Reworking
WORK
AIRAANZ 05

PROCEEDINGS OF THE 19TH CONFERENCE OF THE ASSOCIATION OF INDUSTRIAL RELATIONS ACADEMICS OF AUSTRALIA AND NEW ZEALAND

VOLUME I. REFEREED PAPERS
MARIAN BAIRD, RAE COOPER AND MARK WESTCOTT
EDITORS
# Contents

**Introduction**

**DEST publication requirements**

**Themes from past years**

**Allan, Loudon & Peetz**

**Baharim & Van Gramberg**

**Baird, Ellem & Wright**

**Barton & Fairbrother**

**Bartram, Stanton & Fraser**

**Biyanwila**

**Brigden**

**Broadbent**

**Brown**

**Burchielli, Pearson & Thanacoody**

**Burgess & Connell**

**Buttigieg & Gahan**

**Charlesworth & Probert**

**Cochrane, Law & Piercy**

**Colley**

**Colley**

**Cooper**

**Donaghey**

**Faifua & Garnham**

**Fairbrother & O’Brien**

**Ford**

**Influences on work/non-work conflict**

**The influence of knowledge sharing on transfer of training: A proposed research strategy**

**Re-working policy: Industrial relations in the Australian states**

**‘We’re here to make money. We’re here to do business’: The privatised state and questions for trade unions**

**Conflict or cooperation: Industrial relations practice in the Victorian public health sector**

**Union strategies of public sector nurses in Sri Lanka: Issues of revitalisation**

**Exploring gender in peak union bodies**

**Women’s organising strategies: Women-only unions in Japan and Korea**

**An investigation into the effects of job latitude and acquisitiveness on employee well-being**

**Managing the intensity of teaching: A research agenda**

**Reworking work: What are the issues for Australia**

**“The glue that binds”: Workplace climate, human resource systems and performance**

**Why some organisations take on family-friendly policies: The case of paid maternity leave**

**Lean, but is it mean? Union members’ views on a high performance workplace system**

**Reworking merit: Changes in approaches to merit in Queensland public service employment 1988 to 2000**

**Traditional approaches to the merit principle in the Queensland public service from 1859 to 1959**

**Australian unionism in a decollectivised environment**

**Deliberation in Irish industrial relations: Towards post-corporatism?**

**What’s different about Tasmanian enterprise bargaining? The rise and decline of Part IVA agreements?**

**Two paths — one road? Creating managerial states in the United Kingdom and Australia**

**Economic unionism and labour’s poor performance in Indonesia’s 1999 and 2004 elections**
French

Geare, Edgar & McAndrew

Gillan & Caspersz

Gollan

Goodwin & Maconachie

Hannif & Lamm

Hearn & Lansbury

Junor

Kelly

Khoshaba

Kirsch

Lambert & Gillan

Laneyrie & Mylett

Lansbury & Wailes

Lansbury, Wright & Baird

Lee

Leggett

Lonti & May

Lyons & Ingersoll

Martin & Bamber

Morris

Encouraging employment equity for women: Can ‘diversity’ programs make a difference? 205

Legislative inertia: New Zealand’s reaction to the issue of redundancy 213

The introduction of good faith bargaining in Western Australia: Policy origins and implications for collective bargaining 221

His master’s voice - the interplay between non-union and union representation arrangements at Eurotunnel (UK) 231


Occupational health and safety in the New Zealand call centre industry 247

Reworking citizenship: Renewing workplace rights and social citizenship in Australia 257

Professionals, practitioners, peripheral product-deliverers: Contested definitions of contingent TAFE teaching 265

A continuous association: AIRAANZ as a scholarly association 275

The rise and fall of the Rugby League Players’ Union: 1979–2000 283

A comparative analysis of union mergers in Australia and Germany 293

Spaces of hope: Fatalism, trade unionism and the uneven geography of capital in whitegoods manufacturing 303

Seeing gender and ethnicity at work 313

Social partnerships in Korean industrial relations 323

Decentralised bargaining in the Australian automotive assembly industry 331

What ever happened to the arbitration inspectorate? The reconstruction of industrial enforcement in Australia 339

The fourth transformation of Singapore’s industrial relations 347

How could pay practices in New Zealand public service organisations contribute to the gender pay gap? 357

Pattern bargaining in the Australian public service. Still one size fits all? 365

International differences in employment relations: What are the relative merits of explanations in terms of strategic choice or political economy? 377

