

Redeployment and Redundancy in Australian Railways

Report

Initiatives adopted to facilitate structural adjustment of rail systems in Australia have resulted in redeployment and redundancy of rail workers. A survey was conducted by the Bureau of Transport and Communications Economics to obtain information on the work experiences of redeployed and redundant rail workers.

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**Redeployment and Redundancy
in Australian Railways**

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FOREWORD

Early in 1989, the Bureau of Transport and Communications Economics (BTCE) conducted a survey of redeployed and redundant railway workers, following a formal request by the Railway Industry Council (RIC). The survey arose from a joint BTCE/RIC proposal that the study of local labour market absorption of redundant railway workers, potentially resulting from a range of scenarios being examined by RIC, would be assisted by an assessment of the actual labour market experiences of currently redundant and redeployed railway workers. In view of the opportunities afforded by a survey, redeployed workers were included to provide additional information on the effects of labour force restructuring in the railways.

This paper presents the results of the survey and discusses some of their implications. The Bureau acknowledges the help of railway systems and the Australian Railways Union, both in the design and the dispatch of the questionnaire.

The survey and this report were completed by Mr M. Kunz, with the assistance of Messrs A. Carmody, K. Jones and T. Mikosza, under the general supervision of Dr G. Lubulwa. Comments on the draft were provided by Dr M. Gordon, of the University of Newcastle.

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ABSTRACT

Initiatives adopted to facilitate structural adjustment of rail systems in Australia have resulted in redeployment and redundancy of rail workers. A survey was conducted by the Bureau of Transport and Communications Economics to obtain information on the work experiences of redeployed and redundant rail workers. The results of the survey indicated that de-skilling formed an important part of the post redeployment and redundancy work experience of respondents, that unskilled workers experienced the greatest difficulty in achieving re-employment and that there was little retraining among unemployed respondents. The main conclusion of the study was that training for new occupations is an important part of the railway reform process.

SUMMARY

In 1989, the Bureau of Transport and Communications Economics, in response to a request by the Railway Industry Council, conducted a survey of redeployed and redundant rail workers as part of its assessment of social impacts resulting from railway restructuring under different Railway Industry Council scenarios. Workers who had been redeployed or made redundant between January 1987 and June 1988 were surveyed. They came from the State Rail Authority of New South Wales, V/Line from Victoria, Australian National Railways Commission, covering South Australia and Tasmania, and Westrail from Western Australia.

The survey was designed in close cooperation with railway systems and unions. It was conducted in the form of a self-administered postal questionnaire and targeted four distinct groups:

- redeployed rail workers, or those still in the employment of the rail system at the time of the survey, but who had changed location or occupation, or both, as a result of system restructuring;
- redundant rail workers who had found alternative employment outside the rail systems;
- redundant rail workers who were unemployed at the time of the survey; and
- redundant rail workers who had decided to take retirement altogether and withdraw from the work force.

Due to the ethnic diversity of the railway labour force, considerable effort was made to avoid language difficulties becoming a major reason for non-response to the survey. The final survey achieved a response rate of over 47 per cent.

The survey collected a wide range of data from 1298 respondents, including information on socio-demographic factors, educational background and skill profiles of affected workers. Post redeployment and redundancy labour market experiences, such as the incidence of retraining, shifts in skill levels, duration of unemployment, job stability, perceived financial and career prospects and the degree of general satisfaction with the new occupational arrangements were also surveyed. An assessment of the financial benefits actually received by redundant respondents as a result of their altered employment status and the use to which these payments were put concluded the investigation.

In addition to this type of information, which could easily be tabulated, the survey stimulated a number of unsolicited responses. These responses provided a subjective discussion in the form of comments on and criticisms of the way the redeployment and redundancy process was managed both by the railway systems themselves and the unions involved. Personal interviews may have helped to elicit these responses formally. These were not conducted because a postal questionnaire was considered adequate for the purposes of the survey and personal interviews would have involved considerable additional resources, given the geographical distribution of the survey population and anticipated language difficulties.

Redeployed respondents were found to be predominantly male, aged between 25 and 39 years, married or living in a de facto relationship, and with no dependants under the age of 18. They were paying off their houses, had completed schooling to fourth form and had last worked as a tradesperson in a railway workshop. Their length of service with the railways at the time of redeployment was between 10 and 19 years.

Re-employed redundant respondents matched the demographic profile of redeployed respondents in most respects. However, they tended to be older (40–54 years of age) and more likely to have been a clerk with the operations area before redundancy. They also owned their own houses.

Unemployed redundant respondents presented a similar profile, but their last occupation before redundancy was that of labourer or related worker.

As expected, retired redundant respondents were aged 55 or older; their schooling had seldom extended beyond primary school level and their length of employment with the railways before redundancy was predominantly between 30 and 39 years.

In general, demographic, life cycle and educational variables (up to secondary schooling level) did not appear to have a strong effect on either post-redeployment or redundancy work experience.

The survey showed that both redeployment and redundancy had their negative effects: the former, in terms of relatively poorer career prospects and higher dissatisfaction; the latter, in terms of prolonged unemployment and premature retirement. One area of common ground was a tendency for respondents to move to lower status occupations if any shift in occupational status occurred at all. Another tendency was for general skills, for example, as used in administration, to be more successfully transferred to other work areas within the railways or other industry sectors outside the railways than specific skills, for example, those utilised in track maintenance or in railway workshops.

Results indicated that redeployment occurred at all levels of the occupational hierarchy, but was most pronounced among tradespersons and labourers. Despite the general de-skilling following redeployment, very little retraining occurred which would have helped respondents to adapt to their new jobs. This

could have been due either to a genuine absence of perceived need, or because redeployment was seen only as a short-term ad hoc solution to redundancy caused by restructuring of the railways. Whatever the reason, many redeployed respondents, at all levels, felt that their career prospects had worsened and reported high levels of dissatisfaction.

In general, re-employed redundant respondents at the time of the survey had little difficulty in finding and keeping their new job after redundancy. This was reflected by relatively short and few periods of unemployment, and little turnover in jobs. However, the survey provided evidence that few respondents who left the rail systems were able to use the skills obtained in their previous job. Only tradespersons, professionals and clerks had transferable skills. Even then, many tradespersons found jobs as labourers.

Unskilled respondents — those without formal qualifications — were the most vulnerable group in the work force. However, survey results also revealed that those respondents with specific skills were not much better off when they became redundant. The finding that many formally skilled and higher qualified respondents faced difficulties with obtaining post-redundancy employment was unexpected.

A large percentage of redundant respondents was unemployed at the time of the survey, and had been for a considerable time. This means that those respondents who did not find new employment quickly were likely to experience prolonged periods of unemployment. Unemployed redundant respondents also represented a group characterised by an almost total absence of retraining and utilisation of assistance schemes to help with job searches, an unwillingness to relocate and a reported inability to commute to and from available jobs outside the local area. It is not clear whether this apparent compounding of factors against the chances of the unemployed respondents finding another job was based on genuine reasons or due to the effects of the discouraged worker syndrome. The survey results indicated that most unemployed respondents had been without a job for some time and a sizeable proportion in the younger age groups had reportedly already given up looking for a job. In view of this finding, it is possible to conclude that those respondents who said that they had retired may have included a number who had given up looking for work. The evidence for this proposition is contained in the unexpectedly high number of retired respondents in the younger age groups and the high rates and prolonged periods of unemployment among redundant respondents.

Contrary to findings reported in the literature, very few retired respondents used their separation payments on daily living expenses. In fact, over a third of them spent their payments on some form of investment. This finding suggests that redundancy from the railways, in the context of an uncertain labour market, encouraged respondents to provide for their longer-term financial security, rather than to spend their payments on more immediate purposes.

Comments provided by some survey respondents indicated a high level of dissatisfaction with the redeployment and redundancy process, and covered the topics of low morale, lack of information, disregard of effects on family and community, lack of counselling and a perceived disregard for loyalty displayed by the systems. Criticism was directed at both management and the unions.

In conclusion, the survey identified a number of issues concerning job skills, training, satisfaction and the management of change. These issues concern the availability of job skills in guiding redeployment practices, the relationship between internal retraining and redeployment strategies, the implication of dissatisfaction of redeployed workers for railway productivity and the improved management of change. It is suggested that a number of measures can be taken to keep employees more informed of changes which are likely to affect them and to assist them in adjusting to these changes as responsible participants.

CHAPTER 1 INTRODUCTION

DEFINITIONS

In this paper, the two labour market phenomena of redundancy and redeployment are examined in the context of the restructuring of Australia's government-owned railways. *Redundancy* occurs when monetary and non-monetary incentives are used to ensure that a worker leaves employment with the railways. This form of termination of employment, as a result of either closure of a firm or contractionary rationalisation, has been extensively studied largely in the context of the manufacturing industry. To date, no study has been undertaken of redundancy in the railway sector in Australia.

This situation is not surprising because the strength of the railway unions in the past and the policy commitments of various State governments have made rail worker redundancies a rarity. This is now changing. Railway systems have for some time recognised that high levels of labour use within the railways must be addressed by properly targeted labour management policies. Furthermore, some of the scenarios contemplated by the Railway Industry Council (RIC) require substantial labour force reductions. Given the lack of information on the impact of railway restrictions on the affected work force, RIC requested the Bureau of Transport and Communications Economics (BTCE) to undertake an appropriate survey.

Redeployment occurs when a rail worker:

- is moved to a different railway job in the same location;
- keeps the same job but is moved to another location in the railway system;
- or
- is assigned to another railway job at another location.

Redundancy, redeployment and early retirement are linked. Usually, a railway system's labour management program identifies surplus positions, with their occupants also becoming surplus. This surplus may be a result of labour productivity improvements, railway divestiture of certain traffics, or of changes in the network configuration (for example, branch line closures).

The means by which the railways normally shed this surplus labour are to offer:

- a redundancy package and separation from the railway system;

- an alternative railway position and redeployment; or
- retirement when the worker has reached the minimum age for retirement with the normal superannuation benefits, plus some additional benefits to encourage retirement.

Each of these strategies may be supported by training and counselling programs providing access to professional advice on personal adjustment, financial planning and for finding (re)employment.

The concepts of occupation and skill are used interchangeably in this report. They are based on the Australian Standard Classification of Occupations (ASCO), which defines skills '... in terms of necessary requirements for the performance of a set of tasks for a given occupation' (Australian Bureau of Statistics 1986, p. 3). Occupations were classified according to the schedule presented in table 1.1.

ORIGIN OF THE STUDY

The Bureau was requested to carry out an assessment of the social impacts of a range of railway system restructuring scenarios developed by RIC. One of the tasks of the social impact study was to assess the likely labour market experiences of rail workers who may be made redundant or who may be redeployed under various restructuring scenarios.

TABLE 1.1 MAJOR GROUPS OF OCCUPATIONS

<i>ASCO category</i>	<i>Major group</i>
1	Managers and administrators
2	Professionals
3	Para-professionals
4	Tradespersons
5	Clerks
6	Salespersons and personal service workers
7	Plant and machine operators, and drivers
8	Labourers and related workers

ASCO Australian Standard Classification of Occupations.

Source Australian Bureau of Statistics (1986, p. 23).

There is a paucity of information in this area that is applicable to railway workers and relevant to the work of RIC. In order to help formulate appropriate strategies for managing the effects of railway reform on the workforce, a survey of recently redeployed and redundant rail workers was undertaken.

AIMS AND SCOPE OF THE SURVEY

The primary aim of the BTCE survey was to provide information for the RIC scenario evaluations; however, the survey also contributed to a wider understanding of the effects of railway restructuring on employees and their subsequent labour market experiences. In addition, it shed light on the effects of economic restructuring on rural communities. In this way, the study provided input into an area of industrial, economic and social significance that was poorly understood.

The survey was directed at four groups of workers:

- redeployed rail workers, who were still employed by the rail systems but who had changed location or occupation, or both, as a result of rail system restructuring;
- redundant rail workers who had found alternative employment outside the rail systems;
- redundant rail workers who had remained unemployed after they had been made redundant by the rail systems; and
- redundant rail workers who decided to take early retirement.

For each of these four groups, profiles of personal characteristics were constructed, incorporating age, sex, marital status, number of dependants, housing situation, place of residence, level of schooling, post-school qualifications, length of service with the railways, and skill levels. The influence of these characteristics on the worker's labour market experiences after redundancy or redeployment was also assessed.

For the redeployed rail workers, the survey sought information on occupational classifications and skill levels before and after redeployment, retraining, post-redeployment income, financial prospects after relocation, and the level of satisfaction after redeployment.

For redundant rail workers who had found alternative non-railway employment, the survey collected information on a wide range of questions. Respondents were asked about the duration of post-redundancy unemployment, job search methods used, and the skill level of the new job. In addition, respondents were questioned about the transferability of their railway skills to other industries, the type and level of retraining available, post-redundancy income, and career prospects and satisfaction after redundancy.

For the redundant worker who remained unemployed, the survey attempted to find out the length of unemployment. The reasons for redundant workers

remaining unemployed were canvassed, including their willingness to relocate geographically and to retrain. Questions were also asked on the extent to which any retraining had taken place.

Workers who had retired from the work force altogether were surveyed to assess the level of payment they received both in total and as part of a severance package and the use to which these payments were put.

It was expected that answers to these questions would help to identify major factors affecting the success or failure of railway workers in adjusting to redeployment, redundancy or retirement. This, in turn, could assist with the creation of appropriate support programs by governments and rail systems. The results could also help in the development of a strategy for railway restructuring which would minimise the adjustment problems for workers, their families and their communities, associated with rail system rationalisation.

Outline

Chapter 2 presents an overview of the literature on redundancy and places the survey of rail workers in the context of research in this area.

Chapter 3 discusses the methodology used in the study. Chapter 4 presents results on redeployment, while chapters 5, 6 and 7 examine the survey results on the redundancy of rail workers. Chapter 8 presents concluding remarks on the study and discusses some possible policy implications.

Appendix I presents a statistical analysis of the representativeness of the survey returns. Appendix II contains a copy of the survey form which was used in the study. Appendix III expands on the statistical information by introducing an assessment of the written comments provided by a number of survey respondents. Annotated comments and letters from a small number of respondents are also presented. These were only minimally edited, in order to avoid changing the tone and the emphasis used by the respondents.

CHAPTER 2 REVIEW OF THE LITERATURE ON REDUNDANCY

This chapter provides a detailed review of available Australian studies of redundancy. Redeployment has not been a research subject in the past.

THE LITERATURE ON REDUNDANCY

There is an increasing number of redundancy studies orientated to the labour market experiences and behaviour of individuals in Australia. Most of this research has been carried out or financed by bodies such as the former Victorian Chamber of Manufactures, the Commonwealth Department of Employment, Education and Training, the former Bureau of Labour Market Research and the Bureau of Industry Economics, in the context of regional adjustment to structural change. The large majority of these redundancy analyses were 'snapshot' case studies aimed at gauging the immediate employment prospects of displaced workers. Table 2.1 details the major case studies reviewed in this section. The salient features of these studies are discussed below.

Survey population

In all case studies reviewed, the survey population consisted of redundant workers laid off due to partial or total plant closure, and who were working at the same geographic location. Most studies attempted to survey the entire population of affected workers.

Survey distribution and response rates

Typically, surveys were distributed by mail. In the majority of studies, follow-up interviews were used to bolster the response rate and table 2.1 shows the positive influence of these interviews on the response rate.

Timing of surveys

A limitation of snapshot studies is the problem of timing. If conducted too early after retrenchment the data obtained reflect only the early adjustment phase. If conducted too late, response rates may be unacceptably low, the workers' memories may be less clear and the data obtained are more likely to contain inaccuracies. The available research indicates that the insights provided by the

TABLE 2.1 METHODOLOGIES USED IN SELECTED AUSTRALIAN REDUNDANCY STUDIES

<i>Author</i>	<i>Survey population</i>	<i>Survey sample</i>	<i>Response rate (per cent)</i>	<i>Method</i>	<i>Time between redundancy and study</i>
Department of Employment and Youth Affairs (1979)	96	92	83	Interview; follow-up mail survey	3 months after
Deery et al. (1986)	196	196	50	Two mail surveys; follow-up interview	1 week prior; 1 month and 9 months after
Connell & Martin (1980)	73	73	58	Mail survey; follow-up interview	15–20 months after
Connell (1981)	112	109	66	Mail surveys; follow-up interview	1 week prior; 3 months and 9 months after
Gordon & Gordon (1986) ^a	995	995	20	Mail survey	4–8 months after
Curtain & Hopkins (1986)	271	267	85	Telephone survey, then mail survey, then interview; follow-up mail survey	10–12 months after
Bureau of Industry Economics (1983)	550	478	33	Mail survey	13 months after
Wooden & Sloan (1987)	120	116	71	Telephone survey, then interview	21 months after

a. This study was supplemented by a second survey, with results reported in Gordon, Smith and Gordon (1986) and Gordon and Gordon (1988).

longer-term labour market experiences of retrenched workers would seem to be much richer and give more insights than the once only view taken relatively close to the time of redundancy. Ideally, longitudinal survey data, tracing the labour market experiences of workers at several different intervals, are needed to understand adequately the processes of labour adjustment. Little research has adopted this approach because the difficulty of monitoring the movements of laid off workers and of achieving a satisfactory response rate, together with the demand for immediate results, have reduced the attractiveness of such detailed longitudinal analyses. Similar considerations have determined the approach of the present study.

Results of Australian redundancy research

Profile of redundant workers

All previous studies of redundant workers established profiles of individuals. According to these profiles, redundant workers could be classified as male, aged 30–43 years, without qualifications and working in an unskilled occupation.

Having established the attributes of the displaced worker, most studies then attempted to identify how these characteristics influenced the labour market experiences of the displaced workers. Table 2.3 lists the characteristics and provides a summary of their impact on re-employment prospects. Based upon the studies reviewed, the relative labour market impact of each of these personal characteristics was as follows:

- *Age.* Redundant workers either under 25 or over 45 were most likely to experience difficulty finding new work (Department of Employment and Youth Affairs 1979; Connell & Martin 1980; Curtain & Hopkins 1986; Gordon, Smith & Gordon 1986; Wooden & Sloan 1987).
- *Sex.* The results obtained were conflicting. Connell (1981) concluded that females were at a disadvantage in the labour market, whereas Curtain and Hopkins (1986) found that males had greater difficulty finding new employment. According to Wooden and Sloan (1987), female workers showed a distinct tendency to withdraw from the labour force altogether, throwing some general doubt on the reliability of sex as a factor in determining re-employment chances.
- *Education.* Wooden and Sloan (1987) found that higher levels of schooling were associated with much shorter periods of unemployment after redundancy.
- *Post-school qualifications.* The evidence on the effect of post-school qualifications is equivocal. According to Connell and Martin (1980) and Connell (1981), redundant workers who possessed post-school qualifications were more likely to find another job than those without such qualifications. On the other hand, Gordon and Gordon (1988) found that higher qualifications were associated with higher unemployment levels.
- *Occupation.* Re-employment prospects were directly related to a worker's occupational status before redundancy. The higher the skill level, the better the re-employment prospects (Connell & Martin 1980; Curtain & Hopkins 1986; Gordon & Gordon 1988). Although Wooden and Sloan (1987) found no significant effect of skill on unemployment duration, in their study, skilled workers tended to do worse in their new jobs with respect to downgrading and loss of conditions.
- *Marital status.* Three studies (Connell 1981; Curtain & Hopkins 1986; Wooden & Sloan 1987) considered the influence of marital status on re-employment prospects. All three reports indicated that married people obtained new employment sooner than single people and experienced fewer and shorter periods of unemployment.

TABLE 2.2 CHARACTERISTICS OF REDUNDANT WORKERS, SELECTED AUSTRALIAN STUDIES

Author	Work place	Mean age (years)	Proportion of males (per cent)	Education		Occupation
				Below year 12 (per cent)	No post-school qualifications (per cent)	
Department of Employment and Youth Affairs (1979)	Cheynes Beach whaling station	37	90	..	..	Seaman
Deery et al. (1986)	Melbourne brewery	40	93	90	96	Factory worker
Connell & Martin (1980)	Stawell timber industry	30	100	98	30	Manual labourer
Connell (1981)	Albury-Wodonga electronics	33	29	87	73	Factory worker
Gordon & Gordon (1986)	Newcastle steelworks	40	95	90	36	..
Curtain & Hopkins (1986)	Sydney whitegoods factory	43	72	90	95	Factory worker
Bureau of Industry Economics (1983)	Tenterfield meatworks	35	85	..	97	Slaughter- man
Wooden & Sloan (1987)	Adelaide confectionery factory	36	44	67 ^a	..	Factory worker

- a. Below year 10.
- .. Not available.

- Dependants. While most studies quantified the number of people dependent on redundant workers, no conclusions were drawn as to how this variable affected re-employment chances (see, for example, Connell & Martin 1980; Gordon & Gordon 1986). However, Wooden and Sloan (1987) found no significant differences in unemployment duration between those with and without dependants.
- Length of service. Length of service with the retrenching employer appeared to have a non-linear effect on the prospects of re-employment. Wooden and Sloan (1987) concluded that relatively short (fewer than three years) and long (more than 10 years) length of service tended to lead to longer periods of unemployment immediately after redundancy. Gordon and Gordon (1988) supported this finding, noting that, in their study, more than 10 years of service was associated with a total failure to find any job after retrenchment.

TABLE 2.2 (Cont.)

<i>Skill level</i>	<i>Service with organisation</i>		<i>Home owners (per cent)</i>	<i>Married (per cent)</i>	<i>With dependants (per cent)</i>	<i>Anglo-Saxon background (per cent)</i>
	<i>Largest category</i>	<i>per cent</i>				
Unskilled (mainly)	More than 5 years	30	..	..	81	..
Unskilled	More than 5 years	64	..	..	..	70
Semi-skilled	Less than 2 years	53	36	45	25	90
Semi-skilled	Less than 1 year	45	13	71	..	..
Semi-skilled and skilled	More than 10 years	48	24	65	39	..
Unskilled	..	..	..	65	60	54
Unskilled and semi-skilled	More than 11 years	30	..	..	..	..
Semi-skilled (mainly)	More than 10 years	36	..	61	32	83

- **Ethnicity.** Two studies considered the relationship between ethnicity and re-employment prospects. Curtain and Hopkins (1986) found that redundant workers of non-Anglo-Saxon background experienced greater labour market difficulties than those of Anglo-Saxon background. In contrast, Wooden and Sloan (1987) reported that persons born in the United Kingdom experienced far longer periods of unemployment than other retrenched workers in their study.

Other results

As well as assessing the impact of personal characteristics on the labour market experience, the majority of studies canvassed broader issues relating to redundancy.

- **Job search.** Some studies (Connell & Martin 1980; Connell 1981; Gordon & Gordon 1986; Gordon, Smith & Gordon 1986) examined the job search techniques used by redundant workers and two conclusions emerged:

TABLE 2.3 INFLUENCE OF REDUNDANT WORKERS' CHARACTERISTICS ON THEIR LABOUR MARKET EXPERIENCE

Author	Age		Sex		Higher levels of school education	Post-school qualifications	Skills	Years of service	Married	Anglo-Saxon background
	Under 25	Over 45	Male	Female						
Department of Employment and Youth Affairs (1979)	- ^a	-	..	..	..	..	..	..	..	..
Deery et al. (1986)	..	..	..	..	..	..	..	..	..	..
Connell & Martin (1980)	-	-	..	..	..	+	+	..	..	..
Connell (1981)	..	..	..	-	..	+	..	..	+	..
Gordon & Gordon (1986) ^a	..	..	..	..	..	..	..	?	..	..
Curtain & Hopkins (1986)	-	-	-	..	..	..	+	..	+	-
Bureau of Industry Economics (1983)	..	..	..	..	..	..	..	..	..	..
Wooden & Sloan (1987)	-	-	?	?	+	..	?	?	+	?

a. -, + and ? are used to denote the presence of a negative influence, positive influence and doubtful or unclear influence, respectively, associated with the particular variable. For example, a worker with a negative (-) characteristic in the table, will find it difficult to get a job easily after retrenchment.

