

IR: Joyce stands his ground

Rachel Nickless

Qantas Airways chief executive Alan Joyce has reaffirmed his controversial decision to ground his fleet last year, and said other options would have led to the death of the airline, but he has also admitted to failures by management.

Giving in to union demands "wouldn't have caused a problem when I was CEO, but would have caused problems for the long-term survival of Qantas," Mr Joyce said.

Had he not locked out staff after three months of industrial disputes, the disputes at his workforce would still be going on, he said yesterday at the HRizon world human resources congress in Melbourne. However, he acknowledged that Qantas suffered from poor management and communication with staff in some areas.

Qantas group executive for people,



Alan Joyce plans changes at Qantas.

Jon Scriven, said: "Over time our management capability has probably not been as strong as we might have wanted."

Mr Joyce and Mr Scriven outlined changes they had made to improve Qantas leadership, management and customer service, including management training for 4000 front-line staff over the past four years.

Qantas is also trying to communi-

cate with staff better. In the past, Mr Scriven said, employees often heard about major change at Qantas via the press.

Mr Joyce said a key focus was ensuring a more consistent experience for customers. "When Qantas is good it's the best airline in the world. When it's bad, it's really bad," he said.

Telstra chief David Thodey also admitted to ongoing customer service problems and told the conference Telstra had only gone 5 per cent of the way to achieving its cultural change goals, despite the "amazing change" that had been delivered through the program he launched 2½ years ago.

Mr Thodey and Telstra group managing director, business support and improvement, Robert Nason, discussed their mistakes and successes in trying to change company culture.

Mr Thodey said while employee surveys suggested there was a major

change in culture from 2010 to 2011, positive change continued but to a lesser degree in 2012. But workers still believed they were moving away from a culture dominated by low standards and passing blame to one where reliability, collaboration and taking ownership were more prevalent.

Mr Nason said he learnt the hard way early in the cultural change program not to crow about success. Complaints to Mr Thodey spiked "every time we said something in the market which said we were improving customer service", he said. "You don't talk about the future, you talk about what you have done."

Mr Thodey said the program's benefits included cutting costs by up to \$2 billion, lifting employee engagement by 2 per cent, and a 26 per cent fall in customer complaints. Customer service levels were now competitive, he said.

CFMEU questions comments

Lucille Keen

Lawyers for the CFMEU have questioned whether the courts can act over comments by Victorian Premier Ted Baillieu to the media about the union's 16-day blockade earlier this month.

The CFMEU's barrister, Peter Morrissey, SC, said he would inquire into statements made by Mr Baillieu in a Ninemsn report, alleging that the "blockade should have been lifted in line with the court's ruling".

In the article, Mr Baillieu claimed the blockade was unlawful. "It was declared so by the Supreme Court of Victoria on multiple occasions," the article quoted Mr Baillieu as saying.

Mr Morrissey raised the issue at the start of the second day of court proceedings in which Grocon is seeking \$10.5 million in damages from the union for the delays to its projects.

Mr Morrissey said he was not "entirely sure at this point" what he wanted done but "it would be extremely regrettable if that was said".

"We're not sure what we want to do about it and we're not sure what your honour [judge Anthony Cavanough] has the power to do... about it. We would like it to be put on record."

Mr Morrissey said it appeared to him to be "inaccurate". The Supreme Court had not been called upon to make that finding and it wouldn't be a finding the court would have to make. After hearing yesterday from two witnesses for Grocon, the case was closed. Final submissions are expected to be delivered on Friday.

Grocon has alleged that CFMEU official John Setka drove into and hit Grocon executive project manager Frank Bortoletto.

It also claims union officials and members threatened and intimidated employees of other contracted companies working on Grocon sites.

Expert calls for all to share in boom

Joanna Heath

Australia is at a crossroads and needs to implement policies to improve the quality rather than the quantity of jobs to capture the productivity benefits of the mining boom, academics have warned.

Job quality expert Arne Kalleberg of the University of North Carolina says Australia should learn lessons from mistakes made in the US on improving the quality of jobs.

"In the US, the kinds of relatively low-skilled, high-paying jobs in the automobile industry and manufacturing industry were the backbone of the middle class. Those kinds of jobs have basically gone away," Professor Kalleberg said.

"The US had booms too. The problem with our booms is we did not have broadly shared prosperity... that led to economic stagnation, decline in demand.

"Australia has to pay very close attention to making sure the gains



Arne Kalleberg at the University of Sydney yesterday.

Photo: MICHELE MOSSOP

from the mining boom are shared by workers."

Although Australia's relatively high minimum wage and health insurance system was helping to prevent workers from having to take any job they could get, it was important

that workers being made redundant in manufacturing and other sectors were offered retraining programs so high-quality jobs were not out of their reach, he said.

Professor Kalleberg said that while some inequality of wealth in

society was a good thing, extreme inequality was destabilising. "I don't think you need extreme inequality as an incentive for people to work harder, I think that's a fallacy."

University of Sydney professor Chris Warhurst, who convened a two-day conference in Sydney this week on the subject, said Australia must act on job quality during the mining boom to prepare for its end.

"The number of low-wage workers in Australia has now approached levels similar to the US and UK, so we have a real wake-up call. It's to do with the shift from manufacturing to services.

"Trade unions are not as strong as they could be in some of the bottom-end service jobs and government regulation in that area is very ambiguous in its effects," he said.

Studies from Europe showed links between national productivity, innovation and a higher number of good-quality jobs, Professor Warhurst said.



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