Performance appraisals in Australian universities - Imposing a managerialistic framework into a collegial culture 387
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mourell &amp; Allan</td>
<td>The statutory regulation of child labour in Queensland</td>
<td>395</td>
</tr>
<tr>
<td>O’Donnell, O’Brien &amp; Junor</td>
<td>Union strategy and structure in a decentralised environment: An exploratory study of the Community and Public Sector Union</td>
<td>405</td>
</tr>
<tr>
<td>Oliver</td>
<td>New job, new start? Union attitudes and student workers</td>
<td>413</td>
</tr>
<tr>
<td>Ostenfeld</td>
<td>Gender and ideology in employment interactions</td>
<td>423</td>
</tr>
<tr>
<td>Peetz &amp; Pocock</td>
<td>Organising and delegates: An overview</td>
<td>441</td>
</tr>
<tr>
<td>Pini &amp; Price</td>
<td>Gender, identity and women’s involvement in tractor work: A case study of the Australian sugar industry</td>
<td>449</td>
</tr>
<tr>
<td>Pocock, Prosser &amp; Bridge</td>
<td>The return of ‘labour-as-commodity’? The experience of casual work in Australia</td>
<td>459</td>
</tr>
<tr>
<td>Provis</td>
<td>Industrial relations and business ethics</td>
<td>469</td>
</tr>
<tr>
<td>Rasmussen &amp; Lamm</td>
<td>From collectivism to individualism in New Zealand employment relations</td>
<td>479</td>
</tr>
<tr>
<td>Robbins, Harriss &amp; Macklin</td>
<td>Fact and myth: Reflections on why Higgins made the Harvester decision</td>
<td>487</td>
</tr>
<tr>
<td>Sappey</td>
<td>The commodification of higher education: Flexible delivery and its implications for the academic labour process</td>
<td>495</td>
</tr>
<tr>
<td>Toner</td>
<td>Long run shifts in the industry and workforce structure of the Australian construction industry: Implications for a sustainable labour supply</td>
<td>503</td>
</tr>
<tr>
<td>Townsend</td>
<td>Why do we bother: Recruitment and training in a call centre</td>
<td>511</td>
</tr>
<tr>
<td>Townsend &amp; Price</td>
<td>Where there’s smoke, there’s hire: The targeted selection of informants within organisational research</td>
<td>519</td>
</tr>
<tr>
<td>Underhill</td>
<td>The importance of having a say: Labour hire employees’ workplace voice</td>
<td>527</td>
</tr>
<tr>
<td>Voll</td>
<td>Case studies in ‘unfair dismissal’ process</td>
<td>537</td>
</tr>
<tr>
<td>Webster</td>
<td>‘A good job in the railway’: Rockhampton Railway Workshops 1938 to the 1980s</td>
<td>545</td>
</tr>
<tr>
<td>Whitehouse &amp; Diamond</td>
<td>Reproducing gender inequality: Segregation and career paths in information technology jobs in Australia</td>
<td>555</td>
</tr>
<tr>
<td>Willis</td>
<td>The hidden traps in multi-tasking: The experience of work intensification for personal service attendants in the healthcare sector</td>
<td>565</td>
</tr>
<tr>
<td>Young</td>
<td>Why outsource and what makes it work? Alternative arrangements for work in the health sector</td>
<td>573</td>
</tr>
</tbody>
</table>
Introduction

The Association of Industrial Relations Academics of Australian and New Zealand (AIRAANZ) was formed in 1983 with the aim of promoting the study of industrial relations in Australian and New Zealand.

The main activity of AIRAANZ since its formation in 1983 has been the convening of annual conferences which have examined recent developments in the teaching and research of industrial relations. These conferences are always well attended by both local and international delegates and are characterised by lively discussion and a genuinely collegial environment. Since 1994 the AIRAANZ conference has also hosted a special post-graduate forum which provides the opportunity for emerging researchers to gather and discuss their own projects and careers with support from established academics. In addition to the formal sessions, the conference and forum also allow for more informal contact between scholars.

This year, papers at the conference focus on the theme ‘Reworking Work’. The goal of the conference is to provide a forum where scholars and practitioners can discuss and debate ways in which work is being redefined, reorganised, restructured and re-regulated. The conference allows a space for reflection upon theories and conceptualisations of work and the social and organisational forms in which work is now embedded.

This volume of proceedings contains the refereed papers presented at the conference. All papers in this volume were reviewed by two referees in a double-blind process. Other papers and abstracts, which have not been refereed, are included in a companion volume. Our thanks go to the referees who determined the standard and scope of the conference. We are truly grateful for their time and assistance.