.. Not available.

- redundant workers were classified as active job seekers, if they relied on at least two or three different avenues to find a job. These usually included the Commonwealth Employment Service, newspaper advertisements, information networks of friends and relatives and directly approaching employers; and
 - generally, using informal networks was the most successful job search method, whilst in many instances the Commonwealth Employment Service was unsuccessful in helping the workers to find new employment.
-
- *Retraining.* The studies which examined the issues of retraining indicated that redundant workers were reluctant to engage in re-skilling (Connell 1981; Deery et al. 1986; Gordon & Gordon 1986). Generally, workers were aware of the existence of retraining schemes, but rarely sought active involvement in them. Age and years of service, especially, appeared to be negatively related to retraining.
 - *Geographic mobility.* Connell (1981) indicated a low degree of geographical mobility among redundant workers. Predictably, the older groups, who owned a home and had an established network of friends and social support through long-term residency in an area, were the most reluctant to move. Other factors which accentuated immobility were a working spouse or children, or both. On the other hand, young single workers with few financial commitments were most geographically mobile.
 - *Redundancy payments.* Wooden and Sloan (1987) found that the size of the redundancy pay-out bore little relationship to post-redundancy duration of unemployment. Although substantial amounts of this payment were used for living expenses during periods of unemployment (Gordon & Gordon 1988), comparable proportions were allocated to investments, housing payments and discharging of other debts (Gordon, Smith & Gordon 1986).
 - *Early retirement payments.* Almost half of the respondents in Gordon, Smith and Gordon's (1986) study used their payments for long-term investment.
 - *New employment.* Both Wooden and Sloan (1987) and Gordon, Smith and Gordon (1986) found that the majority of re-employed retrenched workers preferred their new job over their old one, particularly in terms of working conditions, job satisfaction, ease of work travel, working hours and degree of responsibility. However, both studies also noted a drop in earnings after redundancy, leading Gordon, Smith and Gordon (1986) to speculate on workers trading-off non-monetary job aspects against higher pay.

Summary of the literature review

Recent studies of redundant workers' labour market experiences tend to indicate that a relationship exists between some pre-displacement characteristics and re-employment prospects. Age, skill, marital status, length of service, ethnicity and educational qualifications were found to be key variables associated with the labour market experience after redundancy.

Although it was possible to identify general relationships, the overall conclusions were derived from a diversity of situations, reflecting a heterogeneity of redundancy cases and workplaces, as well as numerous contingent factors which influence each particular study's results. These factors include the ability of unions to negotiate favourable redundancy packages, and the individual workers' attitudes and responses to the adjustments that they were required to make in the face of plant closures.

BTCE SURVEY OF REDEPLOYED AND REDUNDANT RAIL WORKERS

As shown by the literature review and noted by Norris (1986), virtually all Australian redundancy studies have been confined to manufacturing industry and, in particular, plant closures. Rather than generalising findings from manufacturing industry and applying them inappropriately to the railways, it was thought essential to design a survey which would examine the relevant issues faced by rail workers as a result of railway reform. One of these issues is redeployment and its associated elements of occupational shifts, relocation and retraining requirements.

Another issue is that of transferability of skills. Because of the type of industry involved and recent moves toward railway rationalisation, re-employment after redundancy from the railways will inevitably occur only in other industries. As a result, the difficulties experienced by redundant railway workers in finding re-employment were expected to be compounded.

Taylor (1984) has argued that the case study approach of Australian redundancy research cannot lead to formulation of general concepts and theoretical frameworks. This would require longitudinal studies, or studies over time. Like most other studies in this country, the BTCE study was not longitudinal in nature, but attempted to explore workers' labour market experiences over time indirectly, by phrasing survey questions accordingly. Unlike past research, however, the scope of the study was national, transcending the traditional 'regional labour displacement' studies of which redundancy surveys normally form a part. In addition, the study included large metropolitan areas which have been relatively neglected in the regional emphasis of past Australian redundancy studies.

CHAPTER 3 METHODOLOGY

INTRODUCTION

The original research proposal for this study intended that personal interviews with affected rail workers would be conducted. This approach was not attempted for a number of reasons (although follow-up interviews could be arranged if specifically required):

- Confidentiality — the railway systems insisted that allowing access to the records of addresses of affected workers by external researchers would violate confidentiality.
- Language problems — a pilot test of the survey form revealed that the labour force in the railways had a variety of ethnic backgrounds. The problems associated with personal interviews, through the medium of interpretation across a range of languages, were thought to be greater than for printed questionnaires.
- The lack of sample concentration — the workers who participated in the survey were scattered across four different railway systems: the State Rail Authority (SRA) in New South Wales, V/Line in Victoria, Australian National (AN) in South Australia and Tasmania and Westrail in Western Australia. Personal interviews on this scale would have been very costly, and resources for this were not available.
- There was provision for some follow-up interviews for clarification of survey responses, if required. Respondents were asked if they were willing to help in this regard. However, scrutiny of survey responses indicated that these interviews were not necessary.

In view of these considerations, the survey was conducted by self-administered questionnaire, either mailed or delivered by the rail systems.

METHODOLOGY

Representativeness of the sample

The railway unions objected to a self-administered questionnaire because:

...what we would expect under the existing methodology is for only the better educated rail worker to respond to the questionnaire. In this regard, we would also expect that the better educated redundant railway worker would be far more likely to have found alternative employment than his (her) less educated counterpart. Thus, the whole survey exercise runs a grave risk at the outset, of providing a distorted and false impression of the social impact of redundancy and relocation (P. Ferris, Australian Railways Union, pers. comm., 2 December 1988).

It was imperative that a check be undertaken to determine whether there was overrepresentation of educated rail workers in the returns of the questionnaire, or equivalently, whether workers in the lower skills strata were underrepresented among respondents.

These checks were done. Three of the rail systems provided the Bureau with a listing of the occupations and the skill levels of all affected rail workers. From this listing, expected proportions by rail system of various occupations and skills in the sample of affected rail workers were determined. These expected proportions were compared with those observed in the survey returns and a simple χ^2 test was conducted to determine whether the differences between the two were statistically significant. The relevant statistical analysis is presented in appendix I.

The results of the analysis suggest that relatively uneducated workers were underrepresented in the survey returns from SRA, but not from the other two rail systems (table 3.1). The table indicates that the responses from AN and Westrail did not reflect a bias against relatively uneducated workers.

TABLE 3.1 χ^2 ANALYSIS OF RESPONSE REPRESENTATIVENESS

<i>System</i>	<i>Tabulated χ^2</i>	<i>Calculated χ^2</i>	<i>Conclusion</i>
AN	15.086	2.53	Accept null hypothesis
Westrail	11.345	3.36	Accept null hypothesis
SRA	13.277	43.36	Reject null hypothesis

Note The null hypothesis is rejected if the calculated χ^2 value is greater than the tabulated value. The null hypothesis is that education of the respondent has no effect on response rate.

The underrepresentation of a particular group of employees in only one rail system suggests that a factor other than the methodology had introduced bias into the SRA result. Any one, or a combination, of the following reasons could have produced this bias:

- *Worker confusion.* Some of the workers in the underrepresented categories in the SRA did not know that they had been redeployed. For example, 21 rail workers from the SRA contacted the Bureau, claiming that, as far as

they were aware, they had never been redeployed despite the SRA's personnel records indicating the opposite. (Workers who claimed that they had not been redeployed did not have to complete the survey.)

This lack of knowledge by the workers about their redeployment can be interpreted as an indication of the way information about redeployment was communicated by the SRA. It may also have contributed to the lower than expected response rates in the less educated worker categories, because they were the ones most likely not to have understood properly the official implications of redeployment, that is, that redeployment could occur at the workplace without geographical relocation.

- *Sample definition problems.* The personnel section in the SRA did not finalise the sample details until after the survey forms had been sent out. An extra 48 forms were sent out, but the ASCO distribution for these later additions was not available.
- *Problems with mailing.* Since most of the affected workers were still employed with them, the SRA decided to use their internal mailing system for the distribution of the survey forms. It would have been preferable to have sent survey forms to private addresses to allow affected workers to receive and, possibly, complete their survey forms in confidence.

Mail survey

The participating railway systems identified the affected workers from their personnel records. The mail survey was conducted in four major stages. At each stage in the process, special care was taken to ensure the confidentiality of information provided by the workers to the Bureau. For the follow-up of non-respondents, only the rail systems knew who had not responded to the survey.

The questionnaire was distributed in the following sequence:

- *Stage 1 — Rail systems prepare for the questionnaire.* This stage involved:
 - identifying rail workers to whom the questionnaire had to be posted;
 - identifying those workers who could not read English so that interviews could be arranged if required;
 - printing address labels;
 - preparing a photocopy of the names (but not the addresses) identified above; and
 - making one or more members of railway staff responsible for the prompt distribution of the questionnaires as soon as they were received.
- *Stage 2 — Distributing survey forms to railway systems.* In the period between 13 and 22 March 1989, the Bureau sent out to each participating rail system a number of sealed envelopes containing a questionnaire and a postage-paid reply envelope. A serial number was printed at the top left

corner of each envelope. One envelope was provided for each worker identified by the rail systems from their personnel records.

- *Stage 3 — The rail systems send out the questionnaires.* When sending out the questionnaires, the following action was required:
 - the serial number for each questionnaire package was recorded by the railway system against the name of the person to whom the questionnaire was sent; and
 - the list of names, and corresponding questionnaire numbers, were kept for use in the follow-up stage. Most systems ensured that the envelopes were posted to the workers no later than seven days from the date that they were received.

Workers returned their completed survey forms to the Bureau by postage-paid reply mail.

- *Stage 4 — Follow-up.* In the second week of April 1989, the Bureau sent to the participating rail systems a list of numbers identical to the numbers on the envelopes which had been recorded in stage 3. Some of the numbers on this list were crossed out, indicating that those workers had returned their questionnaires. The numbers not crossed out indicated non-respondents. Together with the above list, the Bureau provided a follow-up letter which the rail systems then sent out to non-respondents. The deadline for the receipt of all completed questionnaires was 30 April 1989.

Apart from dispatching survey forms during stages 3 and 4, the railway systems had no further direct or indirect contact with survey respondents.

Designing the survey instrument

The questionnaire used in the study was designed through an iterative process. The Bureau prepared the first draft of the questionnaire, which was circulated to representatives of rail systems and union representatives for comments. In this process, the Australian Railways Union was particularly constructive and helpful. Comments were used to prepare an extensively revised version of the questionnaire. Sections of the questionnaire were colour-coded to ensure that the appropriate questions were answered by the appropriate groups of respondents (redeployed — pink; re-employed — blue; unemployed — green; retired — yellow).

This version of the questionnaire was pilot tested using a small sample of 30 respondents, 15 from Victoria and 15 from South Australia. Union representatives, particularly those of the Australian Railways Union, helped in ensuring that a range of skill levels and other worker attributes were captured in this pilot test. The pilot test did not reveal any serious problems requiring significant changes to the content of the questionnaire.

The major problem that did emerge was the extent to which English language proficiency could potentially seriously affect the response rate, especially among

migrant workers. Twenty per cent of Victoria's pilot test sample reportedly wanted to participate in the pilot test, but could not do so because they were illiterate in the English language. There was, therefore, a need to identify those workers who were likely to be illiterate in English and would have difficulties in completing the questionnaire. However, the rail systems were not able to identify the distribution of English-illiterate rail workers, either by their mother tongue or ethnicity.

Consultation with Australian Railways Union representatives revealed that rail workers most likely to be illiterate in English belonged to the following language groups: Spanish, Italian, Arabic, Greek, Serbian, and Croatian. The solution implemented was to request workers to contact their local telephone interpreter services in case they wanted to participate in the survey, but could not understand some of the questions. These instructions, in the required language, were prominently placed at the beginning of the questionnaire, but were effective only for those rail workers who were literate in their own mother tongue and able to seek assistance from the interpreter service.

Weekly checks with the interpreter services in the four sampled regions revealed that this source of help was not used much. Presumably, the solution was inappropriate for those rail workers who were illiterate in both English and in their own mother tongue. The percentage of rail workers falling into this category of double-layer illiteracy was unknown. There is a belief, however, that illiteracy in English, the dominant language in Australia, is often also a reliable predictor of illiteracy in the mother tongue.

In addition to the telephone numbers of the local interpreter services, a BTCE survey hotline was made available to railway workers in case they encountered any problem with the survey form. It was clear from the telephone calls received that the majority of these calls was made not by the sampled rail workers, but by people associated with them (for example, relatives, friends, neighbours), who were assisting in completing the questionnaire and were seeking clarification about particular questions. It is believed that this type of informal assistance was used by many of the workers who had difficulty with the English language, and would have bolstered the response rate.

The final version of the questionnaire was forwarded to the Australian Council of Trade Unions for endorsement.

A copy of the final version of the questionnaire which was used in the survey is contained in appendix II.

Response rates

Given the restrictions imposed by confidentiality considerations, the Bureau requested that the railway systems identify from their databases all those people who had either been redeployed or had been made redundant between January 1987 and June 1988. In this way, the survey attempted to reach the whole

TABLE 3.2 SURVEY RESPONSES

Item	SRA	V/Line	Westrail	AN	Total
(1) Number of forms sent out	1 183	763	196	806	2 948
(2) Usable forms returned	463	360	78	397	1 298
(3) Forms returned but unusable	14	12	2	9	37
(4) Reason(s) for non-response					
Not redundant or redeployed	21	..	..	..	21
Moved from last known address	31	69	14	72	186
Resigned, retired or deceased	17	2	1	1	21
(5) Effective sample — item 1 minus item 4	1 114	692	181	733	2 720
(6) Response rate — item 2 divided by item 5 (per cent)	41.6	52.0	43.1	54.2	47.7

.. Not applicable.

population of redeployed and redundant rail workers who were affected in the specified time period.

The survey covered four railway systems in Australia. The distribution of the affected worker by railway systems is given in table 3.2. Queensland was excluded from the sample because, at the time Queensland Railways had not undergone the labour force changes associated with redeployment or redundancy.

The concern at the inception of the project that the skill composition of the railway work force would lead to very low response rates, while not unfounded, was not realised. In addition, as table 3.2 shows, both the overall response rates and the rail system-specific response rates were within the range anticipated for this type of survey in Australia. They also exceeded expected response rates, given the skill profile of rail workers.

It should be noted that the discussion of survey results presented in chapters 4 to 7 is based on the total of 1298 usable survey returns (47.7 per cent response rate), and any conclusions drawn do not necessarily apply to the population of redeployed and redundant railway workers as a whole. This is because the characteristics of non-respondents, such as occupation and demographic details, were not available from all the railway systems.

CHAPTER 4 CHANGING JOBS WITHOUT CHANGING EMPLOYERS: REDEPLOYMENT IN AUSTRALIAN RAILWAY SYSTEMS

INTRODUCTION

Redeployment can take many forms. These various forms are presented in table 4.1. The first form of redeployment, case 1, is of least interest to this study. Individuals commonly move from one region to another, in order to advance their careers within their respective occupations. Those workers willing to move as indicated in case 1, in exchange for continued employment with the railways in their preferred occupations, are little different from privately employed individuals who normally move willingly or otherwise within the same or between different organisations, in order to stay in employment.

TABLE 4.1 FORMS OF REDEPLOYMENT

<i>Case</i>	<i>Form of redeployment</i>	<i>Description</i>
1	Geographical relocation, invariant occupation	The worker is moved from region 1 to region 2, while remaining in the same occupation.
2	Occupational redeployment, invariant work location	The worker remains in the same region, but is assigned to a job in another occupational classification, for example, a tradesperson is offered a graffiti cleaner's job.
3	Occupational redeployment and geographical relocation	The worker is not only relocated from region 1 to region 2, but also changes occupations.

The second form of redeployment, case 2, is more interesting. In this case, a worker with a given set of skills, experience and specific educational background, having been recruited and employed for a period in one occupation in the railways, may be offered a different job requiring a different set of skills, educational

background and experience. This form of redeployment raises a number of questions:

- What is the profile of the typical rail worker who is occupationally redeployed?
- What types of occupations are affected most?
- To what extent does de-skilling (lower level of skill required in the new job) accompany this form of redeployment?
- What are the retraining and re-skilling (acquisition of different skills) implications of redeployment?
- How do the redeployed workers react to their occupational redeployment?
- What are the implications of worker reaction to redeployment for long-term labour productivity in the railways?

The last form of redeployment, case 3, is a combination of case 1 and case 2 and the worker is concurrently relocated and occupationally redeployed. In this study, there was no attempt to separate these cases. In view of the comments made earlier about case 1, there was not much to lose by this aggregation. This does not assume, however, that relocation is completely without trauma. Geographical relocation can be associated with substantial costs, including:

- the cost of housing: losses are often incurred by selling one's home in rural areas, where houses are cheaper, in order to buy a house in metropolitan areas where houses are more expensive;
- the psychological and social costs associated with breaking ties with friends and relatives, in order to take up a job in some other, distant area; and
- the costs to the family in terms of disrupted schooling for children (see, for example, Rahmani 1989 for a discussion of the disturbing effects on children of successive relocations).

These are costs which any individual, faced with the choice of moving, has to calculate. The decision to move under the assumption of rational economics is that, theoretically, the economic benefits associated with moving (earnings, career prospects) exceed these costs. The rail workers, who are studied here, were assumed to have counted rationally the cost of redeployment vis-a-vis complete separation from the railways. As with all theoretical models, however, this is not to say that they were well informed at the moment of decision. Many respondents indicate in appendix III that they lacked the information necessary for rational and ultimately, for satisfactory choices to be made.

VARIATION OF REDEPLOYMENT AMONG RAILWAY SYSTEMS

The survey identified 522 workers who had been redeployed between January 1987 and June 1988. (Table totals may vary in the following text, as a result of incomplete survey information on specific questions.) The total distribution of respondents by employment category and by State is shown in table 4.2. Obviously, the SRA has used redeployment more than any other railway system within the survey, as its principal strategy of labour force management.

TABLE 4.2 EMPLOYMENT CATEGORY OF AFFECTED RESPONDENTS, BY RAIL SYSTEM

<i>Rail system</i>	<i>Redeployed</i>	<i>Redundant re-employed</i>	<i>Redundant unemployed</i>	<i>Redundant retired</i>	<i>Total</i>
State Rail					
Authority (NSW)	446 (96.8)	11 (2.4)	2 (0.4)	2 (0.4)	461 (100.0)
V/Line (Vic.)	48 (13.4)	128 (35.8)	117 (32.6)	65 (18.2)	358 (100.0)
Australian National					
(SA, Tas.)	28 (7.1)	98 (25.0)	83 (21.2)	183 (46.7)	392 (100.0)
Westrail (WA)	0 (0.00)	36 (46.7)	10 (13.0)	31 (40.3)	77 (100.0)
Total	522 (40.5)	273 (21.2)	212 (16.5)	281 (21.8)	1 288 (100.0)

Note Figures in parentheses are row percentages.

Results also showed that 132 redeployed respondents (25.3 per cent) were living in rural areas at the time of the survey; pre-redeployment addresses are not known. It may be assumed, however, that, in the light of the direction of railway restructuring in Australia over recent years, most relocations would have involved either a move from the country to urban areas, or within country areas only.

DEMOGRAPHIC PROFILE OF REDEPLOYED RESPONDENTS

This section describes the redeployed respondent by sex, age, marital status and number of dependants and type of accommodation.

Sex

The railway labour force is predominantly male. Females form a minority and it is not surprising that the majority of redeployed respondents was male. The distribution of redeployment by sex is depicted in table 4.3.

TABLE 4.3 DISTRIBUTION OF REDEPLOYED RESPONDENTS, BY SEX

	<i>Number</i>	<i>Per cent</i>
Male	496	95.1
Female	26	4.9
Total	522	100.0

Age

One of the key issues concerning the use of redeployment as a labour force management strategy is whether the rail workers who are to be redeployed are capable of coping with:

- the readjustment processes;
- the new skills acquisition requirements; and
- relocation, where necessary.

More than half of the respondents who were redeployed were below 40 years old (table 4.4). The dominant redeployed age group comprised 25–39 year old respondents. In order to be redeployed, a rail worker is normally made an offer which, if not accepted, initiates the worker's separation from the rail system.

TABLE 4.4 REDEPLOYMENT, BY AGE

<i>Age group (years)</i>	<i>Number</i>	<i>Per cent</i>
Under 25	45	8.6
25–39	247	47.6
40–54	165	31.8
55–59	41	7.9
60–64	20	3.8
65 and over	1	0.1
Total	519	100.0

Table 4.4 indicates that respondents between 25 and 54 years of age tended to accept these offers more often than the relatively young (less than 25 years of age) and more often than the older respondents (55 years and older). This willingness of 'middle-aged' respondents to be redeployed may have been due to their greater need for security of employment, stemming from a number of reasons. Some of these are explored below.

Marital status and number of dependants

One of the factors that affects the acceptance of redeployment is the stage of the worker's life cycle. Two variables in the survey to capture the rail worker's stage in the life cycle were marital status and the number of dependants under 18 years of age.

Table 4.5 shows that 74.1 per cent of the redeployed were either married or in a de facto relationship. Furthermore, table 4.5 indicates that of the 519

TABLE 4.5 MARITAL STATUS OF REDEPLOYED RESPONDENTS, BY NUMBER OF DEPENDANTS UNDER AGE 18

<i>Dependents under age 18</i>	<i>Never married</i>	<i>Married</i>	<i>De facto</i>	<i>Separated</i>	<i>Divorced</i>	<i>Widowed</i>	<i>Row total</i>	<i>Per cent</i>
None	97	120	6	5	6	3	237	46.2
1	3	72	4	3	3	1	86	16.8
2	1	102	0	5	2	0	110	21.4
3	0	52	1	2	0	0	55	10.7
4	0	18	1	0	0	1	20	3.9
5 or more	0	4	0	1	0	0	5	1.0
Column total	101	368	12	16	11	5	513	
Per cent	19.7	71.8	2.3	3.1	2.1	1.0		100.0

respondents who were redeployed, 53.8 per cent had at least one dependant less than 18 years old. It is quite likely that these two groups tended to accept redeployment because they could not afford the uncertainty associated with separation from the railway system, and were not in a financial position to survive the period of unemployment which might follow such a separation. In view of the finding below that redeployment involved substantial de-skilling and some loss of occupational status, this may be a reasonable explanation.

Accommodation

Inertia or reluctance to separate from the railway system in respondents who were redeployed is given support in two different ways by the type of accommodation occupied by the following subsample of 502 respondents:

- 220 (43.8 per cent) were paying off their own house;
- 85 (16.9 per cent) had finished paying off their house; and
- 197 (39.3 per cent) either lived in rented or other forms of flexible accommodation, which could easily be changed without incurring financial penalties.

For those 43.8 per cent of the redeployed who were paying off their house mortgages, the certainty of income associated with continued employment is likely to have been preferred to separation from the railways. This relationship is likely to have been even stronger whenever redeployment did not involve geographical relocation.

Where redeployment involved change of location, it would, however, have been resisted by those respondents who already owned or were paying off their houses because geographical redeployment would have forced them to sell their houses, led to losses in the form of transaction costs (legal expenses, for example), and have meant possible financial disadvantage if the relocation had shifted them from rural areas where properties are generally cheaper than in urban areas. In

this case, workers with more flexible accommodation arrangements would have been more likely to have accepted redeployment.

SCHOOLING BACKGROUND OF REDEPLOYED RESPONDENTS

Table 4.6 indicates that 14.3 per cent of redeployed respondents had no more than primary schooling and only 13.4 per cent had attended school up to higher school certificate or sixth form level.

