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ATTORNEYS SHAW LLP



Bargaining for Productivity

Henry Skene
Seyfarth Shaw Australia
hskene@seyfarth.com
+61 3 9631 0701


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Agenda

Overview
Productivity bargaining
Engagement frameworks
Strategy development for productivity bargaining

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Session Guidelines

- Interactive and practical session
- Draw upon experience
- Ask questions as they arise

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Straw Poll

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How to bargain for productivity

Productivity bargaining

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Productivity bargaining

What is productivity?

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What is "Productivity"?

Productivity*
The efficiency with which an economy or business transform inputs, such as work (labour) and assets (capital) into outputs, such as goods and services

Labour Productivity
Output per unit of labour input

Capital Productivity
Output per unit of capital input

Multifactor productivity

*Australian Bureau of Statistics; Egan & Associates Discussion Paper, October 2013

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Productivity bargaining

What is productivity bargaining?

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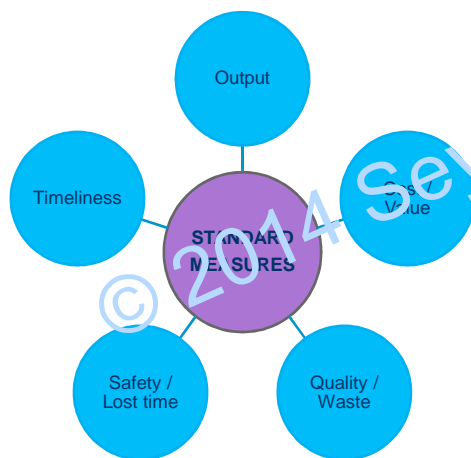
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Old school definition

“the process of reaching an agreement
(**productivity agreement**) through
collective bargaining where the
employees of an organisation agree to
changes intended to improve productivity
in return for an increase in pay or other
benefits”

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Workplace Productivity Drivers




But consider...

- Engagement / morale / culture
- Incentivisation
- Communication / consultation
- Skills and training
- Flexibility

**Requires
CLEAR
RATIONALE IN
BARGAINING**

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 **Productivity bargaining discussion**


What are some examples of productivity outcomes for business?

How can these outcomes be measured?

What information do you need about these outcomes to be able to drive for them in bargaining?

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 **Productivity bargaining elements**



CLEAR RATIONALE
QUANTIFY AND ARTICULATE VALUE

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Engagement and leverage

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Competing Models of Engagement

Traditional:

Direct Engagement:

Control VS **Influence**

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Do you need to bargain over the issues?

What are the options for the business under current arrangements?

- Identify operational needs and impediments
- Identify alternative options ('out sourcing')

Can you achieve your objectives without bargaining?

- What do current arrangements allow?
- What is the risk of NOT bargaining?
- Rollover an option?

Can you achieve your objectives through enterprise bargaining?

- Clear objectives
- Types of agreements
- One agreement or many?

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Maximising Employer Leverage

Drive reform as far as possible under current arrangements

→

Identify reform priorities and obstacles under current arrangements

→

Bargain only in relation to what you have to, with the end in mind

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Productivity bargaining discussion

What role does engagement play in productivity bargaining?