The School of Business and the Faculty of Economics and Business at the University of Sydney have both provided significant financial and personnel support to the organisers. Many individuals have contributed to ensuring the success of AIRAANZ05 and we extend special thanks to three in particular: Professor Sid Gray, Head of the School of Business, has supported the conference throughout and we are extremely appreciative of his advice and encouragement. In addition to many of the administrative tasks associated with the conference, Bronwyn Hudson has managed the receipt, reviewing and revising of the papers with considerable proficiency and good humour. We are very thankful for her assistance. Ellina Yukhina and Jacqui Hunt provided layout design for the Refereed Volume and Non-Refereed Volume respectively and we thank them for their excellent work. Jacqui also provided organisational and administrative assistance throughout conference preparations and we have greatly appreciated her support. Finally we acknowledge Rose Tracey for her impressive cover design skills and cheerfulness under pressure.

We are certain that this collection continues the strong tradition of research, analysis and debate begun with the inaugural AIRAANZ conference in 1983.

Marian Baird, Rae Cooper and Mark Westcott
The School of Business
Faculty of Economics and Business
The University of Sydney
In accordance with the Australian Government’s Department of Education, Science and Training’s Higher Education Research Data Collection criteria, the papers published in these Proceedings meet the definition of research in that:

1. The AIRAANZ05 Conference is a conference of national and international significance.
2. Each paper, in its entirety, was double blind, peer reviewed before publication.
3. The proceedings will be made available to libraries and on the AIRAANZ web site.
4. Author affiliation is noted on each paper.

The Conference Convenors would like to acknowledge the following for refereeing the papers in Volume 1 of the AIRAANZ05 Conference Proceedings:

<table>
<thead>
<tr>
<th>Name</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan Ainsworth</td>
<td>The University of Sydney</td>
</tr>
<tr>
<td>Cameron Allan</td>
<td>Griffith University</td>
</tr>
<tr>
<td>Janis Bailey</td>
<td>Griffith University</td>
</tr>
<tr>
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<td>The University of Sydney</td>
</tr>
<tr>
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<td>The University of Western Sydney</td>
</tr>
<tr>
<td>Michael Barry</td>
<td>Griffith University</td>
</tr>
<tr>
<td>Ruth Barton</td>
<td>Monash University</td>
</tr>
<tr>
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<td>The University of Sydney</td>
</tr>
<tr>
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<td>Griffith University</td>
</tr>
<tr>
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<td>The University of Sydney</td>
</tr>
<tr>
<td>John Burgess</td>
<td>The University of Newcastle</td>
</tr>
<tr>
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<td>La Trobe University</td>
</tr>
<tr>
<td>Donna Buttigieg</td>
<td>Monash University</td>
</tr>
<tr>
<td>Kon Callus</td>
<td>The University of Sydney</td>
</tr>
<tr>
<td>Donella Caspersz</td>
<td>The University of Western Australia</td>
</tr>
<tr>
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<td>RMIT University</td>
</tr>
<tr>
<td>Linda Colley</td>
<td>Griffith University</td>
</tr>
<tr>
<td>Julia Connell</td>
<td>The University of Newcastle</td>
</tr>
<tr>
<td>Rae Cooper</td>
<td>The University of Sydney</td>
</tr>
<tr>
<td>Leanne Cutcher</td>
<td>The University of Sydney</td>
</tr>
<tr>
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<td>The University of Sydney</td>
</tr>
<tr>
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<td>The University of Sydney</td>
</tr>
<tr>
<td>Clive Gilson</td>
<td>The University of Waikato</td>
</tr>
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</tr>
<tr>
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<td>The University of Sydney</td>
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<tr>
<td>Suzanne Jameison</td>
<td>The University of Sydney</td>
</tr>
<tr>
<td>Jim Kitay</td>
<td>The University of Sydney</td>
</tr>
<tr>
<td>Rob Lambert</td>
<td>The University of Western Australia</td>
</tr>
<tr>
<td>Felicity Lamm</td>
<td>The University of Auckland</td>
</tr>
<tr>
<td>Russell Lansbury</td>
<td>The University of Sydney</td>
</tr>
<tr>
<td>Margaret Lee</td>
<td>Griffith University</td>
</tr>
</tbody>
</table>
John Lewer
Michael Lyons
Robyn May
Susan McGrath Champ
Grant Michelson
Terri Mylett
John O'Brien
Kerry Brown
Greg Patmore
David Peetz
Barbara Pocock
Amanda Pyman
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Key Themes from the Association of Industrial Relations Academics of Australian and New Zealand (AIRAANZ) Conferences 1983-2004