TABLE 4.6 SCHOOLING BACKGROUND OF REDEPLOYED RESPONDENTS

<i>Schooling</i>	<i>Number</i>	<i>Per cent</i>
No schooling	9	1.7
Primary only	65	12.6
Form 1	22	4.3
Form 2	44	8.5
Form 3	84	16.3
Form 4	177	34.3
Form 5	46	8.9
Form 6	69	13.4
Total	516	100.0

QUALIFICATIONS AND OCCUPATIONS OF REDEPLOYED RESPONDENTS

It might be expected that, if a worker had inter-industry transferable qualifications, the probability would be high that such a worker would have rejected the offer to redeploy and chosen instead to separate from the railway system. On the other hand, a rail worker whose qualifications were not easily transferable to other industries would be, to a large extent, captive to the railway system. Table 4.7 shows that 58.1 per cent of redeployed respondents had no formal post-school qualifications and therefore were limited in terms of inter-industry mobility.

This qualifications profile of redeployed respondents suggests that the majority of them would have been in those railway occupations which required neither extended schooling nor formal qualifications. As table 4.8 shows, 34.3 per cent of redeployed respondents were in the labourers and related workers category. It would appear that redeployment suited this occupational group, since they did not have to compete openly in the labour market. The hypothesis does not hold, however, in the case of tradespersons, who constituted the largest single occupational group that was redeployed, despite their skills being transferable to other industries.

TABLE 4.7 POST-SCHOOL QUALIFICATIONS OF REDEPLOYED RESPONDENTS

<i>Qualifications</i>	<i>Number</i>	<i>Per cent</i>
No qualifications	300	58.1
Apprenticeship certificate ^a	166	32.1
Trade certificate	15	2.9
Business diploma or certificate	22	4.2
Tertiary degree	14	2.7
Total	517	100.0

a. Non-completed trade qualifications.

TABLE 4.8 PREVIOUS OCCUPATION OF REDEPLOYED RESPONDENTS

<i>Previous occupation</i>	<i>Number</i>	<i>Per cent</i>
Managers	21	4.1
Professionals	7	1.3
Para-professionals	4	0.7
Tradespersons	184	36.4
Clerks	72	14.1
Salespersons or personal services	4	0.7
Plant or machinery operators	43	8.4
Labourers and related workers	175	34.3
Total	510	100.0

TABLE 4.9 PROPORTION OF RAILWAY AND REDEPLOYED WORK FORCES IN EACH OCCUPATIONAL GROUP

<i>Occupation</i>	<i>Proportion of railway work force^a (per cent)</i>	<i>Proportion of redeployed respondents^b (per cent)</i>
Managers	3.4	4.1
Professionals	2.8	1.4
Para-professionals	3.7	0.8
Tradespersons	18.9	36.1
Clerks	13.5	14.1
Salespersons or personal services	2.6	0.8
Plant or machinery operators	28.5	8.4
Labourers and related workers	26.6	34.3
Total	100.0	100.0

a. BTCE estimates based on railway system information.

b. BTCE survey.

In addition, the redeployment profile of responding occupational groups bears little relation to their actual representation within the railway systems under consideration (table 4.9). This is especially so in the case of tradespersons and labourers, who were proportionately overrepresented among respondents, and para-professionals and plant and machine operators, who were underrepresented. The results for tradespersons appear, on the surface, to contradict the findings of other studies (see, for example, Connell 1981 and Connell & Martin 1980) which suggest that tradespersons are likely to be highly mobile in terms of both industry and occupation and, by inference, less inclined to accept redeployment, if given the choice. However, since choice was effectively restricted in the case of the SRA (the alternative to redeployment was resignation without benefits), skills and qualifications consequently lost their importance for mobility. Hence, the overall results are less surprising and more illustrative of the security aspects of continued employment.

The figures presented in table 4.9 seem, in part, to reflect the nature of restructuring of railway operations, in general, and the fact that the survey included a large number of redeployed workers from railway workshops, in particular. This result is elaborated below.

WORK EXPERIENCE OF REDEPLOYED RESPONDENTS

The 515 respondents who indicated their work location before redeployment were employed as follows:

Railway workshop	282	(57.7 per cent)
Major engineering depot	21	(4.1 per cent)
Administration	50	(9.7 per cent)
Operations	137	(26.6 per cent)
Elsewhere	25	(4.8 per cent)

Almost 62 per cent of the redeployed respondents had been employed either in a railway workshop or in a major engineering depot. Thus, most redeployment was related to rationalisation in the workshop division of the SRA. The next largest group (26.6 per cent) of the redeployed worked in the operations division. (For the purposes of this study, this division included track maintenance.)

Table 4.10 is a cross-tabulation of respondents' inter-divisional shifts due to redeployment. The table indicates that of the 279 respondents who were employed in workshops before redeployment, only 145 (52.0 per cent) worked in workshops after redeployment, while the remaining 134 (48.0 per cent) had been shifted to other divisions. Other divisional shifts included 10 respondents or 47.6 per cent from major engineering depots; 13 or 26.0 per cent from administration; and 45 or 28.0 per cent from operations and elsewhere. Although more than half of redeployment occurred within divisions, these results suggest that there has been a significant amount of inter-divisional transfer of respondents in the process of redeployment.

TABLE 4.10 INTER-DIVISIONAL SHIFTS OF RESPONDENTS AS A RESULT OF REDEPLOYMENT

<i>Location before redeployment</i>	<i>Location after redeployment</i>					<i>Total</i>
	<i>Railway workshop</i>	<i>Major engineering depot</i>	<i>Administration</i>	<i>Operations</i>	<i>Elsewhere</i>	
Railway workshop	145 (52.0)	14 (5.0)	28 (10.1)	68 (24.3)	24 (8.6)	279 (100.0)
Major engineering depot	2 (9.5)	11 (52.4)	1 (4.8)	6 (28.5)	1 (4.8)	21 (100.0)
Administration	1 (2.0)	1 (2.0)	37 (74.0)	9 (18.0)	2 (4.0)	50 (100.0)
Operations	9 (6.6)	5 (3.7)	5 (3.7)	111 (81.6)	6 (4.4)	136 (100.0)
Elsewhere	6 (24.0)	1 (4.0)	3 (12.0)	10 (40.0)	5 (2.0)	25 (100.0)
Total	163 (31.9)	32 (6.3)	74 (14.4)	204 (39.9)	38 (7.5)	511 (100.0)

Note Numbers in parentheses are row percentages.

A comparison of row totals with column totals in table 4.10 provides an indication of the extent of reorganisation of labour that occurred with redeployment. The major result of this reorganisation of labour is that the work force in workshops was trimmed almost by half, while the labour force of all other divisions expanded.

This development, destabilising to affected respondents in the short run, also has long-term implications for redeployment of skills. Often, the divisional shifts make demands on respondents for new and different skills and qualifications.

YEARS OF SERVICE

The survey results show that redeployed respondents fell into three distinct groups, according to the number of years that they had worked for the railways (table 4.11):

- workers who had been employed for fewer than five years constituted 9.2 per cent of redeployed respondents;
- workers who had been employed for between five and 29 years accounted for 85.0 per cent; and
- 5.8 per cent of redeployed respondents had been working for the railways for 30 years or more.

For long-term employees (30 years or more of service), the possible alternative to redeployment was resignation, followed by retirement; the acceptance of this option could account for the small number of respondents amongst this group. (Employees who had resigned were not included in the database for the survey.)

Short-term respondents (fewer than five years of service) probably had not been engaged in railway employment long enough to develop occupational dependency on the railways, by the acquisition of industry-specific, non-transferable skills. Also, they conceivably had not approached the life cycle stage of marriage, mortgage, family and the associated financial commitments that dictate and necessitate the continuation of a steady, reliable income.

TABLE 4.11 NUMBER OF YEARS WORKED PRIOR TO REDEPLOYMENT

<i>Years worked</i>	<i>Number</i>	<i>Per cent</i>
Fewer than 5	48	9.2
5-9	140	26.9
10-19	219	42.2
20-29	83	15.9
30-39	25	4.9
40 or more	5	0.9
Total	520	100.0

Therefore, without occupational and economic dependency, this group of short-term employees was possibly in a better position to reject redeployment and consider alternative career avenues.

Those employed between five and 29 years constituted a totally different group from the fewer than five years group. Generally, they may have developed occupational dependency on the railways and an economic reliance on the income it provided. They were, therefore, less likely to consider any alternative to the redeployment option.

OCCUPATIONAL STATUS FOLLOWING REDEPLOYMENT

In the process of restructuring and reorganising the railways, redeployment of workers is an unavoidable and often necessary consequence of management efforts to allocate human resources to positions that will improve the efficiency of the railways as a whole. However, table 4.12 shows that redeployment was apparently resulting in a considerable de-skilling of the railway work force. This indicates that the determining criterion for redeployment may not always have been the efficient allocation of the skill base but the availability of positions, and the reallocation of workers occurred regardless of the employees' set of skills.

Table 4.12 shows that 133 respondents (26.9 per cent) experienced occupational shifts. There was little upward occupational mobility among most occupational categories, apart from minimal progress by a small proportion of labourers and plant and machine operators, already at, or near, the bottom of the occupational ladder. (Figures on the diagonal of the table represent respondents who remained in their occupational category after redeployment.)

Almost one-quarter of tradespersons had been relegated to labourer status. More specifically, of the 103 respondents who were 'downskilled' in terms of occupational category (figures on the right of the diagonal), 74 (71.8 per cent) were tradespersons. In contrast, of the 30 respondents whose occupation was upgraded (figures on the left of the diagonal), only one (3.3 per cent) was a tradesperson. It seems that tradespersons were particularly vulnerable to de-skilling in the redeployment process, because 90.4 per cent of redeployed clerical staff retained their status, seemingly illustrating the rail systems' tendency to maintain and actually expand their administrative sections, while reducing the size and number of their workshops (see table 4.10).

In order to illustrate these results more clearly, the total proportions of either upgraded or downgraded respondents in each occupational group are shown in table 4.13. For example, 20.0 per cent of managers were downgraded, whereas 14.0 per cent of labourers were upgraded. (In these cases, managers could not upgrade because they were at the top of the occupational ladder (ASCO 1), while labourers could not be downgraded because they were at the bottom of the occupational ladder (ASCO 8)). The actual extent of the downgrading or upgrading can be assessed by referring to table 4.12.

TABLE 4.12 COMPARISON OF OCCUPATIONAL STATUS PRIOR TO AND FOLLOWING REDEPLOYMENT

Occupation before redeployment	Occupation after redeployment								Row total	Per cent
	Managers	Professionals	Para-professionals	Tradespersons	Clerks	Salespersons or personal services	Plant or machinery operators	Labourers and related workers		
Managers	16	1	0	0	3	0	0	0	20	4.3
Professionals	2	2	1	1	1	0	0	0	7	1.4
Para-professionals	0	0	3	0	0	0	0	1	4	0.8
Tradespersons	0	0	1	104	13	1	16	44	179	36.1
Clerks	0	0	0	0	66	0	2	5	73	14.7
Salespersons or personal services	0	0	0	0	0	0	0	4	4	0.8
Plant or machinery operators	1	0	1	0	1	1	26	10	40	8.1
Labourers and related workers	1	0	0	5	8	3	6	145	168	33.8
Column total	20	3	6	110	92	5	50	209	495	
Per cent	4.3	0.6	1.2	22.2	18.5	1.0	10.1	42.0		100.0

Note Numbers on the diagonal of the table shown in bold type represent respondents who remained in their occupational category after redeployment.

TABLE 4.13 DIRECTION OF OCCUPATIONAL CHANGE AFTER REDEPLOYMENT
(per cent)

<i>Occupation</i>	<i>Downgrading</i>	<i>No change</i>	<i>Upgrading</i>
Managers	20.0	80.0	0.0
Professionals	42.0	29.0	29.0
Para-professionals	25.0	75.0	0.0
Tradespersons	41.5	58.0	0.5
Clerks	10.0	90.0	0.0
Salespersons or personal services	100.0	0.0	0.0
Plant or machine operators	25.0	65.0	10.0
Labourers and related workers	0.0	86.0	14.0

RETRAINING FOLLOWING REDEPLOYMENT

In addition to a de-skilling process associated with redeployment which is reflected in the lowering of occupational status (20.8 per cent of respondents overall reported a drop of occupational status), table 4.14 reveals that 65.3 per cent of redeployed respondents had reportedly received no form of retraining at all for their new position. For the remaining 34.7 per cent of respondents, most training was done on the job.

REDEPLOYMENT AND RESPONDENTS' INCOMES

Compared with pre-redeployment incomes, post-redeployment incomes, for the 504 redeployed respondents who provided this information, were as follows:

Higher	114	(22.6 per cent)
About the same	290	(57.5 per cent)
Lower	100	(19.9 per cent)

It is clear that the majority of redeployed respondents did not suffer in terms of income. Some even gained financially as a result of redeployment. This is surprising, given the downgrading of jobs that seemed to go with redeployment. It could be that most redeployed respondents were compensated, at least for a time, for their forced occupational downgrading by being paid salaries and wages corresponding to their pre-redeployment jobs, even though they were, after redeployment, doing jobs which normally paid lower salaries and wages. As well, higher post-redeployment incomes may have been due to the greater availability of overtime immediately following occupational restructuring.

TABLE 4.14 RETRAINING RECEIVED BY REDEPLOYED RESPONDENTS

<i>Form of retraining</i>	<i>Number</i>	<i>Per cent</i>
None	337	65.3
On-the-job	120	23.2
In-house formal	28	5.4
Outside institution	10	1.9
Combination of above	18	3.4
Other	3	0.8
Total	516	100.0

TABLE 4.15 OCCUPATION OF RESPONDENTS WHOSE INCOMES FELL AS A RESULT OF REDEPLOYMENT

<i>Occupation before redeployment</i>	<i>Number</i>	<i>Per cent in occupational category</i>
Managers	5	23.8
Professionals	2	28.6
Para-professionals	2	50.0
Tradespersons	25	13.6
Clerks	10	13.9
Plant or machinery operators	5	11.6
Labourers and related workers	51	29.1
Total	100	19.9

TABLE 4.16 AGE OF RESPONDENTS WHOSE INCOMES FELL AS A RESULT OF REDEPLOYMENT

<i>Age group (years)</i>	<i>Number</i>	<i>Per cent</i>
Under 25	7	6.9
25-39	45	44.1
40-54	30	29.4
55-59	10	9.8
60-64	10	9.8
65 and over	0	0.0
Total	102	100.0

About a fifth of redeployed respondents, all male, reported a decline in their monetary income as a result of their redeployment. These are explored in more detail below, because they are likely to highlight those groups who lose out in the process of railway system reorganisation.

Table 4.15 indicates that labourers and related workers and, to a lesser extent, tradespersons, suffered falls in income most often as a result of redeployment. Half of those who experienced drops in income were labourers before redeployment, while a quarter were tradespersons. (Note that ASCO 8, labourers and related workers, contains a number of subdivisions which allow for workers to experience a drop in their income even at this occupational level.) The table also shows that as a proportion of respondents in their particular occupational category, however, para-professionals, professionals and managers experienced declines in income relatively more often (see table 4.8).

Table 4.16 indicates further that 44.1 per cent of the income losers were in the 25–39 year age group and that only 19.6 per cent of those experiencing a decline in income were over 55 years of age. This result supports the earlier conclusion that age and life cycle stage contributed to a worker's unwillingness to separate from the railways, even in the face of declining income.

Financial prospects of redeployed respondents

Table 4.17 indicates that the majority of the redeployed perceived that their financial prospects, in general, had not improved as a result of redeployment. There were 162 (31.4 per cent) of redeployed respondents who thought that their financial prospects had worsened, even though only 19.9 per cent of respondents had reported an actual drop in income after redeployment. This suggests that income immediately after redeployment was not necessarily seen by respondents as a reliable indicator of their longer-term financial prospects.

TABLE 4.17 REDEPLOYED RESPONDENTS' PERCEPTIONS OF THEIR FINANCIAL PROSPECTS

<i>Financial prospects</i>	<i>Number</i>	<i>Per cent</i>
Excellent	8	1.6
Better	91	17.7
Same	254	49.3
Worse	119	23.1
Much worse	43	8.3
Total	515	100.0

CAREER PROSPECTS OF REDEPLOYED RESPONDENTS

Many redeployed respondents (46.3 per cent) did not perceive any change in their career prospects after redeployment. Table 4.18 shows, however, that there was a significant proportion of respondents (33.2 per cent) whose career prospects were perceived to be at best worse than they were before redeployment. This result is not unexpected, given the extent to which de-skilling had accompanied redeployment, and it parallels the respondents' perceptions of their financial prospects reported above.

Altogether, 166 respondents perceived their career prospects to have worsened. By occupation, these were:

Managers	8	(4.8 per cent)
Professional	1	(0.6 per cent)
Tradespersons	40	(24.1 per cent)
Clerks	22	(13.2 per cent)
Salespersons	1	(0.6 per cent)
Plant or machinery operators	12	(7.2 per cent)
Labourers and related workers	82	(49.4 per cent)

Labourers were the single largest occupational group whose members perceived their career prospects to have worsened after redeployment, followed by tradespersons. In the case of tradespersons, this is as expected since, as noted earlier, the emphasis in the redeployment strategy seemed to be on shrinking the labour force in workshops by shifting workers to other areas requiring lower and different skills from those in the technical and engineering oriented workshops. Again, in comparison with the respondents' occupational distribution, labourers appear to be overrepresented in this group of respondents (34.3 per cent of all redeployed respondents were labourers).

TABLE 4.18 REDEPLOYED RESPONDENTS' PERCEPTIONS OF THEIR POST-REDEPLOYMENT CAREER PROSPECTS

<i>Career prospects</i>	<i>Number</i>	<i>Per cent</i>
Excellent	9	1.9
Better	93	18.7
Same	231	46.2
Worse	103	20.6
Much worse	63	12.6
Total	499	100.0

OVERALL SATISFACTION AFTER REDEPLOYMENT

Satisfaction is a composite variable depending on a number of factors, some of which have been explored earlier in the chapter, but some of which are too subjective to be quantified in any meaningful way. In asking the respondents to indicate their satisfaction after redeployment, it was expected that the answers would assist in determining qualitatively the impact of redeployment as a strategy of labour force management. It was assumed that satisfaction, and hence, productivity, was a function both of monetary factors (for example, salary received) and non-monetary factors (for example, work environment, workers' expectations about the future, and so on).

Results show that 499 redeployed respondents indicated their relative satisfaction with their post-redeployment job compared with their previous job, as follows:

More satisfied	109	(21.8 per cent)
Just as satisfied	197	(39.5 per cent)
Less satisfied	193	(38.7 per cent)

For the majority of respondents, redeployment did not lead to less satisfactory situations. In fact, over a fifth of them seemed to be more satisfied with their post-redeployment job compared with their pre-redeployment job.

However, the full benefits of any strategy of labour force management in increasing efficiency and productivity will only be realised if it can deal with the worst affected workers. The above results show that 39.5 per cent of the redeployed were not satisfied with their post-redeployment job.

TABLE 4.19 OCCUPATION OF RESPONDENTS WHO WERE LESS SATISFIED AFTER REDEPLOYMENT

<i>Occupation</i>	<i>Numbers</i>	<i>Per cent in occupational category</i>
Managers	12	57.1
Professionals	2	28.6
Para-professionals	2	50.0
Tradespersons	73	39.7
Clerks	29	40.3
Salespersons or personal services	1	25.0
Plant or machinery operators	16	37.2
Labourers and related workers	60	34.3
Total	195	38.2

Two issues are clear:

- The group of respondents who were less satisfied after redeployment is not identical to those who received less income after redeployment. There were 193 respondents who were dissatisfied overall after redeployment, compared with only 100 respondents whose incomes fell. It appears that dissatisfaction was related to factors additional to income.
- More redeployed respondents reported dissatisfaction (193) than thought that their financial (162) and career prospects (166) had worsened. Again, the satisfaction variable seems to be covering a wide range of factors and cannot be deemed just to reflect any one of the satisfaction-related variables directly covered in the survey.

Table 4.19 gives the distribution of less satisfied redeployed respondents by occupation. As expected from earlier analysis, tradespersons and labourers formed numerically the two largest groups of respondents who were less satisfied after redeployment. As a proportion of respondents in their particular occupational category, however, more than half of managers were less satisfied.

CHAPTER 5 THE REDUNDANT RAIL WORKERS

INTRODUCTION

Railways can reduce their work force in the long term by natural attrition, as has been the practice in the past. More recently, the tendency has been for quicker solutions through redundancy, voluntary termination and early retirement. Before railway workers become redundant, jobs are listed as surplus to the particular requirement of the rail system. The worker may then either be redeployed, or accept redundancy or early retirement, depending on age. With voluntary termination, the worker is induced to leave the railways merely to reduce the railway's work force. For the purposes of analysis, the three categories of voluntary redundancy, voluntary termination and early retirement were combined under the general heading of redundancy. The survey's focus was on the subsequent labour market experiences of these workers.

This chapter, and chapters 6 and 7, deal with the labour market experiences of rail workers after redundancy. Redundant workers were classified into re-employed (including self-employed), unemployed, and retired, that is, no longer looking for work. It should be noted, that respondents were classified according to their stated employment status at the time that they were completing the survey. This means that:

- some workers, classified as employed, may have suffered a long period or long periods of unemployment after redundancy;
- some workers, classified as unemployed, may have had one or more jobs after separation from the railways; and
- some workers, classified as retired, may have experienced periods of unemployment or employment, or both, after redundancy.

As with the previous chapter on redeployment, this chapter examines a number of issues:

- What is the demographic profile of the worker who has become redundant?
- What effect does this profile have on the worker's chances of re-employment and job-search behaviour?
- What sort of occupations are most subject to redundancy, and what effect do they have on hindering or advancing re-employment opportunities?

TABLE 5.1 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY RAIL SYSTEM

<i>Rail system</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Retired</i>	<i>Total</i>
State Rail Authority (NSW)	11 (73.4)	2 (13.3)	2 (13.3)	15 (100.0)
V/Line (Vic.)	128 (41.3)	117 (37.7)	65 (21.0)	310 (100.0)
Australian National (SA, Tas.)	98 (26.9)	83 (23.7)	183 (49.4)	364 (100.0)
Westrail (WA)	36 (46.3)	10 (11.9)	31 (41.8)	77 (100.0)
Total	273 (35.6)	212 ^a (27.7)	281 (36.7)	766 (100.0)

a. This figure includes six respondents whose individual periods of unemployment implied that their redundancy had occurred before January 1987, the start of the study period.

Note Figures in parentheses are row percentages.

TABLE 5.2 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY SEX

<i>Sex</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Retired</i>	<i>Total</i>
Male	253 (35.5)	192 (27.0)	267 (37.5)	712 (100.0)
Female	20 (37.0)	20 (37.0)	14 (26.0)	54 (100.0)
Total	273 (35.6)	212 (27.7)	281 (36.7)	766 (100.0)

Note Figures in parentheses are row percentages.

TABLE 5.3 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY AGE

<i>Age group (years)</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Retired</i>	<i>Total</i>
Under 25	7 (58.3)	5 (41.7)	0 (0.0)	12 (100.0)
25-39	141 (65.6)	61 (28.3)	13 (6.1)	215 (100.0)
40-54	104 (35.4)	96 (32.7)	94 (31.9)	294 (100.0)
55-59	15 (11.4)	23 (17.4)	94 (71.2)	132 (100.0)
60-64	4 (3.7)	25 (28.4)	64 (67.9)	93 (100.0)
65 and over	2 (11.1)	0 (0.0)	16 (88.9)	18 (100.0)
Total	273 (35.7)	210 (27.5)	281 (36.8)	764 (100.0)

Note Figures in parentheses are row percentages.

- What are the retraining and re-skilling implications of redundancy, especially for the long-term unemployed?
- How do workers rate their financial and career opportunities after redundancy?
- What type of things did redundant workers do with the payment they received on leaving the railways?