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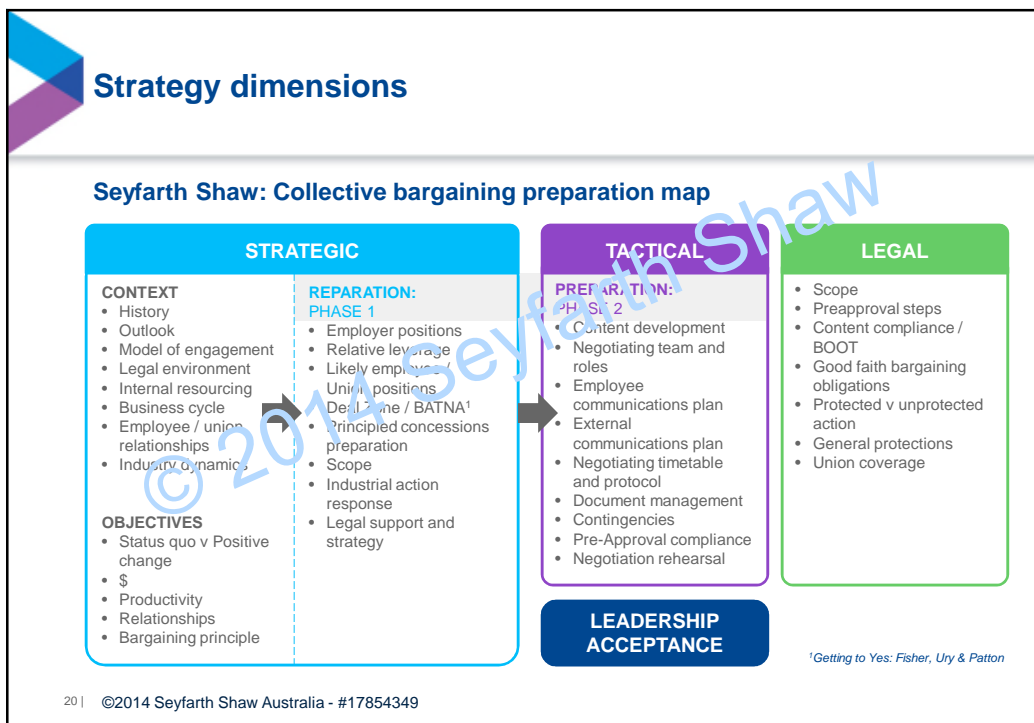
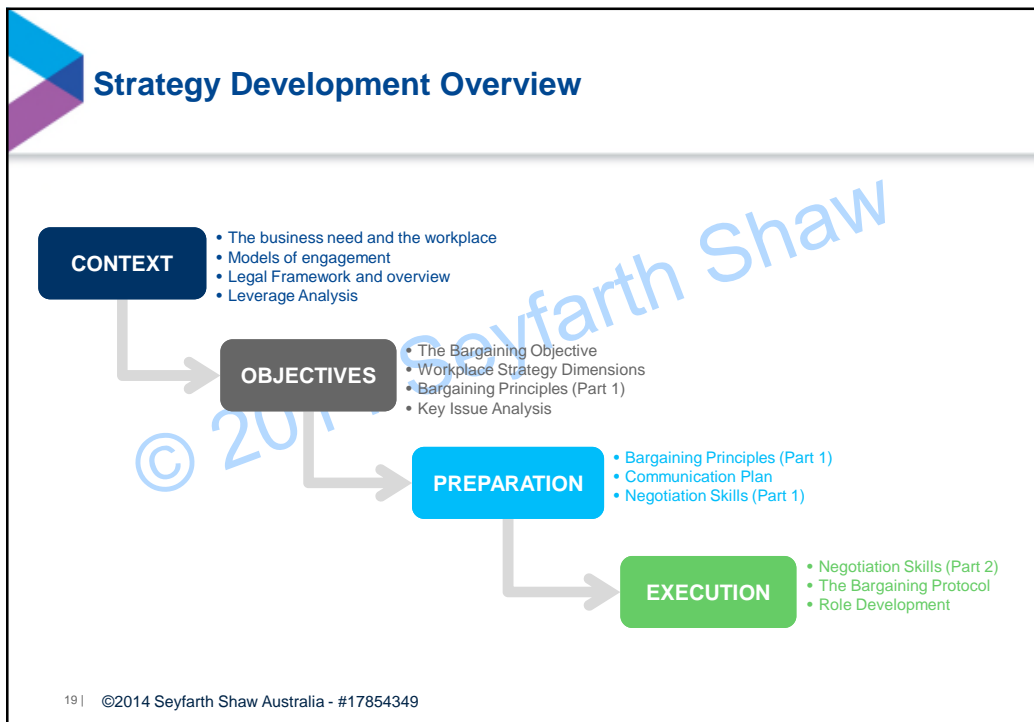



How to bargain for productivity

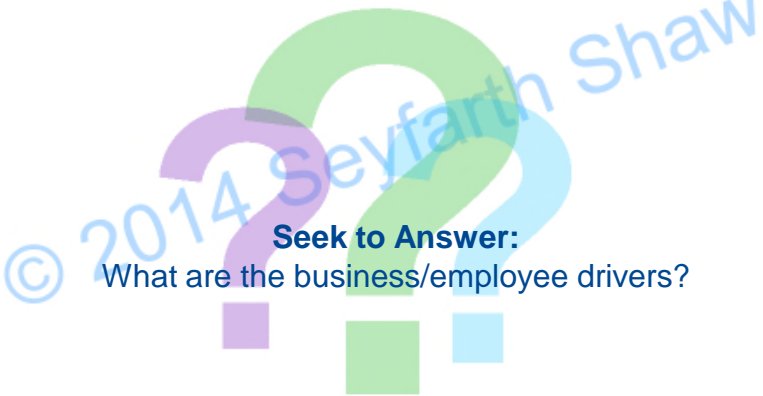
Strategy development

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 **Part 1: Context**



Seek to Answer:
What are the business/employee drivers?

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