- 1983 Industrial Relations Studies Down Under: The Need for Intellectual Decolonisation – First AIRAANZ Conference; Gippsland, VIC†
- 1985 Change – Second AIRAANZ Conference; Brisbane, Queensland
- 1987 Macroeconomics in Flux: Monetarism, New Classicism and Public Choice: Some Possible Implications for Industrial Relations Theory – Third AIRAANZ Conference; Massey University, Palmerston North, New Zealand†
- 1989 Issues and Trends in Australasian Industrial Relations – Fourth AIRAANZ Conference; University of Wollongong, Wollongong, New South Wales
- 1990 Current Research in Industrial Relations – Fifth AIRAANZ Conference; Melbourne, Victoria
- 1992 Contemporary Australasian Industrial Relations – Sixth AIRAANZ Conference; Coolangatta, Queensland
- 1993 Divergent Paths? Industrial Relations in Australia, New Zealand and the Asia-Pacific Region – Seventh AIRAANZ Conference; Auckland University, Auckland, New Zealand
- 1994 Developing the Trans-Tasman Link: AIRAANZ and Comparative Analysis of Australian and New Zealand Industrial Relations – Eighth AIRAANZ Conference; Coogee, New South Wales*
- 1995 Current Research in Industrial Relations – Ninth AIRAANZ Conference 1995; Melbourne, Victoria^
- 1996 Protecting Take Home Pay: Can the Coalition Do Better Than Labor? – Tenth AIRAANZ Conference; University of Western Australia, Perth, Western Australia*
- 1997 Current Research in Industrial Relations – Eleventh AIRAANZ Conference; Brisbane, Queensland^
- 1998 Current Research in Industrial Relations – Twelfth AIRAANZ Conference; Wellington, New Zealand^
- 1999 Economics, Industrial Relations and the Challenge of Unemployment – Thirteenth AIRAANZ Conference; Adelaide, South Australia†
- 2000 Research on Work, Employment and Industrial Relations 2000 – Fourteenth AIRAANZ Conference; Newcastle, New South Wales
- 2002 Celebrating Excellence in Industrial Relations Practice, Research and Teaching – Sixteenth AIRAANZ Conference; Queenstown, New Zealand
- 2003 Reflections and New Directions – Seventeenth AIRAANZ Conference; Melbourne, Victoria
- 2004 New Economies: New Industrial Relations – Eighteenth AIRAANZ Conference, Noosa, Queensland

† There was no official theme for this conference so the title of the presidential address has been used.
* The official theme of these conferences was ‘Current Research in Industrial Relations’, which has been substituted with the title of the presidential address.
^ The title of the presidential address for these conferences has not been identified.
Influences on work/non-work conflict

Cameron Allan, Rebecca Loudoun and David Peetz
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ABSTRACT

Work/non-work conflict is important because it tells us about the well-being of individuals and more generally of a particular workplace or organisation. Important progress has been made in research literature on the importance of structural policies designed to assist workers to meet competing demands to be at work and at home. More information is needed into the influence of organisational variables on the emotional aspects of work/non-work conflict. Based on a survey of over 900 employees, we use factor, correlation and multiple regression analyses to find that exacerbation in work/non-work conflict is a result of high workload pressure, long working hours, unsupportive management and weak employee control, especially over workload and over when employees can take time off.

Introduction

Ideological, political, economic and social developments have led to changes in the structure of the labour market and the industrial landscape more generally over the last few decades. In turn these changes have resulted in reforms at the workplace level that have long since raised concern amongst individuals, families and researchers. Until recently governments and private and public sector organisations have shown little concern about the impact of changes at the workplace level on employees. The limited interest that has been shown has focussed on relatively objective measures of wage rates, earnings dispersions, employment status changes and institutional protection levels.

Recently, however, assessments of workplace change are being made using broader, more subjective terms of outcomes for workers. In particular the work/home divide is receiving growing attention as a measure of workplace relations although to date attention has largely focussed upon ‘family friendly’ of workplace changes at the expense of the ‘family unfriendliness’ of other changes (Pocock, 2001). This paucity is significant as there is a growing body of literature indicating a relationship between work/non-work conflict and diminished physical and psychological health (Duxbury, 2003; Earle, 2003; Loudoun and Bohle, 1997). Research on work/non-work conflict is also particularly timely given the hype about family friendly policies in the recent Federal Election campaigns.