VARIATION OF REDUNDANCY AMONG RAILWAY SYSTEMS

Workers from four railway systems were selected, resulting in 766 respondents declaring that they had become redundant during the period January 1987 to June 1988. The distribution of redundant respondents across the rail systems is presented in table 5.1. The small number of redundant respondents in the SRA is a reflection of the minor role that redundancy has played in the management of surplus railway labour in New South Wales.

It is clear from the table that the majority of redundant respondents either regained employment or chose retirement, that is, withdrew from the work force. In the case of AN and Westrail, retirement was especially pronounced, probably due to the redundancy of predominantly older workers.

DEMOGRAPHIC PROFILE OF REDUNDANT RESPONDENTS

This section establishes a profile for redundant respondents by sex, age, life cycle, and type of accommodation.

Sex

Table 5.2 presents the distribution of redundant respondents by sex, and shows that the overwhelming majority was male (93.0 per cent). Table 5.2 also shows that a higher proportion of redundant female respondents compared to males were both re-employed and unemployed after redundancy, but that redundant female respondents were less likely to have retired.

Age

Table 5.3 presents the distribution of employment status as a function of the age of redundant respondents. As expected, the incidence of retirement after redundancy increased with age; conversely, the proportion of re-employed respondents decreased with age. Over 41 per cent of redundant respondents under the age of 25 were unemployed at the time of the survey. However, since the numbers involved were small, this result should be treated with caution.

The results for redundant respondents 40 years of age and over present a more complex problem for interpretation and, potentially, more serious implications. Thirty-seven per cent of redundant respondents were stated retirees, but only 16 of these (5.7 per cent) were 65 years or older. In addition, two-thirds of all retired respondents were aged 40–59 years. At most, only half of these respondents

could have taken advantage of the railways' early retirement schemes, which require a minimum age of 55 years to be eligible, and then decided to withdraw from the work force altogether.

A possible explanation for the high incidence of retirees below age 65 is that, apart from reasons of physical disability, many retired respondents were, in fact, workers whose prolonged failure to find long-term re-employment eventually resulted in withdrawal from the labour force. This interpretation is given plausibility in view of the relatively high unemployment rate of redundant respondents over the age of 40 years (26.8 per cent of this group). Continued unemployment or, at least, the perception of limited re-employment prospects may have induced a large number of redundant respondents to retire at a relatively early age from the labour market. This phenomenon, also known as the 'discouraged worker syndrome' is further discussed in relation to unemployment in chapter 6.

Marital status and number of dependants

Redundancy can have serious consequences for workers whose skills are railway-specific, or minimal. While it may be true that unskilled labourers obtain employment in some cases quite readily, this employment is not likely to be long-lasting, placing strains on personal relationships.

However, it appears from table 5.4 that redundant respondents without permanent partners at the time of the survey were no more likely to be in the out-of-employment categories (unemployed or retired) than those in marriage or a de facto relationship. In general, relationships cannot be established between employment and marital status.

Another factor in this analysis concerns the effects of dependants on the respondent. Dependence may be due to a number of reasons: for instance, the age or unemployment of the young person(s) and the need to provide for their education, medical expenses, maintenance and other essentials. This burden on the redundant worker increases if employment after redundancy is not found.

Table 5.5 shows the distribution of redundant respondents by the number of dependent persons under age 18. From the table it is clear, that both re-employed and unemployed redundant respondents had a considerable financial responsibility for young persons, while the retired had little. Almost two-thirds of all redundant respondents (65.1 per cent), however, had no dependants at all under 18 years of age.

Accommodation

Table 5.6 shows that 76.5 per cent of retired redundant respondents at the time of the survey lived in houses which they owned outright. Indeed, it is clear that outright house ownership was predominant in all three categories of employment status. A possible explanation for this could be the availability of cheap housing in country areas, or the use of severance packages which redundant respondents received on separation from the railways, to pay off their houses to help ensure long-term financial security in a limited employment market.

TABLE 5.4 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY MARITAL STATUS

<i>Marital status</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Retired</i>	<i>Total</i>
Never married	40 (39.2)	32 (31.4)	30 (29.4)	102 (100.0)
Married or de facto	221 (36.7)	148 (24.5)	234 (38.8)	603 (100.0)
Separated	6 (30.0)	9 (45.0)	5 (25.5)	20 (100.0)
Divorced	4 (16.0)	17 (68.0)	4 (16.0)	25 (100.0)
Widowed	1 (7.2)	5 (35.7)	8 (57.1)	14 (100.0)
Total	272 (35.6)	211 (27.6)	281 (36.8)	764 (100.0)

Note Figures in parentheses are row percentages.

TABLE 5.5 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY NUMBER OF DEPENDANTS UNDER AGE 18

<i>Dependants under age 18</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Retired</i>	<i>Total</i>
None	124 (25.2)	130 (26.4)	238 (48.4)	492 (100.0)
1	45 (40.5)	37 (33.3)	29 (26.2)	111 (100.0)
2	57 (64.8)	23 (26.1)	8 (9.1)	88 (100.0)
3	34 (70.8)	12 (25.0)	2 (4.2)	48 (100.0)
4	6 (66.7)	3 (33.3)	0 (0.0)	9 (100.0)
5 or more	4 (50.0)	4 (50.0)	0 (0.0)	8 (100.0)
Total	270 (35.7)	209 (27.7)	277 (36.6)	756 (100.0)

Note The numbers in parentheses are row percentages.

TABLE 5.6 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY TYPE OF HOUSING

<i>Type of housing</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Retired</i>	<i>Total</i>
Paying off house	87 (54.7)	38 (23.9)	34 (21.4)	159 (100.0)
Own house outright	121 (27.1)	111 (24.8)	215 (48.1)	447 (100.0)
Rented house	42 (39.6)	40 (37.7)	24 (22.7)	106 (100.0)
Other	20 (40.0)	22 (44.0)	8 (16.0)	50 (100.0)
Total	270 (35.4)	211 (27.7)	282 (36.9)	762 (100.0)

Note The numbers in parentheses are row percentages.

SCHOOLING AND POST-SCHOOL QUALIFICATIONS

It would be expected that re-employment opportunities are associated with years spent in formal schooling, unless redundant workers are valued more by prospective employers for their practical skills than for their formal education.

Table 5.7 shows the employment status of redundant respondents against years of schooling. It is evident from the table that just over half of the respondents (50.6 per cent) had reached at least fourth form. This group also accounted for 65.9 per cent of re-employed respondents, compared with 43.3 per cent and 41.4 per cent of unemployed and retired respondents, respectively. It appears, therefore, that re-employment was positively associated with years of schooling.

It is likely, however, that years of schooling were also determined by the age of the respondent. For example, younger respondents will have had greater opportunity and more pressure to stay at school longer than older ones.

Table 5.8 compares the employment status of redundant respondents on the basis of post-school qualifications. It is evident that few redundant respondents had any formal post-school qualifications, but that they were more likely to be re-employed if their post-school qualifications were in the business diploma or tertiary area. Unemployment was highest among those with no qualifications at all or with an apprenticeship certificate only.

In summary, this section has shown that years of schooling and the level of post-school qualifications appeared to be positively related to re-employment after redundancy.

TABLE 5.7 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY YEARS OF FORMAL SCHOOLING

Schooling	Employed		Unemployed		Retired		Total	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
No schooling	0	0.0	1	0.5	5	1.8	6	0.9
Primary only	15	5.5	35	16.7	61	21.9	111	14.6
Form 1	16	5.9	18	8.5	20	7.2	54	7.1
Form 2	21	7.7	35	16.7	36	12.9	92	12.1
Form 3	41	15.0	30	14.3	41	14.7	112	14.7
Form 4	89	32.6	37	17.6	60	21.6	186	24.4
Form 5	61	22.3	31	14.8	27	9.8	119	15.6
Form 6	30	11.0	23	10.9	28	10.1	81	10.6
Total	273	100.0	210	100.0	278	100.0	761	

TABLE 5.8 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY POST-SCHOOL QUALIFICATIONS

Qualifications	Employed		Unemployed		Retired		Total	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
No qualifications	188	69.4	154	74.0	201	72.8	543	71.9
Apprenticeship certificate ^a	11	4.1	11	5.4	6	2.2	28	3.7
Trade certificate	50	18.4	35	16.8	58	21.0	143	18.9
Business diploma or certificate	14	5.2	8	3.8	8	2.9	30	4.0
Tertiary degree	8	2.9	0	0.0	3	1.1	11	1.5
Total	271	100.0	208	100.0	276	100.0	755	100.0

a. Non-completed trade qualifications.

TYPE AND LOCATION OF WORK BEFORE REDUNDANCY

It can be expected that the chances of re-employment after redundancy depend on the type of work performed before redundancy; that is, as with qualifications, the experience in certain types of jobs facilitates re-employment. Table 5.9 presents post-redundancy employment status as a function of pre-redundancy occupation.

TABLE 5.9 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY PREVIOUS OCCUPATION

Previous occupation	Employed	Unemployed	Retired	Row total	Per cent
Managers	21	9	14	44	5.9
Professionals	8	3	5	16	2.1
Para-professionals	8	3	5	16	2.1
Tradespersons	54	36	68	158	20.9
Clerks	82	30	67	179	23.7
Salespersons or personal services	5	8	6	19	2.5
Plant or machine operators	41	41	36	118	15.6
Labourers and related workers	51	77	77	205	27.2
Column total	270	207	278	755	
Per cent	35.8	27.3	36.9		100.0

It is evident from the table that almost half of professionals, para-professionals, managers and clerks were re-employed, possibly due to their non-industry-specific work skills. Labourers, on the other hand, were the occupational group which had the lowest re-employment rate (less than 25 per cent).

Table 5.10, however, indicates that while labourers may have had difficulty with finding re-employment, it was managers who, proportionately, experienced most occupational disruption before eventual redundancy and, then, re-employment (18.2 per cent), closely followed by professionals (12.5 per cent). (Occupational disruption is here defined as instances of redeployment before redundancy.)

TABLE 5.10 PREVIOUS OCCUPATION OF RESPONDENTS WHO EXPERIENCED REDEPLOYMENT BEFORE FINAL REDUNDANCY AND RE-EMPLOYMENT

<i>Previous occupation</i>	<i>Redeployed</i>	<i>Not redeployed</i>	<i>Row total</i>	<i>Per cent</i>
Managers	4	18	22	8.2
Professionals	1	7	8	3.0
Para-professionals	0	7	7	2.6
Tradespersons	3	50	53	19.9
Clerks	6	76	82	30.7
Salespersons or personal services	0	5	5	1.9
Plant or machine operators	4	36	40	15.0
Labourers and related workers	4	46	50	18.7
Column total	22	245	267	
Per cent	7.9	92.1		100.0

Table 5.11 shows employment status after redundancy against location of the previous job. The operations area accounted for 43.0 per cent of redundant respondents. The table also indicates that redundant respondents from workshops and major engineering depots were most likely to have retired. Forty-four per cent of administration personnel found re-employment, compared with only about a third of respondents from each of the other locations. This result could be attributable to the transferability of skills that administrative workers typically possess.

TABLE 5.11 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY LOCATION OF LAST JOB

<i>Location</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Retired</i>	<i>Row total</i>	<i>Per cent</i>
Railway workshop	66	52	76	194	25.7
Major engineering depot	9	10	12	31	4.1
Administration	71	32	57	160	21.2
Operations	109	101	115	325	43.0
Elsewhere	15	14	16	45	6.0
Column total	270	209	276	755	
Per cent	35.8	27.6	36.6		100.0

YEARS OF SERVICE

In order to round off the employment profile of redundant respondents, table 5.12 presents the relationship between employment status and years of service with the railways. It is clear that 82.7 per cent of all redundant respondents had worked with the railways for a period of between 10 and 40 years, with the majority in the 10–19 and 30–39 year groups. Very few of the respondents made redundant had more than 40 years of service, and it is not unexpected that the majority of these (81.4 per cent) chose retirement after redundancy. Likewise, it could be expected that those respondents with shorter service in the railways were more likely to be re-employed by virtue of their age. Almost 59 per cent of redundant respondents with fewer than 10 years of service had found re-employment, 34.8 per cent were unemployed and the remaining 6.7 per cent had retired.

TABLE 5.12 EMPLOYMENT STATUS OF REDUNDANT RESPONDENTS, BY YEARS OF SERVICE

<i>Years worked</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Retired</i>	<i>Row total</i>	<i>Per cent</i>
Fewer than 5	12	10	2	24	3.1
5–9	40	21	4	65	8.5
10–19	117	84	41	242	31.7
20–29	61	52	61	174	22.8
30–39	39	39	138	216	28.3
40 or more	2	6	35	43	5.6
Column total	271	212	281	764	
Per cent	35.5	27.7	26.8		100.0

SUMMARY PROFILE OF REDUNDANT RESPONDENTS

On the basis of the information provided in the survey and presented in tables 5.1 to 5.12, and by taking the most commonly occurring categories, the redundant respondents can be described as in table 5.13.

TABLE 5.13 SUMMARY PROFILE OF REDUNDANT RESPONDENTS, BY EMPLOYMENT STATUS

<i>Variable</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Retired</i>
Sex	Male	Male	Male
Age	25–39	40–54	40–54 or 55–59
Marital status	Married or de facto	Married or de facto	Married or de facto
Dependants under 18	None	None	None
Housing	Own house outright	Own house outright	Own house outright
Schooling	Form 4	Form 4	Primary only
Post-school qualifications	No qualifications	No qualifications	No qualifications
Last occupation	Clerk	Labourer	Labourer
Location	Operations	Operations	Operations
Years of service	10–19	10–19	30–39

Re-employed redundant respondents:

- were likely to be male and aged between 25 and 39 years;
- were mostly married or living in a de facto relationship;
- while owning their houses outright, were unlikely to have any dependants under the age of 18 years;
- had mostly completed fourth form schooling only and had not obtained any formal post-school qualifications;
- in their last railway occupation were likely to have been a clerk; and
- before redundancy, had mostly worked in operations, and their likely length of service with the railways was between 10 and 19 years.

Unemployed redundant respondents:

- were most likely to be male;
- were likely to be 40 to 54 years old and living in a married or de facto relationship.
- mostly owned their houses outright, but few had dependants under the age of 18;
- had, in the majority, highest schooling as fourth form and most had not obtained formal post-school qualifications; and
- were most likely in their last occupation to have been a labourer in railway operations, probably in track maintenance, with years of service between 10 to 19 years.

Retired redundant respondents:

- were also likely to be male;
- were mostly married or in a de facto relationship, a third being between 55 and 59 years old, and an equal number in the 40–54 year age group;
- mostly owned their houses outright and had no dependants under 18 years of age;
- were not likely to have formal education beyond primary school, and few had any further qualifications; and
- had most commonly been labourers in railway operations, most likely employed in track maintenance, with a railway working life comprising 30 to 39 years.

Comparison of profiles

The three groups of redundant respondents can be separated on the basis of age, schooling, occupation and length of service. Predictably, retirement was associated with age and length of service. It was also related to occupational status and schooling. In view of the substantial proportion of retirement occurring between 55 and 59 years, it could be argued that the lack of non-railway-specific work skills and general absence of formal education, coupled with a relatively advanced age, encouraged some redundant respondents to opt for retirement. In fact, this was borne out by the comments of respondents, reported in appendix III, on reasons for leaving the work force. The decision may also have been made easier, given the respondents' life cycle stage and housing situation.

There was, however, an unexpectedly large number of retired respondents in the 40–54 years age group whose reasons for premature retirement were not as easily explained. In their case, the 'discouraged worker syndrome' may have been operative, generated by a continuous failure to gain employment which, in turn, was based on little formal education and work skills deemed to be inapplicable in industries other than the railways.

TABLE 5.14 REASONS FOR ACCEPTING REDUNDANCY

<i>Reason</i>	<i>Number</i>	<i>Per cent</i>
Did not want to move	27	10.2
Low job satisfaction	66	24.7
Attractive redundancy package	51	19.0
Better prospects elsewhere	71	26.6
Medical	12	4.5
Other	40	15.0
Total	267	100.0

TABLE 5.15 PERCEIVED REASONS FOR REDUNDANCY

<i>Reason</i>	<i>Number</i>	<i>Per cent</i>
Change of rail operations	84	32.1
Cuts in rail services	94	35.9
New technology	29	11.0
Other	55	21.0
Total	262	100.0

TABLE 5.16 TIME TAKEN TO FIND FIRST JOB AFTER REDUNDANCY, BY AGE

<i>Time taken to find first job (months)</i>	<i>Age group (years)</i>						<i>Row total</i>	<i>Per cent</i>
	<i>Under 25</i>	<i>25-39</i>	<i>40-54</i>	<i>55-59</i>	<i>60-64</i>	<i>65 and over</i>		
0-3	8	106	78	9	1	2	204	75.0
4-6	0	15	14	1	1	0	31	11.4
7-12	0	12	6	4	2	0	24	8.9
13 or more	0	10	3	0	0	0	13	4.7
Column total	8	143	101	14	4	2	272	
Per cent	3.0	52.6	37.1	5.1	1.5	0.7		100.0

There was some distinction between the profiles of re-employed and unemployed redundant respondents with respect to age and previous occupation. It seems likely that a combination of relatively younger age and general clerical skills was more attractive to prospective employers than older age and railway-specific labouring skills, like fettling and ganging.

LABOUR MARKET EXPERIENCE OF RE-EMPLOYED REDUNDANT RESPONDENTS

Table 5.14 shows the reasons given by respondents for accepting redundancy from the railways. (The survey question assumed that redundancy was an alternative to redeployment, particularly relocation. This assumption appeared to be correct.)

It is evident from the table that 26.6 per cent of respondents considered that the prospects of a fulfilling career lay outside the railways. Another 24.7 per cent of respondents cited low job satisfaction as the major reason for accepting redundancy, while 19.0 per cent found the financial package offered sufficiently attractive.

Only 10.2 per cent of respondents preferred redundancy because they did not want to move. The majority of these respondents (74.0 per cent) lived in the country and relocation would probably have implied severing family and community ties. Relocation in urban centres was easier, because the distances involved still permitted the retention of established social links.

Perceived reasons for redundancy were mainly cuts in railway services and changes to rail operations (table 5.15). It is interesting to note that new technology ranked rather low in the redundant respondents' estimation of having contributed to labour-shedding.

Time taken to find re-employment

Table 5.16 indicates that the majority (75.0 per cent) of redundant respondents who eventually found re-employment took at most three months before finding their first job. Even for the over 55 year olds, over half spent no more than three months unemployed. It was only in the 25–39 year age group that extended periods of unemployment were experienced. Generally, the lapsed time before obtaining a new job was relatively short.

Table 5.17 shows that the level of schooling was inversely related to the initial length of time before re-employment. Of the 204 respondents who took less than three months to find their first job, 35.8 per cent had received schooling beyond fourth form. In contrast, only 26.5 per cent of those respondents who took longer to find their first job had stayed at school beyond fourth form.

TABLE 5.17 TIME TAKEN TO FIND FIRST JOB AFTER REDUNDANCY, BY LEVEL OF SCHOOLING

<i>Time taken to find first job (months)</i>	<i>No schooling</i>	<i>Primary only</i>	<i>Form 1</i>	<i>Form 2</i>	<i>Form 3</i>	<i>Form 4</i>	<i>Form 5</i>	<i>Form 6</i>	<i>Row total</i>	<i>Per cent</i>
0-3	0	7	12	18	27	67	49	24	204	75.0
4-6	0	4	2	2	4	10	7	2	31	11.4
7-12	0	3	3	1	6	6	4	1	24	8.9
13 or more	0	0	0	0	3	6	3	1	13	4.7
Column total	0	14	17	21	40	89	63	28	272	
Per cent	0.0	5.1	6.3	7.7	14.7	32.7	23.2	10.3		100.0

TABLE 5.18 TIME TAKEN TO FIND FIRST JOB AFTER REDUNDANCY, BY POST-SCHOOL QUALIFICATIONS

<i>Time taken to find first job (months)</i>	<i>Post-school qualifications</i>					<i>Row total</i>	<i>Per cent</i>
	<i>No qualifications</i>	<i>Apprenticeship certificate^a</i>	<i>Trade certificate</i>	<i>Business diploma or certificate</i>	<i>Tertiary degree</i>		
0-3	137	7	42	11	6	203	75.2
4-6	25	2	3	1	0	31	11.5
7-12	16	1	4	2	0	23	8.5
13 or more	9	0	3	0	1	13	4.8
Column total	187	10	52	14	7	270	
Per cent	69.2	3.7	19.3	5.2	2.6		100.0

a. Non-completed trade qualifications.

TABLE 5.19 TIME TAKEN TO FIND FIRST JOB AFTER REDUNDANCY, BY YEARS WORKED WITH THE RAILWAYS

<i>Time taken to find first job (months)</i>	<i>Years worked</i>						<i>Row total</i>	<i>Per cent</i>
	<i>Fewer than 5</i>	<i>5-9</i>	<i>10-19</i>	<i>20-29</i>	<i>30-39</i>	<i>40 or more</i>		
0-3	8	33	89	43	29	1	203	74.9
4-6	0	3	12	10	5	1	31	11.4
7-12	3	2	9	7	3	0	24	8.9
13 or more	0	3	7	2	1	0	13	4.8
Column total	11	41	117	62	38	2	271	
Per cent	4.1	15.1	43.2	22.9	14.0	0.7		100.0

TABLE 5.20 NUMBER OF JOBS HELD AFTER REDUNDANCY, BY AGE

<i>Number of jobs</i>	<i>Age group (years)</i>						<i>Row total</i>	<i>Per cent</i>
	<i>Under 25</i>	<i>25-39</i>	<i>40-54</i>	<i>55-59</i>	<i>60-64</i>	<i>65 and over</i>		
1	6	86	68	12	3	2	177	66.0
2	1	37	16	1	0	0	55	20.5
3	1	10	9	1	1	0	22	8.2
4 or more	0	7	6	1	0	0	14	5.3
Column total	8	140	99	15	4	2	268	
Per cent	3.0	52.2	36.9	5.6	1.5	0.8		100.0

TABLE 5.21 NUMBER OF JOBS HELD AFTER REDUNDANCY, BY YEARS OF SCHOOLING

<i>Number of jobs</i>	<i>No schooling</i>	<i>Primary only</i>	<i>Form 1</i>	<i>Form 2</i>	<i>Form 3</i>	<i>Form 4</i>	<i>Form 5</i>	<i>Form 6</i>	<i>Row total</i>	<i>Per cent</i>
1	0	11	13	14	26	55	40	18	177	66.0
2	0	3	0	1	10	19	17	5	55	20.5
3	0	1	3	3	3	6	4	2	22	8.2
4 or more	0	0	0	2	0	8	2	2	14	5.3
Column total	0	15	16	20	39	88	63	27	268	
Per cent	0.0	5.6	6.0	7.5	14.5	32.8	23.5	10.1		100.0

Table 5.18 shows that, among those redundant respondents who were employed by the time of the survey, post-school qualifications did not make a big difference to lapsed time before re-employment. Irrespective of qualifications, the majority of respondents found re-employment within three months of redundancy.

Table 5.19 similarly shows little relationship between the number of years worked with the railways and the period before re-employment. For any chosen length of time worked with the railways, at least 50 per cent of re-employed respondents spent less than three months without a job.

In summary, most re-employed redundant respondents found a job within three months from the time they separated from the railway system, irrespective of age, schooling, formal qualifications and years of service with the railway systems.

Number of jobs since redundancy

A similar analysis can be undertaken with respect to the number of jobs that a redundant rail worker has had in the time period under consideration. It was expected that age, schooling, qualifications and years of railway employment would have a considerable effect in this regard; that is, fewer and longer-lasting new jobs would be associated with younger age, more schooling, higher levels of qualifications and fewer years in the railways.

The percentage of respondents who had had only one job since redundancy was lowest among 25–39 year olds, but table 5.20 shows that the majority of respondents had kept their first jobs after leaving the railways, irrespective of their age. The incidence of rapidly changing jobs was not common among respondents.

