



Fair treatment

Australians are often proud of the idea that everyone is given a 'fair go'. We know that an individual's perception of fairness is influenced not only by equity in the *distribution of rewards* but also by the quality of interpersonal respect for one's status as a member of a working group and other issues about the fairness of processes of decision-making. These perceptions facilitate the development of attitudes, including trust, emotional involvement and commitment. The treatment employees receive from their managers strongly affects their perceptions of managerial and organisational fairness.¹

In order to better understand factors that may influence perceptions about fair treatment of employees in their workplace, employees in the *Australia at Work* study² were asked to respond via a five point agree-disagree scale to the following statement:

'Employees are treated fairly at my workplace'

In 2010, almost four-fifths (78.0 per cent) of employees interviewed either strongly agreed or agreed with the above statement.³ However of particular concern is that one-in-five (20.6 per cent) of employees do not trust their managers. Around one-in-seven (13.4 per cent) do not feel employees are treated fairly in their workplace.

Attitudes vary among different groups of employees

Employees occupying managerial roles generally hold more positive views around fair treatment than non-managerial employees (82.5 per cent and 77.2 per cent respectively).

¹ Information in this factsheet is an extract from a research paper "Undercover Boss: What Australian employees think about their managers" by Sally Wright (forthcoming). The full paper is available from the author.

² The *Australia at Work* study is being conducted by the Workplace Research Centre at the University of Sydney Business School. The project is funded by the Australian Research Council's Linkage Grant scheme and the industry partner is Unions NSW. Further financial support is provided by CFMEU Energy & Mining Division, CFMEU ACT Branch, NSW Nurses' Association, the Police Federation of Australia, the SDA, the CEPU, the QLD Nurses Federation and the Nurses Federation (Victorian Branch). *The study* is a five-year longitudinal telephone survey of people who were aged 16 to 58 years and in the Australian labour force in March 2006 (i.e. prior to the implementation of the *Work Choices* legislation on 27 March 2006). New entrants and re-entrants to the labour force after March 2006 were not 'in-scope' for the study.

³ Care should be exercised when comparing or combining the data from this study with that from other sources, especially the Australian Bureau of Statistics. The differences primarily arise because the *Australia at Work* study has gone back to the same people each year whereas the ABS generally gets a new cross-sectional sample each time a survey is conducted. Further technical details as well as substantive findings arising from the *Australia at Work* study can be found at: <http://www.australiaatwork.org.au/index.php>.

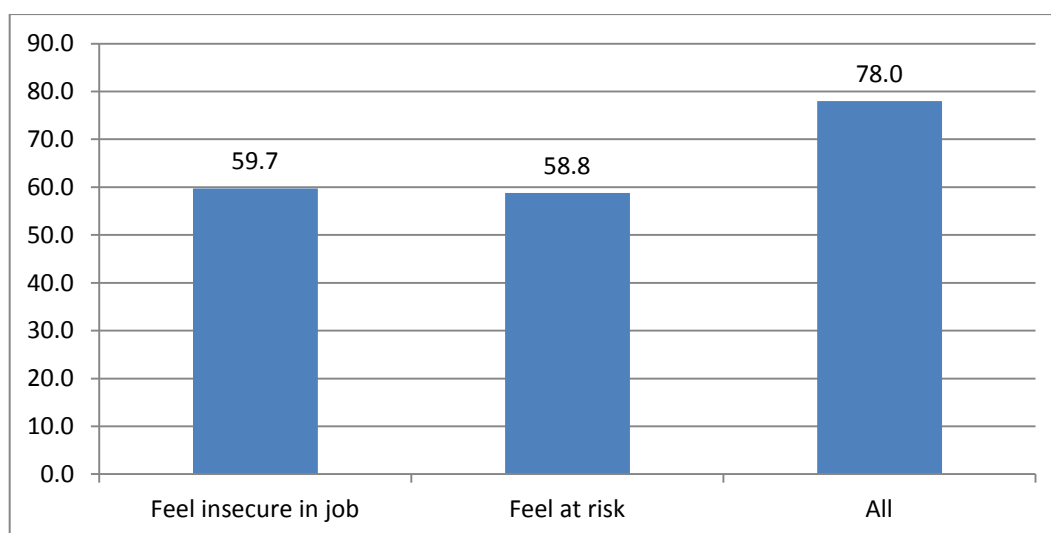
Among non-managerial employees:

- Younger employees (i.e. 83.8% of those aged 25 yrs or less) and those with shorter job tenure (i.e. 82% of those with job tenure of 1 yr or less) generally hold more positive views about fair treatment than older and longer tenured employees.
- Permanent employees (76.6%) are slightly less likely to report fair treatment than those engaged as casuals (80.1%) or those employed on fixed term contracts (80.0%).
- Employees in large workplaces (74.4%) are less likely to report fair treatment in their workplace compared to employees in small (81.9%) and medium sized workplaces (76.4%).
- Union members (71.8%) are less likely than non-union members (79.5%) to agree with the statement around fair treatment.

Job security, workplace safety and fair treatment

Both job security and workplace safety are two aspects of the work environment that impact on employee perceptions of fair treatment. Figure 1 on the next page charts the relationship between reported attitudes of non-managerial employees to fair treatment depending on perception of job security and risk of work-related injury or illness. It shows that perceptions of job security materially affect perceptions of fair treatment. The response level around fair treatment is much lower for employees who feel insecure in their jobs (59.7 per cent) and for those employees who feel at risk of suffering a work-related injury or illness (54.8 per cent) compared to the overall response level (78.0 per cent).

Figure 1, Non-managerial employees' attitudes to fair treatment by job security and risk of work-related injury or illness, 2010, per cent



Note: Responses of agreed and strongly agreed/strongly disagree/disagree with the statements were combined.

Population: Non-managerial employees in Waves 1 to 4 inclusive only

Source: Australia at Work Wave 4

What do our findings suggest?

Fairness is a term that is often vague and hard to define. However, it is also a term that captures a social norm that resonates strongly with workers in Australia (and abroad).

Our research suggests that while many workers feel they receive fair treatment at work, there are two factors that appear to undermine perceptions of fairness at work. Workers who are insecure in their jobs or who feel unsafe at work are significantly less likely to also feel that employees in their workplace are fairly treated.

It should come as no surprise that fairness is linked to security and safety, but what does this mean for policy and practice?

There is a growing body of research on the social and psychological effects of inequality and insecurity in society. If we are interested in the wider social role of work and employment, it stands to reason that addressing insecurity and fear of injury at work should be receiving greater attention than it currently does. As such the findings pose distinct challenges for employers, governments and unions.

For employers it is important to recognise that a sizeable proportion of the workforce has problems of trust in management and feel unfairly treated.

For governments the fact such a large proportion of workers feels this way reveals inadequacies of policy. Clearly they need to examine ways in which they can either directly - or indirectly - help employers, workers and unions overcome this situation.

These findings pose a dual challenge for unions. On the one hand many people do not trust managers or feel fairly treated. This is, potentially, a very fertile group to engage with - especially where they are non-members. On the other hand, unions must grapple with the fact many workers currently report trust in, and fair treatment by their, current manager. Mobilising and keeping these people in the union requires a vision that encompasses more than 'anger, hope and action'. It requires that unions develop a practical vision of their broader role about securing and improving fairness at work - not just in the workplaces where workers are currently employed but in the future. What happens if the current manager leaves? What happens if and when the worker leaves the workplace? A sense of 'satisfaction' with current management may not provide an immediate 'necessity' to join a union.

It does not mean, however, that workers are not open to broader ideas about the relevance of unions in the longer term - beyond their immediate manager and, indeed, beyond the workplace at large.