Current research on work/non-work conflict in Australia generally concentrates on traditional, formal work/family policies and benefit packages. Researchers have recognised only recently that the nature of jobs and the workplace environment may be the key variable determining workers’ ability to reconcile their work and non-work lives. At present, however although arguments about the influence of organisational variables on work/non-work conflict are compelling, there is limited empirical evidence available to assess their importance (Berg, Kallenberg and Appelbaum, 2003). This paper addresses this shortcoming by using data from a large-scale survey of male and female employees in Queensland to assess the influence of work pressure, management support and control at work on work/non-work conflict.

In this paper we present the results of a preliminary analysis of the question: Do workers with high demand jobs experience high work non-work conflict? Drawing on the commonly accepted demand/control model of ill-health (Karasek & Theorell, 1990), work pressure, support from managers and control at work were used as indicators of work demands. These three variables, measured by self-report, are included in the models. This approach was chosen because it is less invasive than so-called “objective” indices of the variables of interest. Although it is important to recognise that data using self-report measures can be influenced by factors such as personality, researchers have found similar results using self-report and non-self-report measures (see Sparks, Cooper, Fried & Shirom [1997] for a review of these studies).

The paper is divided into three sections. The first reviews the relevant literature and establishes the research question in more detail. A detailed discussion of the method used and results found from the study are then presented. The last section discusses the findings.
Perceptions of work/non-work conflict: Some findings from the literature

Work/non-work conflict is generally defined in the literature as occurring when the emotional and behavioural demands of work and non-work roles are incompatible, such that participation in one role is made more difficult by virtue of participation in the other (Greenhaus and Beutell, 1985). The main model guiding current research on work/non-work conflict is the Spillover Model (Losocco and Roschelle, 1991). In this model, a positive relationship is proposed between work and non-work roles to the extent that satisfaction or dissatisfaction in one role spills over into the other (Bond et al., 1998).

Studies highlighting the link between work/non-work conflict and fatigue, stress, burnout, psychological well-being, depressed mood and physical symptoms are well documented in the research literature (Barton & Folkard, 1991; Bohle & Tilley, 1989; Duxbury, 2003; Earle, 2003; Loudoun & Bohle, 1997). Work/non-work conflict has also been found to influence the health and well-being of workers’ family members such as partners and children. For example, a recent epidemiological study in Australia found that children of parents who work consistently long hours or come home stressed were more likely to develop psychological problems and physical illness (Earle, 2003). Looking overseas, Duxbury (2003) found that work/non-work conflict affects workers’ ability to enjoy and nurture their family, resulting in lower levels of family well-being and stability.

While ethically these findings alone should be sufficient reason to make work/non-work conflict an important area of investigation, there is another reason researchers are interested in work/non-work conflict. Evidence indicates that policies designed to assist work/non-work conflict can promote employee behaviour that is beneficial to the firm. For example, researchers have found that family friendly policies can result in increases in return to work after child birth (Squirchuk and Bourke, 1999), retention rates (Squirchuk and Bourke, 1999), morale and productivity (McCampbell, 1996), and absenteeism (Kossek and Nichol, 1992).

Given the strong links found between work/non-work conflict and health of workers and their family members and the links between work/non-work conflict and organisational performance, it is likely to be an area of growing interest in the future. Indeed, some argue that it is one of the most pressing social problems facing most economies today (Zetlin and Whitehouse, 1998). Although much is known about the structural causes of work/non-work conflict for specific groups of workers such as mothers with young children, we argue that more discussion is needed about the impact of work/non-work conflict on more diverse groups of workers using a broader range of organisational variables. We argue this view for three reasons.

First, looking at organisational variables, the bulk of research to date on work/family interactions has been completed by psychologists using job stress as an underpinning framework. This means that much of the research has focused on the individual level, at the expense of organisational approaches. This shortcoming is paralleled in stress management research where the focus is predominantly on individual mechanisms and strategies people can develop to cope with stress (see Ashford, 1988; Kahn & Byosiere, 1992; Topf, 1992). This leaves the responsibility to cope with work/non-work firmly upon the individual worker. It suggests that if the worker shows the appropriate amount of commitment then their problems will be overcome. It assumes that individuals can choose their response to stimuli or change the nature of the stimuli by acting on their environment. Unfortunately, this is not always the case.