The effect of schooling on the number of jobs held after redundancy was minimal, as evident from table 5.21. Only slightly more respondents with above fourth form schooling changed their jobs more often than those whose schooling did not extend beyond fourth form. Thirty-six per cent of those respondents with fifth or sixth form schooling had held two or more jobs since redundancy, compared with 33.1 per cent of respondents with schooling at or below fourth form.

Table 5.22 indicates that employment instability, measured as the number of jobs held since leaving the railways, was most common among respondents without formal qualifications. Taking the subsample of 185 respondents who had no formal qualifications, it was found that 66, or 35.7 per cent, had two or more jobs in the period under study. This compares with 33.3 per cent for tradesmen, 30.8 per cent for business diploma and certificate holders, 27.3 per cent for apprentices and 16.7 per cent for graduates.

These numbers may reflect only short-term adjustment problems on the part of these respondents. There is evidence, however, in the form of comments by

respondents who decided to retire early, that this form of employment instability could be the first step towards a worker's withdrawal from the labour market. The failure to keep a job for a reasonable time is likely to affect the worker's self-confidence and self-esteem and might lead to what has been called the 'discouraged worker syndrome'.

The most notable result from table 5.22 is that 65.8 per cent of re-employed redundant respondents, irrespective of formal qualifications, had retained a single job in some other sector of the economy for some time.

Job stability also holds regardless of length of service with the railways (table 5.23), further reinforcing the survey's findings that, in terms of the number of jobs held, the post-redundancy employment history of the respondents has been fairly stable.

Total period of unemployment after redundancy

On the basis of previous findings reported in the literature (see chapter 2 for an overview), it was thought likely that the total period of unemployment after redundancy would be related to the worker's age, years of schooling and qualifications. In other words, the older, the less educated and the less qualified the redundant worker, the longer this period of unemployment was expected to be. It should be noted, that this period may have been made up of successive periods of unemployment, interspersed among a number of jobs. Survey results show that the total period of unemployment after redundancy had been relatively short.

Table 5.24 presents unemployment according to respondents' age groups. Over half of all re-employed redundant respondents (53.2 per cent) had spent a total of less than one month out of work. The table also shows that 48.9 per cent and 44.7 per cent of respondents in the 25-39 and 40-54 age groups, respectively, were unemployed for more than one month, whereas 57.1 per cent of respondents in the older age groups spent a similar time in unemployment.

Table 5.25 shows the effect of years of schooling on total time spent in unemployment after redundancy. There was a trend for shorter unemployment time to be associated with higher levels of schooling. For instance, only 14.7 per cent of those in the fourth to sixth form categories were unemployed for seven or more months in total, compared with 21.7 per cent of respondents below that level of schooling.

The relationship between total time spent in unemployment after redundancy and the respondents' qualifications is given in table 5.26. Nine per cent of respondents with apprenticeship certificates experienced total unemployment of seven or more months, compared with 20.0 per cent of those with trade certificates. The other qualifications categories fell between these two extremes.

TABLE 5.22 NUMBER OF JOBS HELD AFTER REDUNDANCY, BY POST-SCHOOL QUALIFICATIONS

Number of jobs	Years worked					Row total	Per cent
	No qualifications	Apprenticeship certificate ^a	Trade certificate	Business diploma or certificate	Tertiary degree		
1	119	8	34	9	5	175	65.8
2	40	2	11	1	1	55	20.7
3	17	0	3	2	0	22	8.3
4 or more	9	1	3	1	0	14	5.2
Column total	185	11	51	13	6	266	
Per cent	69.5	4.1	19.2	4.9	2.3		100.0

a. Non-completed trade qualifications.

TABLE 5.23 NUMBER OF JOBS HELD AFTER REDUNDANCY, BY YEARS WORKED WITH THE RAILWAYS

Number of jobs	Years worked						Row total	Per cent
	Fewer than 5	5-9	10-19	20-29	30-39	40 or more		
1	8	23	76	40	28	2	177	66.3
2	2	9	29	11	4	0	55	20.6
3	1	6	7	5	3	0	22	8.2
4 or more	0	1	6	5	1	0	13	4.9
Column total	11	39	118	61	36	2	267	
Per cent	4.1	14.6	44.2	22.8	13.5	0.8		100.0

TABLE 5.24 TOTAL TIME SPENT UNEMPLOYED AFTER REDUNDANCY, BY AGE

Total time unemployed (months)	Age group (years)						Row total	Per cent
	Under 25	25-39	40-54	55-59	60-64	65 and over		
0-1	7	70	57	8	1	0	143	53.2
2-3	0	26	13	1	0	2	42	15.6
4-6	0	17	18	2	1	0	38	14.1
7-12	0	13	8	4	2	0	27	10.0
13 or more	1	11	7	0	0	0	19	17.1
Column total	8	137	103	15	4	2	269	
Per cent	3.0	50.9	38.3	5.6	1.5	0.7		100.0

TABLE 5.25 TOTAL TIME SPENT UNEMPLOYED AFTER REDUNDANCY, BY YEARS OF SCHOOLING

<i>Total time unemployed (months)</i>	<i>No schooling</i>	<i>Primary only</i>	<i>Form 1</i>	<i>Form 2</i>	<i>Form 3</i>	<i>Form 4</i>	<i>Form 5</i>	<i>Form 6</i>	<i>Row total</i>	<i>Per cent</i>
0-1	0	3	9	12	22	45	34	18	143	53.2
2-3	0	5	1	3	4	16	11	2	42	15.6
4-6	0	3	3	3	4	12	9	4	38	14.1
7-12	0	3	4	2	6	6	4	2	27	10.0
13 or more	0	1	0	1	3	9	4	1	19	7.1
Column total	0	15	17	21	39	88	62	27	269	
Per cent	0.0	5.6	6.3	7.8	14.5	32.7	23.0	10.1		100.0

TABLE 5.26 TOTAL TIME SPENT UNEMPLOYED AFTER REDUNDANCY, BY POST-SCHOOL QUALIFICATIONS

<i>Total time unemployed (months)</i>	<i>Qualifications</i>					<i>Row total</i>	<i>Per cent</i>
	<i>No qualifications</i>	<i>Apprenticeship certificate^a</i>	<i>Trade certificate</i>	<i>Business diploma or certificate</i>	<i>Tertiary degree</i>		
0-1	95	5	28	9	6	143	53.6
2-3	28	3	8	2	0	41	15.4
4-6	31	2	4	1	0	38	14.2
7-12	18	1	5	2	0	26	9.7
13 or more	13	0	5	0	1	19	7.1
Column total	185	11	50	14	7	267	
Per cent	69.3	4.1	18.7	5.3	2.6		100.0

a. Non-completed trade qualifications.

TABLE 5.27 TOTAL TIME SPENT UNEMPLOYED AFTER REDUNDANCY, BY YEARS WORKED WITH THE RAILWAYS

<i>Total time unemployed (months)</i>	<i>Years worked</i>						<i>Row total</i>	<i>Per cent</i>
	<i>Fewer than 5</i>	<i>5-9</i>	<i>10-19</i>	<i>20-29</i>	<i>30-39</i>	<i>40 or more</i>		
0-1	7	28	54	32	20	1	142	54.2
2-3	1	0	27	8	6	0	42	16.0
4-6	0	5	16	9	7	1	38	14.5
7-12	3	2	8	7	1	0	21	8.0
13 or more	0	3	8	7	1	0	19	7.3
Column total	11	38	113	63	35	2	262	
Per cent	4.2	14.5	43.1	24.0	13.4	0.8		100.0

Table 5.27 presents the total time spent in unemployment after redundancy against years worked with the railways. Forty-eight per cent of respondents in the 10-19 year category were unemployed for a total of less than one month, but 14.2 per cent were unemployed for seven months or more. Moreover, while almost 51 per cent of respondents in the 20-29 years group spent less than one month in unemployment, 22.2 per cent were unemployed for seven months or longer.

In summary, no strong effects of age, schooling, qualifications, or years worked for the railways on the total time spent unemployed, were found.

TABLE 5.28 METHOD OF FINDING NEW JOB, BY AGE

Method	Age group (years)						Row total	Per cent
	Under 25	25-39	40-54	55-59	60-64	65 and over		
Referred by CES	3	19	13	0	1	1	37	13.5
Contacted employer	1	28	20	2	1	1	53	19.5
Newspaper	2	35	19	3	0	0	59	21.7
Referred by friend or relative	0	33	27	5	0	0	65	23.9
Set up own business	0	13	15	4	0	0	32	11.8
Other	2	12	10	1	1	0	26	9.6
Total	8	140	104	15	3	2	272	
Per cent	3.0	51.5	38.2	5.5	1.1	0.7		100.0

CES Commonwealth Employment Service.

Seeking re-employment

A number of respondents had more than one job after redundancy. This sub-section deals with the methods employed by respondents to find the job they had at the time of the survey.

According to table 5.28, the majority of re-employed redundant respondents were in the 25-39 (51.5 per cent) and 40-54 (38.2 per cent) age groups. For these age groups, the Commonwealth Employment Service appeared to have been relatively unimportant in finding a new job. More successful tools had been newspaper advertisements, referrals by friends or relatives, or self-initiated contact with the employer.

THE NEW JOB

This section seeks to relate some of the characteristics and features of re-employment to previous employment with the railways. It also examines the respondents' more subjective assessments of their financial and career prospects and overall satisfaction with their new employment.

Tables 5.29 and 5.30 present the proportion of re-employed respondents who used railway skills in their post-redundancy jobs, by qualifications and previous

TABLE 5.29 POST-SCHOOL QUALIFICATIONS OF RE-EMPLOYED RESPONDENTS USING RAILWAY SKILLS IN THEIR NEW JOB

Qualifications	<i>Do not use skills</i>		<i>Use skills</i>		<i>Total</i>	
	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>
No qualifications	146	76.8 (78.9)	39	50.0 (21.1)	185	69.0 (100.0)
Apprenticeship certificate ^a	6	3.2 (54.5)	5	6.4 (45.5)	11	4.1 (100.0)
Trade certificate	28	14.7 (54.9)	23	29.5 (45.1)	51	19.0 (100.0)
Business diploma or certificate	7	3.7 (50.0)	7	9.0 (50.0)	14	5.2 (100.0)
Tertiary degree	3	1.6 (42.9)	4	5.1 (57.1)	7	2.7 (100.0)
Column total	190	100.0 (70.9)	78	100.0 (29.1)	267	100.0 (100.0)

a. Non-completed trade qualifications.

Note Figures in parentheses are row percentages.

occupational status. It is evident that about 71 per cent of re-employed redundant respondents did not use railway skills in their new job. Table 5.29 also shows, however, that the proportion of those respondents who did use their skills increased with the level of qualifications.

Table 5.30 indicates that while most respondents did not use their railway skills in their new job, 75.0 per cent of professionals and 53.6 per cent of tradespersons did. This contrasts with labourers, plant and machinery operators and managers, of whom only a few were in a similar position.

Table 5.31 shows the number of re-employed respondents who remained in their previous occupational grouping. The proportions of respondents who experienced occupational downgrading (or upgrading) are given in table 5.32. The actual extent of the downgrading or upgrading can be assessed by reference to table 5.31. For example, 23.8 per cent of former managers were re-employed as labourers, while 16.3 per cent of former labourers found new employment as managers.

The high proportion of downgrading associated with the managerial category is partly attributable to the fact that respondents in this category were at the apex

TABLE 5.30 PREVIOUS OCCUPATION OF RE-EMPLOYED RESPONDENTS USING RAILWAY SKILLS IN THEIR NEW JOB

<i>Previous occupation</i>	<i>Do not use skills</i>		<i>Use skills</i>		<i>Total</i>	
	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>
Managers	16	8.5 (80.0)	4	5.0 (20.0)	20	7.5 (100.0)
Professionals	2	1.0 (25.0)	6	7.7 (75.0)	8	3.0 (100.0)
Para-professionals	5	2.7 (71.4)	2	2.6 (28.6)	7	2.6 (100.0)
Tradespersons	26	13.8 (46.4)	30	38.5 (53.6)	56	21.0 (100.0)
Clerks	56	29.8 (69.1)	25	32.1 (30.9)	81	30.3 (100.0)
Salespersons or personal services	5	2.7 (100.0)	0	0.0 (0.0)	5	1.9 (100.0)
Plant or machine operators	34	18.1 (87.2)	5	6.4 (12.8)	39	14.6 (100.0)
Labourers and related workers	44	23.4 (86.3)	7	7.7 (13.7)	51	19.1 (100.0)
Column total	188	100.0 (70.4)	79	100.0 (29.6)	267	100.0 (100.0)

Note Figures in parentheses are row percentages.

of the occupational pyramid and could not go any higher on leaving the railways. Similarly, the small proportion of downgrading associated with the labourers category is partly explained by the fact that these respondents were at the bottom of the occupational ladder and could go no lower on becoming redundant, except to be unemployed.

Para-professionals, managers, clerks, tradespersons and sales people had the greatest propensity to downgrade on re-employment in non-railway sectors. Professionals showed the highest propensity to upgrade, followed by labourers, salespersons and plant and machine operators. Labourers, tradespersons and managers, however, also tended to stay in the same occupational category.

TABLE 5.31 PREVIOUS AND NEW OCCUPATIONS OF RE-EMPLOYED RESPONDENTS

<i>Previous occupation</i>	<i>New occupation</i>								<i>Row total</i>	<i>Per cent</i>
	<i>Managers</i>	<i>Professionals</i>	<i>Para-professionals</i>	<i>Tradespersons</i>	<i>Clerks</i>	<i>Salespersons or personal services</i>	<i>Plant or machine operators</i>	<i>Labourers and related workers</i>		
Managers	9	2	1	0	1	2	1	5	21	7.9
Professionals	4	2	0	0	2	0	0	0	8	3.0
Para-professionals	0	0	0	1	0	0	1	5	7	2.6
Tradespersons	4	0	0	28	0	4	5	14	55	20.7
Clerks	14	0	2	2	20	8	11	25	82	30.8
Salespersons or personal services	2	0	0	0	0	1	0	2	5	1.9
Plant or machine operators	7	0	2	3	0	1	13	13	39	14.7
Labourers and related workers	8	0	0	1	2	4	7	27	49	18.4
Column total	48	4	5	37	23	20	38	91	266	
Per cent	18.7	1.6	2.1	13.9	8.5	6.9	14.2	34.2		100.0

Note Numbers on the diagonal of the table shown in bold type represent respondents who remained in their occupational category after re-employment.

TABLE 5.32 DIRECTION OF OCCUPATIONAL CHANGE AFTER REDUNDANCY

<i>Previous occupation</i>	<i>Downgrading</i>	<i>No change</i>	<i>Upgrading</i>
Managers	0.57	0.43	0.00
Professionals	0.25	0.25	0.50
Para-professionals	1.00	0.00	0.00
Tradespersons	0.41	0.51	0.08
Clerks	0.54	0.24	0.22
Salespersons or personal services	0.40	0.20	0.40
Plant or machine operators	0.33	0.33	0.33
Labourers and related workers	0.00	0.55	0.45

TABLE 5.33 POST-REDUNDANCY EARNINGS, BY PREVIOUS OCCUPATION

<i>Previous occupation</i>	<i>Income</i>			<i>Row total</i>	<i>Per cent</i>
	<i>More</i>	<i>About the same</i>	<i>Less</i>		
Managers	2	6	13	21	7.7
Professionals	2	3	3	8	3.0
Para-professionals	1	0	6	7	2.6
Tradespersons	23	10	23	56	20.7
Clerks	22	12	48	82	30.3
Salespersons or personal services	1	1	3	5	1.8
Plant or machine operators	15	6	19	40	14.8
Labourers and related workers	16	13	23	52	19.1
Column total	82	51	138	271	
Per cent	30.3	18.8	50.9		100.0

Table 5.33 presents the re-employed respondents' new financial position by their previous railway occupation. In more than 50 per cent of cases, respondents reported that they earned less money in their new job. This was especially so in the case of para-professionals, managers and those in sales and personal services, where 85.7, 61.9 and 60.0 per cent in each occupational group, respectively, reported a post-redundancy drop in income. Over 30 per cent of redundant respondents achieved an increase in income on re-employment outside the railway sector. Dominant among those with increased incomes were tradespersons and plant and machine operators.

TABLE 5.34 RESPONDENTS' PERCEPTIONS OF THEIR FINANCIAL PROSPECTS, BY NEW OCCUPATION

<i>New occupation</i>	<i>Financial prospects</i>					<i>Row total</i>	<i>Per cent</i>
	<i>Excellent</i>	<i>Better</i>	<i>Same</i>	<i>Worse</i>	<i>Much worse</i>		
Managers	11	17	7	11	2	48	18.3
Professionals	1	1	0	1	0	3	1.1
Para-professionals	3	1	0	1	0	5	1.9
Tradespersons	8	15	9	3	2	37	14.1
Clerks	2	13	2	4	3	24	9.2
Salespersons or personal services	5	3	6	5	1	20	7.6
Plant or machine operators	6	14	8	6	1	35	13.4
Labourers and related workers	6	16	27	28	13	90	34.4
Column total	42	80	59	59	22	262	
Per cent	16.0	30.5	22.5	22.5	8.5		100.0

TABLE 5.35 RESPONDENTS' PERCEPTIONS OF THEIR FINANCIAL PROSPECTS, BY POST-SCHOOL QUALIFICATIONS

<i>Qualifications</i>	<i>Financial prospects</i>					<i>Row total</i>	<i>Per cent</i>
	<i>Excellent</i>	<i>Better</i>	<i>Same</i>	<i>Worse</i>	<i>Much worse</i>		
No qualifications	28	54	47	43	12	184	68.9
Apprenticeship certificate ^a	2	3	3	1	2	11	4.1
Trade certificate	10	19	7	11	5	52	19.5
Business diploma or certificate	3	3	3	2	2	13	4.9
Tertiary degree	1	3	0	2	1	7	2.6
Column total	44	82	60	59	22	267	
Per cent	16.5	30.7	22.5	22.1	8.2		100.0

a. Non-completed trade qualifications.

Table 5.34 shows that 31.0 per cent of re-employed respondents expected their financial prospects to be worse after redundancy, 22.5 per cent perceived them to remain the same and 46.5 per cent perceived their financial prospects to improve. The negative perception was most pronounced among labourers (45.6 per cent), professionals (33.3 per cent) and those in sales and personal services (30.0 per cent).

TABLE 5.36 RESPONDENTS' PERCEPTIONS OF THEIR CAREER PROSPECTS, BY NEW OCCUPATION

<i>New occupation</i>	<i>Career prospects</i>					<i>Row total</i>	<i>Per cent</i>
	<i>Excellent</i>	<i>Better</i>	<i>Same</i>	<i>Worse</i>	<i>Much worse</i>		
Managers	12	19	7	6	3	47	18.4
Professionals	2	1	0	0	0	3	1.2
Para-professionals	3	2	0	0	0	5	2.0
Tradespersons	8	13	9	5	2	37	14.5
Clerks	3	10	4	4	3	24	9.4
Salespersons or personal services	7	3	4	3	3	20	7.8
Plant or machine operators	3	13	9	7	2	34	13.3
Labourers and related workers	3	15	27	28	12	85	33.4
Column total	41	76	60	53	25	255	
Per cent	16.1	29.8	23.5	20.8	9.8		100.0

TABLE 5.37 RESPONDENTS' PERCEPTIONS OF THEIR CAREER PROSPECTS, BY POST-SCHOOL QUALIFICATIONS

<i>Qualifications</i>	<i>Career prospects</i>					<i>Row total</i>	<i>Per cent</i>
	<i>Excellent</i>	<i>Better</i>	<i>Same</i>	<i>Worse</i>	<i>Much worse</i>		
No qualifications	27	53	42	38	18	178	68.5
Apprenticeship certificate ^a	3	2	3	1	2	11	4.2
Trade certificate	10	15	11	10	5	51	19.6
Business diploma or certificate	3	2	4	4	0	13	5.0
Tertiary degree	1	4	0	1	1	7	2.7
Column total	44	76	60	54	26	260	
Per cent	16.9	29.2	23.1	20.8	10.0		100.0

a. Non-completed trade qualifications.

By relating financial prospects to level of qualifications (table 5.35), it was found that 47.2 per cent of re-employed respondents perceived their financial prospects to have improved since redundancy. This proportion includes 44.6 per cent of unqualified respondents and 53.0 per cent of respondents with formal qualifications. A greater proportion of qualified (31.3 per cent) than unqualified respondents (29.9 per cent) also thought that their financial prospects had worsened. Over a quarter of respondents without qualifications perceived their financial prospects as unchanged, compared to 15.7 per cent of qualified respondents.

A similar examination to that presented above can be undertaken with respect to perceived career prospects. The relevant results are presented in tables 5.36 and 5.37 and can be seen to resemble those in tables 5.34 and 5.35 quite closely.

Table 5.36 indicates that 117, or 45.9 per cent, of re-employed respondents thought their career prospects had improved since redundancy. However, 40, or 47.1 per cent, of labourers, six, or 30.0 per cent, of salespersons and seven, or 29.2 per cent, of clerks felt that their career prospects had declined since redundancy. The response of labourers and salespersons ties in with their perceptions of financial prospects, reported above.

Table 5.37 presents perceived career prospects by qualifications held by respondents. The table shows that for respondents without qualifications, 44.9 per cent thought that their career prospects had improved. This compares with 31.5 per cent who perceived a deterioration. Among respondents with qualifications there was again a greater percentage (48.8 per cent) who were optimistic about their career prospects than those who were pessimistic (29.3 per cent).

Table 5.38 gives an indication of overall satisfaction levels since redundancy. Results show that 54.0 per cent of re-employed respondents were more satisfied after leaving the railways. This gives support to the generally positive responses with respect to post-redundancy earnings and financial and career prospects, discussed before. Apart from labourers, many of whom were undecided regarding satisfaction, all other occupational categories reported higher satisfaction levels with post-redundancy jobs than with previous railway jobs. This result holds even when satisfaction reported as unchanged is combined with the 'less satisfied' category.

TABLE 5.38 GENERAL SATISFACTION LEVEL, BY NEW OCCUPATION

New occupation	Satisfaction level			Row total	Per cent
	More	Same	Less		
Managers	33	10	5	48	18.1
Professionals	4	0	0	4	1.5
Para-professionals	5	1	0	6	2.3
Tradespersons	23	5	9	37	14.0
Clerks	13	4	7	24	9.0
Salespersons or personal services	11	4	5	20	7.6
Plant or machine operators	25	4	9	38	14.3
Labourers and related workers	29	29	30	88	33.2
Column total	143	57	65	265	
Per cent	54.0	21.5	24.5		100.0

An indication why this should be so can perhaps be gained from the responses contained in table 5.14, which suggested some degree of dissatisfaction with the railway working environment among respondents to this survey.

PAYMENTS RECEIVED BY RE-EMPLOYED REDUNDANT RESPONDENTS

One of the questions of relevance to all redundant respondents, was the amount of money that they received on separation from the railways. This section deals with payments received by those respondents who ultimately managed to get alternative employment outside the railways. The payments received by retirees are discussed in chapter 7.

TABLE 5.39 TOTAL PAYMENTS RECEIVED BY RE-EMPLOYED REDUNDANT RESPONDENTS, BY NUMBER OF YEARS WORKED

Payment received	Years worked						Row total	Per cent
	Fewer than 5	5-9	10-19	20-29	30-39	40 or more		
\$4999 or less	1	4	2	1	0	0	8	3.3
\$5000-\$9999	3	6	2	1	0	0	12	5.0
\$10 000-\$19 999	5	14	22	4	1	0	46	19.1
\$20 000-\$49 999	0	9	55	17	14	0	95	39.4
\$50 000-\$99 999	0	1	24	29	9	1	64	26.6
\$100 000 or more	0	1	0	4	10	1	16	6.6
Column total	9	35	105	56	34	2	241	
Per cent	3.8	14.5	43.6	23.2	14.1	0.8		100.0

The major determinants of the absolute amounts received by respondents were expected to be the number of years worked with the railways and their occupational classification.

