



# MEDIA RELEASE

## Australian Mines and Metals Association

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### **Employee Engagement – A lifetime of opportunity**

The Australian Mines and Metals Association (AMMA) has today released a study of employee engagement within the resource sector titled Employee Engagement – A lifetime of opportunity. The report advocates the retention of the existing industrial relations framework (and in particular AWAs) and encourages employers to work with their employees to improve engagement levels and business outcomes.

The study is based on interviews with thirty key resource sector human resources professional and chief executives. It includes four resource sector case studies which assess the impact of employee engagement on organisational performance. Organisations reviewed include: the smelter operations at Bell Bay and Southern Copper, the construction of a minerals processing facility by Fluor Australia, the Altona refinery operations of ExxonMobil, and the operations of Hammersley Iron and Argyle Diamonds.

AMMA Chief Executive Steve Knott said *“Employees who are engaged work to the best of their capacity in the interests of the organization. The report details an extensive body of research which supports the link between increased employee engagement and improved business outcomes.”*

The report shows that a precondition for employee engagement is the existence of high levels of trust and mutual interest. High levels of employee engagement can support rapid improvements in organisational performance. The existence of high quality management systems (including performance management, communications, consultation, leadership and development) has a significant impact of the level of employee engagement.

*“Improved employee engagement has been found to increase safety performance, reduce staff turnover, increase customer satisfaction and improve operating revenue and profitability.”*

*“The introduction of AWAs in the workplace has been associated with increases in employee engagement. In one operation increases in productivity of 20% were witnessed. This experience is consistent with other resource sector operations. The business improvements are due to an increased speed of decision making and implementation of change, and the elimination of non value adding processes such as demarcations and union political agenda which facilitated an increased focus on business improvement”* said Mr Knott.

Whilst the report indicates that employee engagement is possible under a collective model, sustained cases of union and management partnerships are rare.

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The report highlights that it is the responsibility of the employer to establish and maintain productive direct relationships with their employees.

The current workplace relations framework provides a broad range of agreement making options and removes mandated representational roles for unions. This provides a solid grounding upon which to build employee engagement and organisational effectiveness. By contrast the ALP industrial relations policy abolishes AWAs, promotes union collective bargaining and increases uninvited union access to workplaces.

“The report supports AMMA position that the existing range of statutory agreement making options (and in particular AWAs) should be retained, unions should not have a mandated role in agreement making and encourages employers to work with their employees to improve engagement levels and business outcomes ” said Mr Knott.

The paper can be downloaded by visiting:

[http://www.amma.org.au/home/publications/employeeengagement\\_a\\_lifetime\\_of\\_opportunity\\_sept2007.pdf](http://www.amma.org.au/home/publications/employeeengagement_a_lifetime_of_opportunity_sept2007.pdf)

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