There is strong evidence indicating that individual coping is difficult and relatively ineffective in dealing with complex stressors (Mechanic, 1977; Menaghan & Mervis, 1984; Pearlin & Schooler, 1978; Shinn, Rosario, Morsch, & Chesnut, 1984). Indeed, Parker and DeCotiis (1983) concluded that, at best, individual differences have a mediating effect on reactions to potentially stressful situations and, consequently, individual differences are not the most appropriate perspective from which to study stress in organisations. They argue that in work settings, the organisational perspective deserves more theoretical and empirical attention. In a similar vein, Kanter (1977) and Menaghan and Mervis, (1984) argue that collective efforts to solve work-related problems are more effective than relying on individual coping strategies.
The lack of information on organisational variables is particularly concerning in Australia, given the trend towards deciding on working conditions at the enterprise level. Roman and Blum (1993) and Quinlan (1993) argue that responsibilities of organisations to acknowledge that characteristics of the work environment exacerbate problems has not been fully explored or reinforced. If workplaces are allowed to decide on work issues, then it is imperative that decisions are made in light of sound empirical knowledge.

Second, looking at the sample populations used in research to date, attention has largely focussed on formal organisational policies designed to assist particular groups of workers such as parents, women or families with children or elderly parents. This is not surprising given that there is considerable evidence indicating that work/non-work conflict is most acute for female workers (Charles and Brown, 1981, Gadbois, 1981) as they usually perform an uneven distribution of family and household duties (Gutek, et al., 1988; Loudoun and Bohle, 1997; Robson and Wedderburn 1990; Leslie et al., 1991). Given the increasing growth in marital separation in Australia (ABS, 2000), however, it is important to know the factors affecting work/non-work conflict for a wider range of workers. More Australian children live in one-parent families than ever before and the majority of children do not have a stay-at-home resident parent (Buchanan and Thornwaite, 2001).

Third, looking at different forms of work/non-work, most studies to date have focussed on structural conflict, which arises from the conflicting demands for time at work and family roles (Voydanoff 1988). Work and family duties usually cannot be performed simultaneously; a problem that is aggravated for many workers because the increasing span of workers hours means that work frequently conflicts with the most valued times for family activities - weekends and evenings (Staines and Pleck 1984). Given this dilemma the structural interventions arising from much of the literature to date on work/non-work conflict provides valuable assistance to workers on policies designed to assist workers to meet their competing demands to be in more than one place at the one time (Berg et al., 2003). These schemes include paid maternity leave, carers leave and the option to ‘buy out’ work time. At the same time, however, there is a dearth of research on emotional interference, which results from time spent ‘recovering’ on rest days (Jackson et al., 1985). Evidence suggests that emotional interference reduces both the quantity and quality of family contact time because workers do not feel capable of participating in family activities (Pisarski, Bohle and Callan, 2001).

We argue that high demand jobs (low control, low support and high pressure) can result in lower quality family interactions as the worker is recovering from time spent at work and thus emotionally unavailable for their family. Pocock (2003) provides support for this notion in a detailed study of 163 workers in South Australia. Pocock found that workers who reported work intensification also reported exhaustion, frustration and guilt over their inability to meet parental and spousal expectations. Although Pocock’s study provides valuable insight into the changing nature of Australian workplaces and the outcomes for families a more focussed and large-scale study is needed before conclusions can be drawn about emotional aspects of work/non-work conflict.

In summary, work non-work conflict is important because it tells us about the well-being of individuals and more generally of a particular workplace or organisation. Important progress has been made to date about the importance of structural policies designed to assist workers to meet competing demands to be at work and at home. More research is needed, however, about the influence of organisational variables on the emotional aspects of work/non-work conflict. If these work process variables influence workers’ health or if the labour market and workplace relations system more broadly allow or even encourage work practices that inhibit the ability of workers to balance their work/non-work lives then it is an area that should concern both researchers and those involved in policy development.
Method

The data reported in this article is drawn from a broader study into work-time in Queensland. The aim of the study was to examine the types and effects of work-time change in Queensland. The broader study comprised case studies in 17 organisations and a survey of 15 organisations. The survey research was conducted in a wide range of organisations including a retail outlet, a theme park, a public utility, a construction firm, a public sector department, two manufacturing firms, a mine, a hospital, a law firm, a community organisation, a bank, a repair company, an educational institution and a public-sector, enforcement agency. While the sample was not intended to be fully representative of the Queensland population, it was designed to include organisations in most of the key sectors of Queensland industry. The study was also designed to include a balance of female-dominated, male-dominated and mixed gender workplaces and a mixture of strongly-, weakly- and non-unionised workplaces. While the study included a blend of small, medium and large organisations, the latter were over-represented in the sample.