Table 5.39 summarises the amounts reportedly received, by the number of years worked for the railways. The figures show that the average total payment per redundant respondent was \$46 992¹ with the most frequent payment category

1. To calculate the arithmetic mean of the grouped payment data, the following formula was used:

$$x = \frac{\sum M_i V_i}{N}$$

where x is the mean, M_i is the mid-point of the i th payment category, V_i is the number of individual respondents receiving payment in the i th category, and N is the total number of respondents in all categories.

TABLE 5.40 TOTAL PAYMENTS RECEIVED BY RE-EMPLOYED REDUNDANT RESPONDENTS, BY LAST OCCUPATION

<i>Payment received</i>	<i>Managers</i>	<i>Professionals</i>	<i>Para-professionals</i>	<i>Tradespersons</i>	<i>Clerks</i>	<i>Salespersons or personal services</i>	<i>Plant or machine operators</i>	<i>Labourers and related workers</i>	<i>Row total</i>	<i>Per cent</i>
\$4999 or less	0	1	0	2	0	0	2	2	7	2.9
\$5000–\$9999	0	0	2	0	3	0	0	5	11	4.6
\$10 000–\$19 999	0	2	0	10	11	1	7	15	46	19.2
\$20 000–\$49 999	5	1	2	25	33	2	17	11	96	40.2
\$50 000–\$99 999	9	2	2	7	24	1	6	12	63	26.4
\$100 000 or more	6	2	0	2	4	1	0	1	16	6.7
Column total	20	8	6	47	75	5	32	46	239	
Per cent	8.4	3.3	2.5	19.7	31.4	2.1	13.4	19.2		100.0

represented by the \$20 000–\$49 999 range (estimated at \$35 000 or the mid-point of the interval). The longer respondents had been with the railways, the higher were the amounts of payment on separation from the railways. The reverse also appeared to be true. Most of the redundant respondents with fewer than 10 years of service with the railways received less than \$20 000 on separation.

Table 5.40 presents the distribution of payments received by occupations. It is clear that, as expected, the more skilled a respondent's occupation was, the higher the amount of separation payment received. Ten of the redundant respondents (62.5 per cent), for example, who received payments of \$100 000 or more, belonged to the top four most skilled occupations in the railways (managers, professionals, para-professionals and tradespersons).

Only 19, or 24.1 per cent, of respondents in the least skilled occupations (plant and machine operators and labourers) obtained more than the modal category of total separation payments, compared with 60, or 37.3 per cent, in the other occupations. Furthermore, less than a third of the plant and machine operators and approximately half of the labourers received less than the modal category of the total payments received by all re-employed respondents. Tradespersons tended to come out best; they constituted only a fifth of re-employed respondents, but almost three-quarters of them received at least the modal category of total payments.

In summary, the survey data confirmed that both length of service and level of occupation were important influences on the amount of total payments received.

Severance payments and normal entitlements

The survey also sought information on the proportion of the redundant respondents' total payments which were their normal entitlements. ('Normal'

TABLE 5.41 NORMAL ENTITLEMENT PAYMENTS OF RE-EMPLOYED REDUNDANT RESPONDENTS, BY NUMBER OF YEARS WORKED

<i>Payment received</i>	<i>Years worked</i>						<i>Row total</i>	<i>Per cent</i>
	<i>Fewer than 5</i>	<i>5–9</i>	<i>10–19</i>	<i>20–29</i>	<i>30–39</i>	<i>40 or more</i>		
\$4999 or less	5	14	30	11	3	1	64	30.5
\$5000–\$9999	0	7	32	9	3	0	51	24.3
\$10 000–\$19 999	0	5	18	19	12	0	54	25.7
\$20 000–\$49 999	0	0	11	10	9	1	31	14.7
\$50 000–\$99 999	0	0	1	2	7	0	10	4.8
Column total	5	26	92	51	34	2	210	
Per cent	2.4	12.4	43.7	24.3	16.2	1.0		100.0

TABLE 5.42 NORMAL ENTITLEMENT PAYMENTS OF RE-EMPLOYED REDUNDANT RESPONDENTS, BY LAST OCCUPATION

<i>Payment received</i>	<i>Managers</i>	<i>Professionals</i>	<i>Paraprofessional</i>	<i>Tradespersons</i>	<i>Clerks</i>	<i>Salespersons or personal services</i>	<i>Plant or machine operators</i>	<i>Labourers and related workers</i>	<i>Row total</i>	<i>Per cent</i>
\$4999 or less	1	1	2	14	11	0	13	20	62	29.7
\$5000–\$9999	3	2	2	11	16	1	11	5	51	24.5
\$10 000–\$19 999	6	3	1	9	22	2	6	6	55	26.4
\$20 000–\$49 999	6	1	0	4	12	1	0	6	30	14.4
\$50 000–\$99 999	2	1	0	1	4	0	0	2	10	4.8
Column total	18	8	5	39	65	4	30	39	208	
Per cent	8.6	3.8	2.4	18.8	31.3	1.9	14.4	18.8		100.0

entitlements refer here to accrued long service and holiday pay.) The distribution of normal entitlements for re-employed respondents is given in tables 5.41 and 5.42. Again, on average, the more years worked, the higher the payments which were received as normal entitlements. This was as expected, given the accumulative nature of these payments.

Table 5.42 further shows that occupational classification was an important factor in determining the level of normal entitlement pay-outs. Using the figures contained in table 5.41 and applying the same formula as before, the average *normal entitlement* received by re-employed respondents was calculated at \$15 179. Comparing this amount with the average *total* payment received (\$46 992) permits an estimation of the average severance pay given to redundant respondents on their separation from the railways. Average severance pay for re-employed respondents was calculated at \$31 813.

USE OF SEPARATION PAYMENTS

An important, and somewhat unexpected, result in table 5.43, given previous research findings, is that only a small minority of re-employed respondents spent their separation payments solely on short-run living expenses. The biggest single category of expenditure was investment, followed by paying off the house and buying or establishing a business. Not surprisingly, respondents who established or bought a business after redundancy were aged between 25 and 54 years, when funds were available and age no deterrent. Where respondents used their payments on more than one activity (more than 50 per cent of respondents answered the 'combination of above' category), it was not possible to determine

TABLE 5.43 USE OF TERMINATION PAYMENTS, BY AGE

Use of payment	Age group (years)						Row total	Per cent
	Under 25	25-39	40-54	55-59	60-64	65 and over		
Paid off house	0	20	2	0	0	1	23	8.8
Paid off car	2	3	0	0	0	0	5	1.9
Set up or bought business	0	7	11	0	0	0	18	6.9
Went on holiday	0	1	1	0	0	0	2	0.7
Invested it	3	24	35	6	2	1	71	27.1
Used for living expenses	1	2	2	1	0	0	6	2.3
Combination of the above	0	75	48	7	2	0	132	50.4
Other	0	5	0	0	0	0	5	1.9
Column total	6	137	99	14	4	2	262	
Per cent	2.3	52.3	37.8	5.3	1.5	0.8		100.0

the distribution of expenditure by type, and the contribution made by expenditure on day-to-day living costs. It should be noted that, because of the confidential nature of the information sought in this section, respondents may deliberately have chosen this category, in order to restrict the value of the information provided. A number of respondents did not disclose at all the absolute figures of payments received, let alone reveal the use to which these payments were put.

However, despite these qualifications, table 5.43 indicates that 27.1 per cent of re-employed respondents spent their separation payments on investments, possibly reflecting the ease with which re-employment was found and the relatively short periods of unemployment that were experienced. Only a small proportion (8.8 per cent) were keen to shed fixed commitments, like mortgage payments, in the face of future uncertainty.

CHAPTER 6 THE UNEMPLOYED REDUNDANT RAIL WORKERS

INTRODUCTION

This chapter examines the labour market experiences of redundant workers unemployed at the time of the survey with respect to:

- length of unemployment;
- importance of demographic characteristics of the workers in determining the duration of unemployment;
- other factors that might explain the duration of unemployment; and
- willingness of the unemployed workers to acquire new skills.

These factors are important in explaining why some workers were unsuccessful in obtaining work outside the railway industry and in pointing towards ways to increase the employment chances of redundant workers in the future.

DURATION OF UNEMPLOYMENT

Table 6.1 shows that 138 of unemployed redundant respondents (66.7 per cent) had been unemployed for at least 13 months when surveyed. In addition,

TABLE 6.1 DURATION OF UNEMPLOYMENT, BY AGE

Duration of unemployment (months)	Age group (years)						Row total	Per cent
	Under 25	25-39	40-54	55-59	60-64	65 and over		
0-3	0	11	4	0	2	0	17	8.2
4-6	0	6	12	1	0	0	19	9.2
7-12	2	10	16	3	2	0	33	15.9
13-18	1	23	46	14	11	0	95	45.9
19-24	1	8	11	3	8	0	31	15.0
25	1	2	5	2	2	0	12	5.8
Column total	5	60	94	23	25	0	207	
Per cent	2.4	29.0	45.4	11.1	12.1	0.0		100.0

TABLE 6.2 DURATION OF UNEMPLOYMENT, BY POST-SCHOOL QUALIFICATIONS

<i>Duration of unemployment (months)</i>	<i>No qualifications</i>	<i>Apprenticeship certificate^a</i>	<i>Trade certificate</i>	<i>Business diploma or certificate</i>	<i>Tertiary degree</i>	<i>Row total</i>	<i>Per cent</i>
0-3	10	0	7	0	0	17	8.3
4-6	12	2	5	0	0	19	9.3
7-12	26	2	3	3	0	34	16.6
13-18	67	6	18	4	0	95	46.3
19-24	29	0	0	1	0	30	14.6
25	9	0	1	0	0	10	4.9
Column total	153	10	34	8	0	205	
Per cent	74.6	4.9	16.6	3.9	0.0		100.0

a. Non-completed trade qualifications.

almost 69 per cent of the 207 unemployed respondents were over 40 years of age. The largest single age group contained respondents between 40 and 54 years old. Over 80 per cent of these had been unemployed for more than six months, with almost two-thirds of them spending more than 12 months in continuous unemployment. Among 55-59 and 60-64 year olds, 82.6 per cent and 84.0 per cent, respectively, had also been unemployed for more than 12 months. It appears that length of unemployment after redundancy increased with the age of respondents.

Table 6.2 indicates that almost three-quarters of the unemployed respondents had no post-school qualifications. The same respondents also tended to remain unemployed longest, especially when compared with tradespersons. This was expected, because respondents without formal qualifications were limited by having no more than the skills and experiences acquired in the railways. These skills were not readily transferable to other industries, hampering the inter-industry mobility of affected respondents. Tradespersons, however, were not in this situation, by virtue of their formal, non-railway-specific qualifications.

This result is supported by table 6.3 which shows that 55, or 70.1 per cent, of labourers had been unemployed for at least 13 months when surveyed, compared with only 20, or 57.1 per cent, of tradespersons.

STATED REASONS FOR UNEMPLOYMENT

Workers were asked to state what they thought was the main reason for their continued unemployment status after redundancy. One important result in table 6.4 is that unwillingness to move to other areas and lack of motivation were given by only 11.2 per cent of respondents as contributing to their continued unemployment. The lack of available jobs in the area, skills or relevant

TABLE 6.3 DURATION OF UNEMPLOYMENT, BY OCCUPATION

<i>Duration of unemployment (months)</i>	<i>Managers</i>	<i>Professionals</i>	<i>Para-professionals</i>	<i>Tradespersons</i>	<i>Clerks</i>	<i>Salespersons or personal services</i>	<i>Plant or machine operators</i>	<i>Labourers and related workers</i>	<i>Row total</i>	<i>Per cent</i>
0-3	2	0	0	7	2	0	4	2	17	8.3
4-6	0	0	1	3	5	1	4	5	19	9.3
7-12	0	1	0	5	4	1	8	15	34	16.7
13-18	5	2	1	19	12	2	18	33	92	45.1
19-24	1	0	0	1	7	4	5	13	31	15.2
25	1	0	1	0	0	0	0	9	11	5.4
Column total	9	3	3	35	30	8	39	77	204	
Per cent	4.4	1.5	1.5	17.2	14.7	3.9	19.1	37.7		100.0

TABLE 6.4 STATED MAIN REASON FOR CONTINUED UNEMPLOYMENT

<i>Reason</i>	<i>Number</i>	<i>Per cent</i>
No other jobs available in this area	52	25.2
Not well enough qualified for available jobs	29	14.1
Did not want to move to another area	14	6.8
Lack of experience	26	12.6
Lack of motivation	9	4.4
Too old	26	12.6
Other	50	24.3
Total	206	100.0

experience dominated the unemployed workers' perceptions of the factors contributing to their long periods of unemployment. Fifty-two per cent of respondents gave these explanations for their unemployment. It might be presumed that having identified the reasons for their prolonged unemployment, they would have adopted strategies that would increase their chances of future employment, for example, retraining.

UNEMPLOYMENT AND RETRAINING

In view of the wide range of retraining schemes available in the community, respondents were asked whether they had applied for any of them. The results are summarised in table 6.5. The majority (88.9 per cent) responded in the negative to this survey question. It was unclear whether this response was a reflection of resistance to acquiring new skills or whether it was due to a lack of information on the part of respondents.

TABLE 6.5 NUMBER OF RESPONDENTS WHO HAD APPLIED FOR GOVERNMENT RETRAINING PROGRAMS

<i>Government program</i>	<i>Number</i>	<i>Per cent</i>
Jobtrain	2	1.0
Adult Training Program	0	0.0
Youth Training Program	0	0.0
Jobstart	5	2.5
Skillshare	2	1.0
Community Youth Support Scheme	0	0.0
Community Training Program	1	0.5
Other government program	7	3.6
Combination of the above	5	2.5
Not applied	175	88.9
Total	197	100.0

Some respondents indicated that they had never heard of any of the programs listed, giving support to the 'lack of information' explanation. Another possible explanation might be that some of the programs, with their emphasis on youth, could have been deemed inapplicable by the 142 (68.3 per cent) of unemployed respondents who were over 40 years of age.

None of the listed training schemes made the applicant ineligible for continued social security benefits. In fact, additional training allowances were available. Financial considerations are therefore unlikely to have prevented the unemployed respondents from seeking retraining.

Table 6.6 summarises respondents' exposure to any other kind of retraining by age. The majority again had not received any training. This absence of training was strongest among older unemployed respondents. Only one person over 55 years of age undertook any form of retraining. Conversely, the younger unemployed redundant workers tended to be relatively more inclined to acquire new skills. For example, of the 19 workers who undertook any retraining at all, 12 were from the 25–39 age group, but only five were aged between 40 and 54 years.

Table 6.7 shows that 20.6 per cent of unemployed respondents with trade certificates received some form of non-government retraining; the corresponding figure for non-qualified respondents was only 6.5 per cent. Whether this indicates a greater degree of motivation on the part of unemployed tradespersons or merely greater opportunities, is not clear. Another factor could be that the earlier training undertaken by tradespersons and, in particular, their familiarity with the technical college system, might have made them more responsive to adult education

TABLE 6.6 NON-GOVERNMENT RETRAINING OF UNEMPLOYED RESPONDENTS, BY AGE

<i>Form of retraining</i>	<i>Age group (years)</i>						<i>Row total</i>	<i>Per cent</i>
	<i>Under 25</i>	<i>25–39</i>	<i>40–54</i>	<i>55–59</i>	<i>60–64</i>	<i>65 and over</i>		
No retraining at all	4	49	90	22	24	0	189	90.9
On-the-job, before becoming unemployed	0	6	1	1	0	0	8	3.8
Outside institution	0	6	3	0	0	0	9	4.3
Other	1	0	1	0	0	0	2	1.0
Column total	5	61	95	23	24	0	208	
Per cent	2.4	29.3	45.7	11.1	11.5	0.0		100.0

TABLE 6.7 NON-GOVERNMENT RETRAINING OF UNEMPLOYED RESPONDENTS, BY POST-SCHOOL QUALIFICATIONS

<i>Form of retraining</i>	<i>No qualifications</i>	<i>Apprenticeship certificate^a</i>	<i>Trade certificate</i>	<i>Business diploma or certificate</i>	<i>Tertiary degree</i>	<i>Row total</i>	<i>Per cent</i>
No retraining at all	143	11	27	7	0	188	91.3
On-the-job, before becoming unemployed	3	0	3	1	0	7	3.4
Outside institution	5	0	4	0	0	9	4.3
Other	2	0	0	0	0	2	1.0
Column total	153	11	34	8	0	206	
Per cent	74.3	5.3	16.5	3.9	0.0		100.0

a. Non-completed trade qualifications

opportunities. This explanation is supported by table 6.8, where tradespersons were shown to have undertaken proportionately more training than other occupational categories.

In summary, this section has shown a disturbing absence of retraining undertaken by unemployed redundant respondents, making it more likely that they will remain unemployed.

MOVING TO OTHER AREAS

There are assistance schemes designed to help workers with relocation expenses or with long-distance travel expenses incurred during the search for jobs away from local areas. Results indicated that the majority of unemployed respondents had not applied either for the Fares Assistance or for the Relocation Assistance Schemes (table 6.9).

These results would be reliable indicators of their willingness to move in search of employment if the respondents in question had all been familiar with the available schemes. There is no guarantee that this was the case. Hence, the large response in the negative might be an indication of a lack of information or limited familiarity with the assistance schemes, rather than an unwillingness to move to find another job.

Inability to move from the home area, however, might be a factor in the continuing unemployment status of, at least, some redundant workers. To the extent that inability to move is dependent on variables which are sensitive to public policy controls, then appropriate policy changes or programs could be introduced.

TABLE 6.8 NON-GOVERNMENT RETRAINING OF UNEMPLOYED RESPONDENTS, BY PREVIOUS OCCUPATION

<i>Form of retraining</i>	<i>Managers</i>	<i>Professionals</i>	<i>Para-professionals</i>	<i>Tradespersons</i>	<i>Clerks</i>	<i>Salespersons or personal services</i>	<i>Plant or machine operators</i>	<i>Labourers and related workers</i>	<i>Row total</i>	<i>Per cent</i>
No retraining at all	9	2	3	28	26	7	36	69	180	91.4
On-the-job, before becoming unemployed	0	0	0	4	2	0	0	1	7	3.5
Outside institution	0	0	0	2	1	1	2	2	8	4.1
Other	0	0	0	0	0	0	1	1	2	1.0
Column total	9	2	3	34	29	8	39	73	197	
Per cent	4.6	1.0	1.5	17.3	14.7	4.0	19.8	37.1		100.0

TABLE 6.9 NUMBER OF RESPONDENTS WHO HAD APPLIED FOR EMPLOYMENT ASSISTANCE SCHEMES

<i>Assistance scheme</i>	<i>Applied</i>		<i>Not applied</i>		<i>Total</i>
	<i>Number</i>	<i>Per cent</i>	<i>Number</i>	<i>Per cent</i>	
Fares assistance	11	5.3	197	94.7	208
Relocation assistance	1	0.5	206	99.5	207

TABLE 6.10 STATED DIFFICULTIES FOR UNEMPLOYED RESPONDENTS MOVING FROM THEIR HOME AREA TO FIND A JOB

<i>Difficulty</i>	<i>Number</i>	<i>Per cent</i>
No difficulties	23	13.5
Medical reasons	13	7.6
Family reasons	36	21.2
Relocation costs	21	12.4
Housing problems	12	7.1
Too old	11	6.5
Combination of the above	30	17.6
Other	24	14.1
Total	170	100.0

TABLE 6.11 STATED DIFFICULTIES FOR UNEMPLOYED RESPONDENTS COMMUTING TO ANOTHER AREA FOR ANOTHER JOB

<i>Difficulty</i>	<i>Number</i>	<i>Per cent</i>
No difficulties	49	32.5
Transport costs	47	31.1
Transport availability	20	13.2
Other	35	23.2
Total	151	100.0

Table 6.10 gives the distribution of unemployed respondents by their perception of difficulties associated with moving from their home areas to find another job. The table shows that only a minority (13.5 per cent) of the unemployed respondents thought that they would have no difficulties of moving from their current home areas for the sake of a job. On the whole, respondents found it difficult to shift for a variety of reasons. Some of these reasons are elaborated in appendix III, where respondents indicated that geographical relocation would be associated for them with substantial psychological, social and monetary costs, many of which they were not willing to bear.

Respondents were asked to indicate what difficulties they saw in commuting instead to another area for another job. The results are given in table 6.11. Almost a third of unemployed respondents did not see any difficulties with commuting. Another 44.4 per cent, however, indicated transport-related problems as preventing them from adopting this option.

If it is assumed that respondents were fully aware of assistance schemes, this section has shown that inability or unwillingness to move in search for another job could have compounded the problems of unemployed redundant respondents who were already handicapped by a lack of retraining.

THE DISCOURAGED WORKER SYNDROME

The 'discouraged worker syndrome' refers to a phenomenon where an unemployed worker who is below retirement age gives up looking for work as a result of repeated failure in attempts to acquire work. Unemployed redundant respondents were asked whether they were still looking for work. These responses are summarised in table 6.12 and show that 146 respondents (71.2 per cent) were still actively looking for work. Only a minority (28.6 per cent) had given up looking for work, because they thought that they were too old or because of other reasons.

Seventeen of the unemployed redundant respondents in the relatively young 25–39 age group had given up looking for work, representing 27.9 per cent in this group. In addition to these, 24 respondents (25.8 per cent) in the 40–54 age group also indicated that they had given up seeking another job.

Caution needs to be exercised, however, in interpreting these numbers as indicative of the discouraged worker syndrome. This need for caution arises, in particular, because of the types of responses which the 'other reasons' category comprises. On the one hand, this category includes responses like:

- 'I have no desire to work';
- 'I am content doing home renovations'; and
- 'I am settled and happy'.

TABLE 6.12 RESPONDENTS LOOKING FOR WORK, BY AGE

Response	Age group (years)						Row total	Per cent
	Under 25	25-39	40-54	55-59	60-64	65 and over		
Yes, still looking for work	4	44	69	17	12	0	146	71.2
No, afraid to lose welfare benefits if employment is found	0	5	6	0	2	0	13	6.4
No, too old	0	1	2	0	6	0	9	4.4
No, other reasons	1	11	16	5	4	0	37	18.0
Column total	5	61	93	22	24	0	205	
Per cent	2.4	29.8	45.4	10.7	11.7	0.0		100.0

TABLE 6.13 RESPONDENTS LOOKING FOR WORK, BY POST-SCHOOL QUALIFICATIONS

Workers responses	No qualifications	Apprenticeship certificate ^a	Trade certificate	Business diploma or certificate	Tertiary degree	Row total	Per cent
Yes, still looking for work	108	10	20	8	0	146	71.6
No, afraid to lose welfare benefits if employment is found	6	0	6	0	0	12	5.9
No, too old	8	0	1	0	0	9	4.4
No, other reasons	29	1	7	0	0	37	18.1
Column total	151	11	34	8	0	204	
Per cent	74.0	5.4	16.7	3.9	0.0		100.0

a. Non-completed qualifications.

These might have been genuine 'turn offs' from work and the search for that work, or a result of discouragement arising from continued failure to obtain work. On the other hand, the same response category contains those who seemed to have been discouraged from seeking work because of medical reasons. This could be gleaned from comments like:

- 'I am on an invalid pension';
- 'I receive sickness benefits'; and
- 'Just had a baby'.

Finally, the discouraged worker syndrome effects do not seem to have been concentrated only among respondents without post-school qualifications. Table 6.13 shows that 28.5 per cent of unemployed respondents without formal qualifications were no longer looking for work; 41.7 per cent of unemployed respondents with trade certificates were also no longer job seeking. If the discouraged worker syndrome did exist, it may have had a stronger effect on those unemployed redundant respondents with transferable qualifications, because their expectations of finding re-employment had been higher.

CHAPTER 7 THE RETIRED REDUNDANT RAILWAY WORKERS

INTRODUCTION

When people retire, they withdraw from the labour market. As a consequence, the questions in the survey that were specific to the retired rail workers did not deal with labour market issues. Instead, the following questions were asked:

- How much payment did the workers receive in total, when they left the railways?
- How much of that payment was due to their normal entitlements and how much was due to some form of severance package?
- How were these termination payments used?

Information on these payments and their uses was potentially useful in determining the financial status of retired rail workers following separation from the railway systems. In particular, this information helped to determine the extent to which separation payments were used to cover short-run living expenses during retirement. This was an issue of particular concern to the railway unions and is examined in some detail in this chapter.

TOTAL PAYMENTS

It was assumed that termination payments were related to the history of service and salary received.

Table 7.1 presents the distribution of total payments received by retired redundant respondents on separation from the railways, as a function of length of service. Using the formula outlined in chapter 5, the average total payment was \$46 288 and the modal payment was in the \$20 000–\$49 999 category. More than 60 per cent of retired respondents received payments in this range.

While it was evident that one of the variables explaining the range of payments was the number of years worked in the railways, table 7.1 also shows that this was not the only relevant variable in explaining the variation in total payments. Of the retired respondents who had been with the railways for at least 30 years, 11.2 per cent received less than \$20 000, 57.7 per cent received \$20 000–\$49 999, 20.5 per cent received \$50 000–\$99 999, and only 10.6 per cent received \$100 000 or more.

TABLE 7.1 TOTAL PAYMENTS TO RETIRED RESPONDENTS, BY NUMBER OF YEARS WORKED

Total payment	Years worked						Row total	Per cent
	Fewer than 5	5-9	10-19	20-29	30-39	40 or more		
\$4999 or less	0	1	1	0	0	0	2	0.8
\$5000-\$9999	0	0	3	2	1	0	6	2.3
\$10 000-\$19 999	2	2	9	3	13	4	33	12.7
\$20 000-\$49 999	0	1	23	42	77	16	159	61.1
\$50 000-\$99 999	0	0	0	8	30	3	41	15.8
\$100 000 or more	0	0	2	0	9	8	19	7.3
Column total	2	4	38	55	130	31	260	
Per cent	0.8	1.5	14.6	21.2	50.0	11.9		100.0

The other variable for explaining the distribution of these payments was the occupational or skill profile of the retired respondents. Table 7.2 gives the distribution of the retired respondents' total payments by occupation. The table reveals that, while the 101 least skilled respondents (plant and machine operators and labourers) together constituted 39.1 per cent of the retired sample, they comprised only 28.8 per cent of respondents who received \$50 000 or more in total separation payments. In contrast, 15.3 per cent of the retired respondents who received \$50 000 or more in total payment were in the most skilled occupational categories (managers, professionals and para-professionals), although these categories accounted for less than 10 per cent of all retired respondents.

It should be noted that some of the unexpectedly high or low payments to respondents contained in tables 7.1 and 7.2 might have been attributable to variations in individual employment histories, which were not examined by the survey.

SEVERANCE PAYMENTS AND NORMAL ENTITLEMENTS

Before the survey was undertaken, it was not clear to what extent redundant workers were offered severance payments in addition to their normal entitlements (for example, accrued holiday pay and long service leave) to induce them to leave the railways voluntarily. Most railway systems in Australia had voluntary termination, redundancy or early retirement schemes, operating during the period under study (January 1987 to June 1988). The three types of schemes essentially offered eligible workers a financial incentive to leave the railways voluntarily, either on the basis of termination as such, of occupying a surplus position (when voluntary redundancy is an alternative to redeployment) or on the basis of age (when early retirement from the railways is encouraged).

TABLE 7.2 TOTAL PAYMENTS TO RETIRED RESPONDENTS, BY OCCUPATION

<i>Total payment</i>	<i>Managers</i>	<i>Professionals</i>	<i>Paraprofessionals</i>	<i>Tradespersons</i>	<i>Clerks</i>	<i>Salespersons or personal services</i>	<i>Plant or machine operators</i>	<i>Labourers and related workers</i>	<i>Row total</i>	<i>Per cent</i>
\$4999 or less	0	0	0	0	1	0	0	1	2	0.8
\$5000-\$9999	0	0	0	5	0	0	0	1	6	2.3
\$10 000-\$19 999	0	1	1	6	7	1	2	14	32	12.4
\$20 000-\$49 999	9	2	2	45	33	2	21	45	159	61.6
\$50 000-\$99 999	1	2	2	7	15	1	3	9	40	15.5
\$100 000 or more	4	0	0	3	7	0	3	2	19	7.4
Column total	14	5	5	66	63	4	29	72	258	
Per cent	5.4	1.9	1.9	25.6	24.4	1.6	11.3	27.9		100.0

TABLE 7.3 RETIRED RESPONDENTS' NORMAL FINANCIAL ENTITLEMENT, BY NUMBER OF YEARS WORKED

Normal entitlement	Years worked						Row total	Per cent
	Fewer than 5	5-9	10-19	20-29	30-39	40 or more		
\$4999 or less	2	1	8	3	20	3	37	15.4
\$5000-\$9999	0	1	11	19	9	6	46	19.2
\$10 000-\$19 999	0	1	6	22	54	9	92	38.3
\$20 000-\$49 999	0	0	5	5	38	13	61	25.4
\$50 000-\$99 999	0	0	0	1	1	1	3	1.3
\$100 000 or more	0	0	1	0	0	0	1	0.4
Column total	2	3	31	50	122	32	240	
Per cent	0.8	1.3	12.9	20.8	50.8	13.4		100.0

In order to gauge the likely impact of financial incentive or decisions to leave the railways, it is necessary to compare the retired redundant workers' *normal entitlement* payments on separation with the *total* payments actually received. Table 7.3 presents the distribution of the retired respondents' normal entitlements, by the number of years worked on the railways. Table 7.4 gives a distribution of the respondents' normal entitlements by occupation.

Comparing table 7.3 with table 7.1, and table 7.4 with table 7.2, indicates that these distributions were sufficiently different to suggest that the amounts that respondents received on termination generally included a severance payment. Using the formula to calculate the average entitlement of retired respondents produces an estimate of \$18 031. Subtracting this sum from the earlier calculated average total payment of \$46 288 gives an average severance payment of about \$28 257 per respondent. This figure corresponds reasonably closely with the average severance payment of \$29 917 which respondents reported they had received. (Calculations were based on figures contained in table 7.5.)

Table 7.5 further shows that, as expected, reported severance payments increased with the number of years worked on the railways. For example, of the 32 retired respondents who had worked for at least 40 years with the railways, 15.6 per cent were paid less than \$10 000, 28.1 per cent collected between \$20 000 and \$49 999, and 15.6 per cent received more than \$100 000. Their average reported severance pay amounted to over \$42 100.

This can be compared with the distribution of severance pay for the 33 retired respondents who had worked with the railways for fewer than 20 years, where

TABLE 7.4 RETIRED RESPONDENTS' NORMAL FINANCIAL ENTITLEMENT, BY OCCUPATION

<i>Normal entitlement</i>	<i>Managers</i>	<i>Professionals</i>	<i>Paraprofessionals</i>	<i>Tradespersons</i>	<i>Clerks</i>	<i>Salespersons or personal services</i>	<i>Plant or machine operators</i>	<i>Labourers and related workers</i>	<i>Row total</i>	<i>Per cent</i>
\$4999 or less	0	1	1	9	6	0	6	12	35	14.7
\$5000-\$9999	1	1	1	16	7	1	2	17	46	19.3
\$10 000-\$19 999	8	0	1	24	20	1	17	21	92	38.7
\$20 000-\$49 999	3	3	2	11	25	1	7	9	61	25.6
\$50 000-\$99 999	0	0	0	1	0	0	1	1	3	1.3
\$100 000 and over	1	0	0	0	0	0	0	0	1	0.4
Column total	13	5	5	61	58	3	33	60	238	
Per cent	5.5	2.1	2.1	25.6	24.4	1.3	13.8	25.2		100.0

TABLE 7.5 RETIRED RESPONDENTS' REPORTED SEVERANCE PAYMENTS, BY NUMBER OF YEARS WORKED

Severance payment	Years worked						Row total	Per cent
	Fewer than 5	5-9	10-19	20-29	30-39	40 or more		
\$4999 or less	0	1	4	2	6	2	15	6.2
\$5000-\$9999	1	1	9	4	5	3	23	9.5
\$10 000-\$19 999	1	1	9	20	34	12	77	32.0
\$20 000-\$49 999	0	0	5	24	69	9	107	44.4
\$50 000-\$99 999	0	0	0	1	8	1	10	4.2
\$100 000 and over	0	0	1	0	3	5	9	3.7
Column total	2	3	28	51	125	32	241	
Per cent	0.8	1.2	11.6	21.2	51.9	13.3		100.0

48.5 per cent received less than \$10 000, 15.2 per cent collected between \$20 000 and \$49 999, and only 3.0 per cent received more than \$100 000. On average, these respondents had reported severance pay-outs of just over \$17 720. The distribution of severance payments was expectedly skewed towards lower payment levels for those respondents who had not worked with the railways for long.

In the same way that higher severance payments were associated with longer service, so they were also associated with higher skill levels (table 7.6).

In concluding the discussion on the monetary amounts received by retired respondents, it should be noted that:

- a number of respondents did not disclose the relevant sums requested by the survey;
- in some cases, there were large variations in amounts reported by respondents in the same occupational classification and with the same length of service, possibly due to variations in employment histories (for example, reduced duties, interrupted or continuous service) or the inappropriate inclusion of lump sum superannuation payments, or both;
- it is possible that the respondents reporting low (or high) payments, might have excluded (or included) superannuation payments, some of which might have been deferred, or some respondents might have resigned and, consequently, forfeited whatever financial benefits were attached to voluntary termination redundancy or early retirement; and
- the average amounts used for discussion were calculated on the basis of grouped data and are approximations only.

As a consequence, the figures should be interpreted and used with care.

TABLE 7.6 RETIRED RESPONDENTS' REPORTED SEVERANCE PAYMENTS, BY OCCUPATION

<i>Severance payment</i>	<i>Managers</i>	<i>Professionals</i>	<i>Para-professionals</i>	<i>Tradespersons</i>	<i>Clerks</i>	<i>Salespersons or personal services</i>	<i>Plant or machine operators</i>	<i>Labourers and related workers</i>	<i>Row total</i>	<i>Per cent</i>
\$4999 or less	0	0	0	4	1	0	2	8	15	6.3
\$5000-\$9999	0	0	1	3	7	2	5	4	22	9.2
\$10 000-\$19 999	3	1	1	20	11	1	12	27	76	31.8
\$20 000-\$49 999	10	4	3	29	30	1	13	17	107	44.8
\$50 000-\$99 999	0	0	0	4	5	0	0	1	10	4.1
\$100 000 or more	1	0	0	2	4	0	1	1	9	3.8
Column total	14	5	5	62	58	4	33	58	239	
Per cent	5.8	2.1	2.1	25.9	24.3	1.7	13.8	24.3		100.0

USE OF SEPARATION PAYMENTS

An implication from earlier studies (Gordon, Smith & Gordon 1986; Wooden & Sloan 1987) was that retired rail workers would spend significant amounts of their separation pay-outs on short-run consumption activities, instead of on those activities with a capacity to enhance the workers' financial stability in their old age. The results indicated that, while some retired respondents did tend to spend their separation payments on consumption activities, this was not typical. Table 7.7 gives a distribution of retired respondents by type of spending and housing situation.

Only 2.2 per cent of respondents to this question used their separation payments on living expenses (for example, food, medical expenses and the like). A large proportion of the retired respondents (38.0 per cent) spent their separation payments on a combination of financial stability-enhancing activities and short-run consumption. It is not clear, however, how these respondents divided their payment among the different activities.

It was expected that one possible indication of differences in the way retired respondents disposed of their separation payments could have been their housing situation at the time of the survey. Table 7.7 shows that 10.5 per cent of respondents who owned their house at the time of the survey had apparently used their separation payment to pay off their house, while 34.8 per cent had invested this money directly in a financial institution. These percentages together almost correspond to the 41.9 per cent of retired respondents still paying off a house, who had similarly invested their separation pay-out. The findings of Gordon, Smith and Gordon (1986) and Gordon and Gordon (1988) that separation payments are used to a significant extent for longer-term investments of one type or another, are supported by the results. Assuming that these investments represent a measure of financial security after retirement, it is also not surprising that the percentage of retired respondents engaging in risk-taking activities such as establishing a new business (0.7 per cent) is far lower than that of re-employed respondents (6.9 per cent), who were of a comparatively younger age (see table 5.43).

TABLE 7.7 USE OF SEPARATION PAYMENT, BY TYPE OF HOUSING

<i>Use of payment</i>	<i>Paying off house</i>	<i>Own house outright</i>	<i>Rented house</i>	<i>Other</i>	<i>Row total</i>	<i>Per cent</i>
Paid off house	1	21	1	0	23	8.6
Paid off car	1	6	1	0	8	3.0
Set up or bought business	0	2	0	0	2	0.7
Went on holiday	2	13	3	0	18	6.7
Invested it	13	71	8	3	95	35.3
Used for living expenses	0	6	0	0	6	2.2
Combination of the above	12	76	10	5	103	38.3
Other	2	10	1	1	14	5.2
Column total	31	205	24	9	269	
Per cent	11.5	76.2	8.9	3.4		100.0

CHAPTER 8 CONCLUDING REMARKS

The findings of the survey have shown that, while undoubtedly having a profound impact on the majority of affected respondents, neither redeployment nor redundancy had only totally negative effects on their employment experiences. For some, the changes initiated by redeployment and redundancy proved beneficial in terms of financial prospects, career development and general satisfaction with employment; for others the change in employment had the opposite effect and led to unemployment and, indeed, complete withdrawal from the work force (or retirement).

On a more detailed level, the survey has identified a number of issues which can broadly be classified under the headings of job skills, training, satisfaction and the management of change.

JOB SKILLS

On the one hand, as a result of the redeployment policies implemented by the rail systems, many skilled respondents were moved to non-skilled jobs. On the other hand, a majority of redundant tradespersons was re-employed outside the railway in a trade, and a large number of labourers were re-employed at a higher skill level. Only a minority of redundant workers took jobs at a lower skill level.

These results suggest that either the number of skilled jobs in the rail systems is declining or that skills are not transferable within the systems. It also raises the question of whether the sole determining criterion for redeployment was the availability of positions, regardless of the employee's set of skills.

TRAINING

Despite the considerable incidence of respondents moving between occupational groupings after redeployment and redundancy, little formal training seems to have occurred to help workers adapt to their new positions. For redeployed workers, any training mostly occurred on-the-job, possibly reflecting the lower level of skills required for the new job. It is interesting to note, however, that the State Rail Authority of New South Wales is now offering formal training to help workers acquire new skills for new positions following redeployment. This suggests a more efficient use of the available work force, reduces the need to recruit suitably

qualified personnel from outside the railways and minimises the costs associated with redundancy.

SATISFACTION

Although both redeployed and re-employed redundant respondents shared the common characteristic of having a job, they differed to some degree with respect to financial position and perceived prospects, anticipated career advancement and levels of satisfaction. In spite of lower immediate post-redundancy incomes, re-employed workers outside the railways were more positive about their future than redeployed workers within the railways. This was reflected in both relatively and absolutely higher satisfaction levels and suggests that redeployment, for a number of reasons, has not been managed as effectively as it might have been. The implications for railway productivity in the face of high levels of dissatisfaction are potentially serious and should receive some attention if the restructuring of the railways is to achieve its goals.

MANAGEMENT OF CHANGE

The survey has shown considerable variation in the level of impact which redeployment and redundancy has had on affected respondents. It also showed that a large number of respondents experienced reductions in income, moved location and took less satisfactory jobs. Their comments indicated that some felt that they have been treated poorly and that the needs of their families had been ignored. There was dislocation of family life and local ties, and they equated redundancy with the loss of future prospects. Some were under financial pressure to move from communities where they had become established, in order to seek employment elsewhere. These problems were compounded by a general impression that the process of change had not been handled well.

Part of the solution to these problems can be seen in the provision of timely and accurate information, so that needs can be anticipated and the process of structural adjustment can be matched with social objectives. Employees should be informed of corporate objectives, their role in the organisation, anticipated changes and how they and their families are likely to be affected.

Further, counselling should be made available to help employees evaluate their future options, to adjust to the expected changes financially and to develop alternative career opportunities both inside and outside the railways. This would involve the establishment of support networks and training programs before actual redeployment or redundancy occurs, to encourage workers to accept responsibility for their future and become active participants in the restructuring process.

APPENDIX I REPRESENTATIVENESS OF THE SURVEY RETURNS

In view of concerns expressed by the unions that the survey methodology was potentially biased against relatively unskilled rail workers, due to the use of a self-administered questionnaire, a simple statistical analysis was performed on the returned survey forms to test for the effect of occupational status on survey returns. This analysis is described below.

THE χ^2 TEST

The validity of the following hypotheses was tested:

Null hypothesis: there is no difference between the occupational distribution stated in the survey returns and that of all the rail workers who were affected.

Alternative hypothesis: there is a difference between the occupational distribution of the respondents and that of all the affected rail workers.

If the statistical test rejects the null hypothesis, then the concerns of the unions would have materialised and the survey results would be biased. If, on the other hand, the null hypothesis is accepted, or equivalently, the alternative hypothesis is rejected, then the union concerns would not have been supported by the statistical tests and the results from the survey would be valid and useful descriptions of the impacts of redeployment and redundancy.

The numbers in column 2 of table 1.1 indicate the relative weights of occupations in the population of affected rail workers. These numbers can be converted to percentages by multiplying column 2 by 100. Column 2, for example, indicates that of all the rail workers who were redeployed or made redundant by Australian National (AN) between January 1987 and June 1988:

- 6.2 per cent were expected to be managers;
- 22.2 per cent were expected to be tradespersons; and
- 24.5 per cent were expected to be labourers.

Based on the assumption that the methodology used in the survey did not discriminate against some types of workers in AN, the null and alternative hypotheses would be stated as follows:

Null hypothesis: the proportions of the occupations observed in the sample do not differ significantly from those in the population of affected rail workers (column 2 of table I.1).

Alternative hypothesis: the proportions of the occupations observed in the sample do differ significantly from those in the population of affected rail workers (column 2 of table I.1).

It is important to note that column 1 in table I.1 lists the classifications of occupations based on skill levels and educational background. In particular, moving down column 1, the required skills and levels of education decrease. Managers and professionals, at one end, tend to be highly skilled and highly educated, while labourers at the other end of the skill and education spectrum need less schooling and their demands on skills are minimal.

TABLE I.1 COMPUTATIONS TO DETERMINE REPRESENTATION OF RELATIVELY UNSKILLED WORKERS IN THE SURVEY RETURNS FROM AUSTRALIAN NATIONAL

(1)	(2)	(3)	(4)	(5)	(6)	(7)
ASCO category ^{a,b}	Expected proportion ^c	Expected frequency	Observed frequency	Column 4 minus column 3	Column 5 squared	Column 6 divided by column 3
Managers (50)	0.0624 ^c	23.20	18	-5.2	27.04	1.17
Professionals (10) and para-professionals (21)	0.0125 + 0.0262	14.40	18	3.6	12.96	0.90
Tradespersons (178)	0.2222	82.66	83	0.34	0.12	0.00
Clerks (192) and salespersons (16)	0.2397 + 0.0200	96.61	102	5.39	29.05	0.30
Plant or machinery operators (138)	0.1723	64.10	61	-3.1	9.61	0.15
Labourers and related workers (196)	0.2447	91.03	90	-1.03	34.81	0.01
Total (801)	1.0000	372	372			2.53

- a. Australian Standard Classification of Occupations (Australian Bureau of Statistics 1986).
- b. The numbers in brackets in column 1 were computed from a listing from Australian National of affected rail workers.
- c. The numbers in this column are expected proportions for the eight classifications of occupations. Some of these classifications have been merged for computing column 3, in order to ensure that there were enough observations to allow for statistical analysis.

TABLE I.2 COMPUTATIONS TO DETERMINE REPRESENTATION OF RELATIVELY UNSKILLED WORKERS IN THE SURVEY RETURNS FROM WESTRAIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<i>ASCO category^a</i>	<i>Expected proportion^b</i>	<i>Expected frequency</i>	<i>Observed frequency</i>	<i>Column 4 minus column 3</i>	<i>Column 5 squared</i>	<i>Column 6 divided by column 3</i>
Managers, professionals, para-professionals and tradespersons ^c	0.3233	20.69	16	-4.69	21.99	1.06
Clerks and salespersons	0.2597	16.62	18	1.38	1.90	0.11
Plant or machinery operators	0.1723	11.03	9	-2.03	4.11	0.37
Labourers and related workers	0.2447	15.66	21	5.34	28.51	1.82
Total	1.000		64			3.36

a. Australian Standard Classification of Occupations (Australian Bureau of Statistics 1986).

b. Assumed to be as for Australian National.

c. The categories had to be grouped to ensure that the test is reliable.

Column 4 gives the distribution by skill and occupational classification of the workers in the AN subsample who responded to the survey. The total of these was 372 at the time of testing. This total, together with column 2, allows the computation of column 3. This column gives the expected frequencies for a sample size of 372, distributed by occupation, under the assumption that the sample is not biased against the uneducated and less skilled workers.

What follows in columns 5 to 7 are computations for a goodness of fit test, to determine whether the observed response rates by skill level are statistically significantly different from the expected response rates. If there are large differences between the expected and observed frequencies in column 3 and column 4, doubt would be cast on the assumption that the adopted methodology is not biased against some groups of workers. However, if there are only small differences between column 3 and column 4, this would tend to support the assumption of no bias in the adopted survey methodology.

Column 5 indicates that the following occupations appeared to be overrepresented in the survey returns from AN:

- professionals and para-professionals;
- tradespersons;
- clerks and salespersons.

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TABLE 1.3 COMPUTATIONS TO DETERMINE REPRESENTATION OF RELATIVELY UNSKILLED WORKERS IN THE SURVEY RETURNS FROM THE STATE RAIL AUTHORITY OF NEW SOUTH WALES

(1)	(2)	(3)	(4)	(5)	(6)	(7)
ASCO category ^{a,b}	Expected proportion ^c	Expected frequency	Observed frequency	Column 4 minus column 3	Column 5 squared	Column 6 divided by column 3
Managers (17) and professionals and para-professionals (9)	0.0155 +	9.36	23	13.64	186	19.87
Tradespersons (467)	0.4265	168.47	162	-6.47	41.86	0.25
Clerks and salespersons (86)	0.0785	31.01	55	23.99	575.52	18.56
Plant or machinery operators (109)	0.0995	39.30	26	-13.3	176.89	4.50
Labourers and related workers (407)	0.3718	146.9	129	-17.9	320.41	2.18
Total (1 095)	1.000		395			43.36

a. Australian Standard Classification of Occupations (Australian Bureau of Statistics 1986).

b. The numbers in brackets in column 1 were derived from a listing of affected workers provided by the State Rail Authority.

Similarly, the following occupations or skill categories from AN seemed to be underrepresented:

- managers;
- plant and machinery operators;
- labourers.

The total of column 7 has a χ^2 distribution with five degrees of freedom. The degrees of freedom equal $k - 1$, where k is the number of classifications in column 1.

To determine whether 2.53, the total in column 7, is large, one can refer to the appropriate χ^2 probability distribution tables at the 5 per cent level of significance. The tables show that the χ^2 value with five degrees of freedom, and at the 5 per cent level of significance, is equal to 11.0705.

Since the χ^2 value computed for AN is less than 11.0705, it is clear that there is no statistically significant difference between the affected rail workers at AN and the respondents from this sample.