We selected case study organisations in a number of ways. First, we selected some case studies from a database of enterprise agreements involving work time change in Queensland, commissioned from Australian Centre for Industrial Relations Research and Training (ACIRRT). Only some of the firms we selected from this database agreed to participate in our study. Second, we approached organisations that were known to be experimenting with work-time change. We found out about these organisations by approaching personal contacts in industry, unions, employers bodies and the Queensland Government and asking them to recommend to us organisations they knew to be experimenting with work-time change. We also made contact directly with some organisations at conferences and industry functions. Third, after exhausting these two methods, we examined the composition of our cases and identified that segments of the Queensland economy were under-represented. We then elected to specific recruit organisations in nominated industry sectors. We directly contacted prominent organisations in these sectors and asked them to participate in our study.

The survey was administered between March and May 2002. The study site usually corresponded to either a whole workplace or the entire organisation. However, in a small number of cases, a division of an organisation was surveyed rather than a single workplace. In one organisation, only a particular occupation was surveyed. At study sites with less than 200 employees, all workers were surveyed. At study sites with more than 200 employees, a sample of 200 employees was selected using systematic random sampling. In total, 963 usable questionnaires were returned, an overall response rate of 42 percent. For this particular article, we draw on the responses of a sample of some 582 respondents that includes only those persons who answered all the questions used for this analysis of work/non-work conflict. The data are unweighted.

We provide details about the demographic characteristics of our sample in Table 1. As can be seen, the bulk of respondents were in the age range 20 to 49. Our case study firms included a considerable number of large organisations and several of them were professional organisations - a public sector department, a hospital, a law firm and an educational institution and a public-sector, enforcement agency. As a result, our sample included a high proportion of professionals and associate professionals and a relatively low proportion of blue-collar workers. This distribution of occupations is likely to have arisen due to case selection and the greater preparedness of white-collar workers to participate in research of this type. As can also be seen in Table 1, we captured few casual workers in our study with the overwhelming majority of respondents being employment on a permanent basis. Casual employment comprises about a third of employment in Queensland and as such, our sample clearly under-represents this important segment of the labour market. Our sample also includes a high proportion of trade union members: about double the national average. Again, this is due to our selection of large organisations where union density is high than smaller workplace.

In addition to the questions about the demographic characteristics of respondents, the survey instrument also contained questions to elicit respondent views about a range of workplace matters such as work-time arrangements, work/non-work conflict, perceptions of management, work culture, workload issues and other features of work. We used some of these questions to construct scales of work/life conflict, employee control, supportive management and workload pressure.
Factor analysis

We used exploratory factor analysis to delineate the four main constructs in this study: work/life conflict, employee control, supportive management, and workload pressure. As we included the dependent and independent variables in our factor analysis, we expected the constructs to be correlated. Accordingly, we used oblique rotation with principle axis factoring. We commenced the factor analysis using 27 items we considered were components of the main constructs. The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.89 indicating that the items were factorable. We checked the sampling adequacy of the individual variables.

The initial examination of the scree plot suggested a four or five factor solution. The four factor solution was chosen because of theoretical interpretability and because it had a more clearly defined simple structure. We eliminated items that loaded at below .04.

The analysis included some 866 cases although the n was reduced due to missing values. As a cross-check, a separate factor analysis was run using means instead of missing values. The same four factor solution loading on identical variables was derived indicating that the missing data, due to missing values, did not affect the outcome of the factor analysis.

The four factors accounted for some 51 percent of the total variance and 43 percent of the common variance. The mean, standard deviation and Chronbach’s alpha for each factor and factor intercorrelations for each factor are presented in Table 2. The final items used in the four derived factors are shown in the factor loading table (Table 3).

### Table 1
Demographic features of the Total Sample (n=963)

<table>
<thead>
<tr>
<th>Item</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>&lt;=19</td>
<td>3</td>
</tr>
<tr>
<td>20-29</td>
<td>21</td>
</tr>
<tr>
<td>30-39</td>
<td>31</td>
</tr>
<tr>
<td>40-49</td>
<td>28</td>
</tr>
<tr>
<td>50-59</td>
<td>15</td>
</tr>
<tr>
<td>60+</td>
<td>2</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td>7</td>
</tr>
<tr>
<td>Professional</td>
<td>27</td>
</tr>
<tr>
<td>Associate Professionals</td>
<td>14</td>
</tr>
<tr>
<td>Tradespersons</td>
<td>15</td>
</tr>
<tr>
<td>Clerical Sales and Service</td>
<td>31</td>
</tr>
<tr>
<td>Intermediate Transport and Production</td>
<td>4</td>
</tr>
<tr>
<td>Labourers and Related Workers</td>
<td>2</td>
</tr>
<tr>
<td>Employment Status</td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>88</td>
</tr>
<tr>
<td>Casual</td>
<td>7</td>
</tr>
<tr>
<td>Fixed-term Contract</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>50</td>
</tr>
<tr>
<td>Women</td>
<td>50</td>
</tr>
<tr>
<td>Union Membership</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>50</td>
</tr>
<tr>
<td>No</td>
<td>50</td>
</tr>
</tbody>
</table>