In the absence of the required listing for Westrail, it was assumed that the expected distribution for Westrail can be approximated by that of AN.

This assumption reflects the widely accepted view that Westrail and AN are at the same end of the efficiency and restructuring continuum. Thus, the distribution of affected workers by skill are likely to be similar for AN and Westrail. Tables I.2 and I.3 give the details of the computations carried out to test for representativeness of the samples from Westrail and the State Rail Authority of New South Wales (SRA). The χ^2 computations indicated no statistical significance of the difference between affected Westrail workers and respondents; for the SRA, however, the difference between affected workers and SRA respondents was significant at the 5 per cent level.

The bias of the sample from V/Line could not be tested, because the required listing of the occupations of affected workers was not made available and there were no acceptable proxies for the required distribution.

APPENDIX II THE SURVEY FORM

Note that sections of the questionnaire were colour-coded to ensure that the appropriate questions were answered. The redeployed section was printed on pink paper, the re-employed section on blue, the unemployed section on green and the retired section on yellow.

SURVEY OF REDEPLOYED

AND

REDUNDANT RAIL WORKERS

PLEASE FILL IN AND RETURN IN THE PRE-PAID ENVELOPE

BEFORE 7TH APRIL 1989

ENGLISH

If you have any problems with the questions please, contact an officer of the Bureau on the following telephone numbers:

062-67 9826 or 062-67 9752 (REVERSE CHARGE CALL)

ITALIAN

INDAGINE SULLE MAESTRANZE FERROVIARIE PASSATE AD ALTRO

INCARICO O MESSE IN DISPONIBILITA

Chi abbia bisogno di chiarimenti per meglio comprendere le domande di questo modulo e pregato telefonare al:

Sydney 221 111
All non-metropolitan NSW (008)11 2477

SPANISH

ENCUESTA DE LOS TRABAJADORES FERROVIARIOS TRASLADAOS

A OTRO SECTOR O QUE HAND PERDIDO EL EMPLEO.

Si necesita ayuda para entender las preguntas de esta encuesta, sirvase llamar al telefono:

Sydney 221 111
All non-metropolitan NSW (008)11 2477

CROATIAN

RAZMATRANJE PREGRUPIRANIH II PREOBILJNIH RADNIKA ZELJEZNICE

Ako vam treba pomoc razumjeti pitanja ovog razmatranja molimo nazovite:

Sydney 221 111
All non-metropolitan NSW (008)11 2477

ARABIC

بيان حول عاملي السكك الحديدية المعاد توزيعهم
والزائدين عن الحاجة

اذا كنت بحاجة للمساعدة في فهم الاثثة المدرجة على استمارة هذا
البيان، الرجاء الاتصال بـ

Sydney 221 111
All non-metropolitan NSW (008)11 2477

GREEK

Έρευνα στους μετακινήθόντες και πλεονάζοντες σιδηροδρομικούς υπαλλήλους

Αν χρειάζεστε βοήθεια για να καταλάβετε τις ερωτήσεις στο έντυπο έρευνας, παρακαλώ
τηλεφωνείστε στο

Sydney 221 111
All non-metropolitan NSW (008)11 2477

SERBIAN

АНКЕТА ЗА РАДНИКЕ НА ЖЕЛЕЗНИЦИ КОЈИ СУ СЕ ЗАПОСЛИЛИ НА НЕКО
ДРУГО РАДНО МЕСТО И КОЈИ СУ СУВИШНА РАДНА СНАГА

Ако вам је потребна помоћ да бисте разумели питања у овој
анкети, молимо вас да телефонирате на број

Sydney 221 111
All non-metropolitan NSW (008)11 2477



bureau of transport and communications economics

Our Reference:

SURVEY OF REDEPLOYED AND REDUNDANT RAIL WORKERS

The Bureau of Transport and Communications Economics is undertaking a survey of rail workers on behalf of the rail unions and the railway systems, to find out what happens to railway workers when they are redeployed or are made redundant. The results of the survey will help the government, the unions and the railway systems to plan better in the future.

To be able to do this we are seeking your help, and would like you to answer the attached list of questions. The answers that you give are important.

The survey is in three sections, A, B and C. It is important that you answer the questions by placing a tick in the appropriate box, or by writing in the space provided.

Your answers will be treated as strictly confidential and we thank you for your help. Please return the completed questionnaire in the pre-paid envelope BEFORE 7TH APRIL 1989 to:

BUREAU OF TRANSPORT AND COMMUNICATIONS ECONOMICS
GPO BOX 501
CANBERRA ACT 2601

Thank you for your co-operation.

Michael Taylor

Michael Taylor
Research Manager
Land Transport
March 1989

Australian Council of Trade Unions

President S. Crean

Secretary W.J. Kelty.



ACTU

"ACTU HOUSE"
393 397 Swanston Street
Melbourne 3000
Victoria Australia

Telephone
ISD (613) 663 5266
STD(03) 663 5266
Telegrams and cables
Actradum
Telex AA33943
Fax: (03) 663 4051

In reply please quote:

DW:LC

23 February, 1989

Dear Comrade,

The ACTU and Rail Industry Unions are involved with Rail Management and Government Representatives in the Rail Industry Council. The role of the Council is to make recommendations on how to improve the future viability of railways and how to effect change which will be of benefit to the Australian economy and the community.

In the past structural changes in rail systems have tended to lead to great personal changes for rail employees. The purpose of this survey is to find out the effects on workers who have been made redundant or been redeployed as a result of past changes.

The information gained from this survey will assist us in assessing the social impact of those changes and help us in making recommendations about how changes are effected in the future.

On behalf of the rail unions I ask you to assist us by completing this questionnaire and returning it in the pre-paid envelope. If you would like to provide more information please indicate on the questionnaire your willingness to be interviewed.

Thank you,

DOMINICA WHELAN
Industrial Officer

SECTION A

QUESTION 1 (Tick one box only)

In the last two years, have you?

- Been redeployed
- Become redundant
- Retired from the railways
- Other (Please specify)
-

QUESTION 2

What town or city do you live in at present?

Town or city

Postcode

QUESTION 3

How old are you?

Years

QUESTION 4 (Tick one box only)

Are you?

- Male Female

QUESTION 5 (Tick one box only)

What is your present marital status?

- Never married
- Married
- De facto
- Separated but not divorced
- Divorced
- Widowed

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QUESTION 6

How many persons rely mainly on your income? (Please include yourself.)

18 years of age and over

Under 18 years of age

QUESTION 7 (Tick one box only)

What is your current accommodation?

Own house (paying off)

Own house (paid off)

Rented house

Other (Please specify)

.....

QUESTION 8 (Tick one box only)

What is the highest level of schooling that you have completed?

Never attended school

Primary School only

Form 1 (Year 7)

Form 2 (Year 8)

Form 3 (Year 9)

Form 4 (Year 10)

Form 5 (Year 11)

Form 6 (Year 12)

QUESTION 9

Have you obtained any further qualifications after leaving school? (E.g., Trade or Apprenticeship Certificate, Diploma, Degree)

No Yes

If YES, please print the full name of your highest qualification

.....

QUESTION 10

How many years have you worked for the railways?

Years

QUESTION 11

What was the TITLE of your last job with the railways, before you became redundant or were redeployed?

.....

QUESTION 12

What was the LOCATION of your last job on the railways, before you became redundant or were redeployed?

Town or district

Postcode

QUESTION 13 (Tick one box only)

In your last job, were you employed in?

A railway workshop

A major engineering depot

Elsewhere in the railways
(Please specify)

.....

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SECTION B

QUESTION 14 (Tick one box only)

Which of the following describes your current employment situation?

1. Employed by the railways
2. Employed, but not with the railways
3. Self-employed
4. Unemployed
5. Retired; not looking for work

PLEASE READ CAREFULLY

IF YOU HAVE TICKED (1) ABOVE, ANSWER QUESTIONS 15 TO 21 ON THE PINK FORM.

IF YOU HAVE TICKED (2) ABOVE, ANSWER QUESTIONS 22 TO 39 ON THE BLUE FORM.

IF YOU HAVE TICKED (3) ABOVE, ANSWER QUESTIONS 22 TO 39 ON THE BLUE FORM.

IF YOU HAVE TICKED (4) ABOVE, ANSWER QUESTIONS 40 TO 48 ON THE GREEN FORM.

IF YOU HAVE TICKED (5) ABOVE, ANSWER QUESTIONS 49 TO 52 ON THE YELLOW FORM.

QUESTION 15

What is the TITLE of your current job with the railways, after you were redeployed?

.....

QUESTION 16 (Tick one box only)

Are you now employed in?

- A railway workshop
- A major engineering depot
- Elsewhere in the railways
- (Please specify)

.....

QUESTION 17 (Tick one box only)

Did you have to undertake any retraining for your present job?

- No Yes

If YES, was this retraining?

- On the job
- In-house formal training
- At an outside educational or training institution
- Other (Please specify)

.....

QUESTION 18 (Tick one box only)

Compared with your last job, do you now earn?

- More money
- About the same money
- Less money

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QUESTION 19 (Tick one box only)

How do you rate your financial prospects since being redeployed?

- Excellent
- Better
- Same
- Worse
- Much worse

QUESTION 20 (Tick one box only)

How do you rate your career prospects since being redeployed?

- Excellent
- Better
- Same
- Worse
- Much worse

QUESTION 21 (Tick one box only)

Compared with your last railway job, are you?

- More satisfied
- Just as satisfied
- Less satisfied

PLEASE TURN TO THE LAST PAGE OF THE QUESTIONNAIRE AND ANSWER QUESTIONS 53 AND 54.

QUESTION 22

When did you become redundant?

Month

Year 19....

QUESTION 23

Why did you accept redundancy or early retirement?

Please, explain

.....

QUESTION 24 (Tick one box only)

What was the reason for your redundancy?

Changed railway operations

Cuts in railway services

New technology in the railways

Other (Please specify)

.....

QUESTION 25

Had you been redeployed before being made redundant?

No Yes

If YES, how many times had you been redeployed?

Number of times

QUESTION 26

How long did it take you to find your first job, after leaving the railways?

Months

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QUESTION 27

How many jobs have you had since leaving the railways?

Number of jobs

QUESTION 28

Since leaving the railways, how long have you been unemployed?

Months

QUESTION 29

How did you find your present job?

- Referred by CES
- Contacted employer
- Newspaper advertisement
- Referred by friend, relative etc
- Other (Please, explain)

.....

QUESTION 30 (Tick one box only)

Does your current job use skills or training which you used when working with the railways?

- No Yes

QUESTION 31

What is the TITLE of your current job?

.....

QUESTION 32 (Tick one box only)

Compared with your last railway job, do you now earn?

- More money
- About the same money
- Less money

QUESTION 33 (Tick one box only)

How do you rate your financial prospects since being redeployed?

- Excellent
- Better
- Same
- Worse
- Much worse

QUESTION 34 (Tick one box only)

How do you rate your career prospects since being redeployed?

- Excellent
- Better
- Same
- Worse
- Much worse

QUESTION 35 (Tick one box only)

Compared with your last railway job are you?

- More satisfied
- Just as satisfied
- Less satisfied

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QUESTION 36

How much payment did you receive when you left the railways?

\$.....

QUESTION 37

How much of that payment was your normal entitlement? (e.g. sick leave, annual leave, and so on)

\$.....

QUESTION 38

How much of that payment was due to a redundancy or early retirement package?

\$.....

QUESTION 39

What type of things did you do with this money?

- Pay off house
- Pay off car
- Set up or buy business
- Went on holiday
- Invested it
- Other (Please specify)

.....

PLEASE TURN TO THE LAST PAGE OF THE QUESTIONNAIRE AND ANSWER QUESTIONS 53 AND 54.

QUESTION 40

Since leaving the railways, how long have you been unemployed?

Months

QUESTION 41 (Tick one box only)

What do you consider the main reason for missing out on some jobs since you left the railways?

- No other jobs available for me in this area
- Not well enough qualified for available jobs
- Do not want to move to another area
- Lack of experience
- Other (Please specify)
-

QUESTION 42 (Tick one box only)

Have you applied for the Fares Assistance Scheme?

- No Yes

QUESTION 43 (Tick one box only)

Have you applied for the Relocation Assistance Scheme?

- No Yes

QUESTION 44

What difficulties do you see in moving from your home area to find another job? (Please explain)

.....
.....

QUESTION 45

What difficulties do you see in commuting to another area for another job? (Please explain)

.....

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QUESTION 46

Have you applied for any of the following government retraining programs?

- | | |
|---|--------------------------|
| Jobtrain | <input type="checkbox"/> |
| Adult Training Program | <input type="checkbox"/> |
| Youth Training Program | <input type="checkbox"/> |
| Jobstart | <input type="checkbox"/> |
| Skillshare | <input type="checkbox"/> |
| Community Youth Support Scheme | <input type="checkbox"/> |
| Community Training Program | <input type="checkbox"/> |
| Other government program (Please specify) | <input type="checkbox"/> |
| | |
| Have not applied | <input type="checkbox"/> |

QUESTION 47 (Tick one box only)

Have you undertaken any other retraining since leaving the railways?

- No Yes

If YES, was this training?

- | | |
|---|--------------------------|
| On the job, before becoming unemployed | <input type="checkbox"/> |
| In-house formal training | <input type="checkbox"/> |
| At an outside educational or training institution | <input type="checkbox"/> |
| Other (Please specify) | <input type="checkbox"/> |
| | |

QUESTION 48

Are you still seeking work?

No Yes

If NO, please explain

.....
.....

PLEASE TURN TO THE LAST PAGE OF THE QUESTIONNAIRE AND ANSWER QUESTIONS 53 AND 54.

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QUESTION 49

How much payment did you receive when you left the railways?

\$.....

QUESTION 50

How much of that payment was your normal entitlement? (e.g. sick leave, annual leave, and so on)

\$.....

QUESTION 51

How much of that payment was due to a retirement package?

\$.....

QUESTION 52

What type of things did you do with this money?

- | | |
|------------------------|--------------------------|
| Pay off house | <input type="checkbox"/> |
| Pay off car | <input type="checkbox"/> |
| Set up or buy business | <input type="checkbox"/> |
| Went on holiday | <input type="checkbox"/> |
| Other (Please specify) | <input type="checkbox"/> |

.....

SECTION C

QUESTION 53

We may wish to get back to you on this questionnaire. If you are prepared to help us further, please give us a telephone number or address, where we can contact you.

.....
.....
.....

QUESTION 54

Do you know of any former railway employees that have moved away from here in the past two years? Please, give us his or her address and/ or telephone number.

Name	Address	Phone
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.....
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.....
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.....

PLEASE RETURN THIS FORM BEFORE 7TH APRIL 1989, TO THE

BUREAU OF TRANSPORT AND COMMUNICATIONS ECONOMICS,
GPO BOX 501,
CANBERRA, ACT 2601,

IN THE ENVELOPE PROVIDED.

APPENDIX III COMMENTS BY RESPONDENTS

INTRODUCTION

The purpose of this appendix is to add a more qualitative dimension to the quantitative survey results reported in the main text, by summarising the comments made by the survey respondents, either written directly on the survey form or expressed in an attached letter. These comments indicated, on the one hand, that survey questions themselves were considered inadequate to cover the range of responses that respondents wanted to give. In other cases, questions were not available to address the feelings that they wanted to express. It should be noted that the comments were unsolicited and express respondents' perceptions which are not necessarily founded in fact.

The analysis of results, reported in earlier chapters, has already shown that the railway restructuring process has benefited some respondents more than others. While this was not unexpected, the more obvious financial and career effects were given a more subjective dimension by the feelings of respondents who had gone through an unsettling experience. It is evident from the comments that the experience of redeployment, that is, the change of the type or the relocation of a job, raised as many problems as redundancy, or the actual loss of a job. In view of this result, the popular assumption that any job is better than none at all appeared to be not wholly supported by this survey.

What follows is a summary of the major themes of comments covering employment changes, and union and government policies and practices. As well, quotations from respondents are used as illustrative examples. These are not intended to be an exhaustive presentation of all comments made, but reflect the depth of feeling present. A statistical summary of comments is contained in table III.1.

SUMMARY OF COMMENTS

All the issues raised by the comments were applicable to all the rail systems under consideration, although some may have applied in different degrees to redeployment and redundancy (see table III.1). These were:

- low morale;
- lack of information;

- disregard of effects on family and community;
- lack of counselling; and
- systems' disregard for loyalty.

Low morale

Low morale can arise from a variety of sources. In this case, low morale seemed to have been especially a function of uncertainty, lack of future prospects and perceived job insecurity. Neither management nor unions were perceived to be available to listen to workers' problems, and government policy was often seen as a personal attack on the integrity and efficiency of workers.

In particular, low morale was linked to the adoption of a new management style, which seemed to include a disregard of individuals in favour of corporatism, the influx of too many experts and the predominance of accountants and other 'pen-pushers' over 'real' workers. The unions were not seen to be a help in this regard. Some quotations were:

Reluctant to leave but felt I was becoming meat in the sandwich and railway policy had no future and kept changing every three months.

[Rail system] brought in all these — who know nothing about railways and paid them a fortune. They were full of — and big ideas. Those people are still employed today doing nothing while all the workers have been retrenched.

Because the feeling at the time was that there was no future in staying with [rail system].

The [rail system's] actions certainly cause staff to lose any incentive attitude to assist the best interest of the authority, one generally (and I mean most employees) comes to work for the money only and can't wait to retire and finish up.

In all his years of membership it has been our experience that the union movement shows little concern for country members. (As wife and partner for 42 years these are my feelings.)

TABLE III.1 TYPE OF RESPONDENTS' CRITICISMS, BY TARGET

<i>Type of criticism</i>	<i>Management</i>	<i>Unions</i>	<i>Government policy</i>	<i>Total</i>
Low morale	79	72	23	174
Lack of information	50	49	13	112
Family and community effects	31	29	15	75
Lack of counselling	17	16	9	42
Disregard for loyalty	18	18	3	39
Total	195	184	63	442

Note Numbers refer to frequency of comments.

Lack of information

The lack of information available to respondents was often seen as an important contributor to low morale, but was also a problem in itself. Neither management nor unions appeared to be willing to provide information to respondents on job prospects and, if job prospects were low, on workers' entitlements to benefits. In addition, respondents were not told what was happening, when it would happen or what the consequences for the individual would be. For instance, in the case of redeployment, apparently little advance information for domestic rearrangements was given. (It should be noted here, that both the SRA and AN had mechanisms in place and information available to overcome this problem. How effective the mechanisms were and whether the information was adequately disseminated, is, however, debatable, judging by respondents' comments.)

Illustrative quotations were:

There are other rail employees that I have worked with for at least 17 years that have been forced to move to other locations or regressed to labouring jobs through no fault of their own, keeping their same rate of pay. There is some talk about redeployed workers accepting other jobs and losing their rate of pay. I would like to know more about this matter.

In present section, no redeployed. No present ideas as to what exactly will be happening to our section just speculation/rumours which I might say causes a lot of anxiety and certainly a non-motivating outlook for [rail system].

I became redundant and then retired due to health. The pay offices refused to give me a break up of my payment and I feel I have lost many days of sick pay.

I was advised by my workmate whilst I was on holidays that I no longer had a job. I was not approached at any time by any [rail system] employee. The unions were of no help either. In the end I rang those handling retrenchment and finalised all myself.

No communications from management and unions about future of rail industry; badly handled, two years of waiting for outcome.

... after I [had] been redeployed to the workshop at ... this place was terrible for me, I became sick shortly after [I went] to work there, ... I asked for [a] change but I didn't get any answer. After six month I resigned.

Unaware of availability of such [redundancy, early retirement] schemes. Please forward details.

Did not know any of these [redundancy, early retirement] schemes existed.

Effects of redeployment and redundancy on family and community

These comments concerned mainly the dislocating effects on rural families of successive shifts of homes, the breaking of family and friendship ties and the overall effects of railway restructuring on rural communities. In some instances, survey respondents had preferred to accept early retirement from the railways altogether rather than undergo another relocation.

Below are some examples:

It is difficult for me to move since I not only have to consider myself but also my family. I must take into account the unnecessary interruption it would cause in the children's schooling and the enormous [disadvantage] it will put my son in. He has been looking for a job for four months and finally found a job.

Currently seeking employment back in ... on a promotional or some employment basis to be able to live in ... with my wife and child as a closer family unit.

As I have moved a number of times during my career with [rail system] with my family I was not prepared to move to the other side of the State...

My 16 year old daughter had great difficulty in being forced to give up her home town, school friends etc. Her sporting and social life is virtually non-existent at present.

I hope that you can convince the State government of the damage they are causing families because of their restructuring programme. There are families particularly out west who have been devastated by the changes. Their jobs no longer exist, and therefore have been redeployed. Most do not do any other occupation or now have to move away. Can you imagine the distress it causes the spouse and their children. Surely there has to be a better alternative.

Social life is near non existent, friends are harder to make and neighbours are unsociable in a city environment. The smaller town togetherness and concern for others does not appear in the city.

A debt at a time when I should normally be living a comfortable financial existence owning my own home etc., is not taken into consideration by the [rail system].

High interest rates and a need to take up a large mortgage at my age (45) is something that is in no way compensated by the [rail system].

Offered transfer to Cost of housing and living too high. My wife would not transfer, would [have] had to keep two houses.

Having to move a long distance and would have trouble selling house. Wife would be unable to help invalid sister. I unable to help my elderly parents.

Difficult to find work in area because of age. Cannot move as I feel responsible for my own and my wife's elderly parents.

Lack of counselling

In some cases, it was felt that effective counselling, either by management or unions, could have helped the worker to understand the consequences of accepting early retirement, and to prevent later long-term unemployment. Often, the initial attractiveness of the retirement package or redeployment opportunity gave way to a painful recognition that alternatives had not even been considered or been too easily discarded:

I would like to say that it was my decision to accept redundancy, but I feel bitter that I never had more counselling on this important matter.

I would be especially interested in counselling railway workers in relation to career prospects, something I found absolutely no compassion for whilst I was employed by the railway.

If things were explained better to people before they are made redundant maybe we will all be better off.

Disregard for loyalty

The basic feeling of some respondents was that they deserved better than their current treatment, after long years of loyal service. This applied especially to manual workers, who regarded themselves as having been thrown on the scrap heap. Some illustrative comments are presented below:

If the railways paid me ten times as much I would still feel cheated. How do you put a price on something you put your heart into and give it your best shot, then get kicked in the teeth by someone who would not know how many wheels there are on a 700 Class diesel loco. I left because there was nothing else to do after I was told I was not wanted. I have a heart and a mind and I must work where my ability is appreciated.

I feel wasted, used and let down. If this sounds like a whinge you will find many other people in and out of the Railways feel the same way.

I think the questionnaire should request or ask the feelings of the people being made redundant. Many people that live only for the 'Railways' have been put in a position [where] they have no alternative but to take severance [pay]. In my case for example I was going to be placed in positions I know I could not handle.

Fourty-four years' loyal service, approaching retirement age, sacrificing to put a child through university we were given the option of redundancy or relocation. Relocation offered would have involved broken shifts some into the wee small hours, an option my husband's health would not have coped with, so redundancy was our only choice.

Approximately ... rollover, we now try to exist on ... a fortnight and have seen our hard earned savings eroded away paying rates, registration and everyday expenses our pension cannot cover. A poor reward for someone who worked when sick and then sees 1 1/2 years sick leave forfeited without pay. The secure retirement I have looked forward to enjoying will not eventuate, it will always be a struggle to make ends meet.

Summary

The material that has been reported above represents a summary of comments by some respondents who had experienced either redeployment or redundancy. It should be of some concern that both management and unions were seen as letting the workers down, and that management was accused of deceit and unions of duplicity.

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ABBREVIATIONS

ABS	Australian Bureau of Statistics
AN	Australian National Railways Commission
ASCO	Australian Standard Classification of Occupations
BTCE	Bureau of Transport and Communications Economics
RIC	Railway Industry Council
SRA	State Rail Authority of New South Wales