### Table 2
Means, Standard Deviations, Chronbach's Alpha and factor intercorrelations for main factors

<table>
<thead>
<tr>
<th>Factor</th>
<th>M</th>
<th>SD</th>
<th>Alpha</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work/life conflict</td>
<td>3.10</td>
<td>0.86</td>
<td>0.65</td>
<td>1</td>
<td>.217</td>
<td>.456</td>
<td>.510</td>
</tr>
<tr>
<td>Employee Control</td>
<td>2.37</td>
<td>0.78</td>
<td>0.82</td>
<td>1</td>
<td>1</td>
<td>.251</td>
<td>.043</td>
</tr>
<tr>
<td>Management Support</td>
<td>2.88</td>
<td>0.86</td>
<td>0.81</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>113</td>
</tr>
<tr>
<td>Workload Pressure</td>
<td>2.92</td>
<td>0.82</td>
<td>0.84</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Regression analysis

To explore the relationship between work/life conflict and other variables, we conducted multiple regression. Our principal method of analysis was ordinary least squares (OLS) regression. We devised the following equation:

\[
\text{WORK/NON-WORK CONFLICT} = b_0 + \text{WORKLOAD PRESSURE} + \text{SUPPORTIVE MANAGEMENT} + \text{EMPLOYEE CONTROL} + \text{HOURS WORKED IN WEEK} + \text{CASUAL EMPLOYMENT} + \text{FIXED-TERM CONTRACT} + \text{AGE} + \text{OCCUPATION} + \text{SEX} + \text{TRADE UNION MEMBERSHIP} + e
\]

Work/non-work conflict was the dependent variable. The independent variables included the three scales we constructed using factor analysis: workload pressure, supportive management and employee control. Only items with a loading above a threshold of 0.4 (shown in the shaded sections of table 3) were included in the factors. To control for other variables, we included in the equation dummy variables for casual employment, fixed-terms contract, age, occupation, sex and trade union membership. We also included in the equation a continuous variable for hours worked per week. The results of the regression analysis are shown in Table 4.

### Table 3
Factor Loadings

<table>
<thead>
<tr>
<th>Item</th>
<th>Factor</th>
<th>Work/life conflict</th>
<th>Employee control</th>
<th>Management support</th>
<th>Workload pressure</th>
</tr>
</thead>
<tbody>
<tr>
<td>I leave on time most days. (reversed)</td>
<td>1</td>
<td>0.142</td>
<td>0.004</td>
<td>-0.043</td>
<td>0.494</td>
</tr>
<tr>
<td>Long hours is taken for granted.</td>
<td>2</td>
<td>-0.176</td>
<td>0.031</td>
<td>-0.129</td>
<td>-0.421</td>
</tr>
<tr>
<td>I often take work home.</td>
<td>3</td>
<td>-0.030</td>
<td>0.127</td>
<td>0.233</td>
<td>-0.614</td>
</tr>
<tr>
<td>If you take time off or get sick, your work just builds up while you're away</td>
<td>4</td>
<td>-0.026</td>
<td>-0.149</td>
<td>-0.022</td>
<td>-0.544</td>
</tr>
<tr>
<td>Performance targets set by management are reasonable.</td>
<td>1</td>
<td>-0.015</td>
<td>-0.149</td>
<td>0.462</td>
<td>0.127</td>
</tr>
<tr>
<td>Employees are treated with equal fairness.</td>
<td>2</td>
<td>0.098</td>
<td>-0.028</td>
<td>0.589</td>
<td>0.034</td>
</tr>
<tr>
<td>Management can be trusted to tell things the way they are.</td>
<td>3</td>
<td>0.006</td>
<td>0.067</td>
<td>0.817</td>
<td>-0.082</td>
</tr>
<tr>
<td>Management tries to co-operate with employees.</td>
<td>4</td>
<td>0.020</td>
<td>0.022</td>
<td>0.834</td>
<td>-0.075</td>
</tr>
<tr>
<td>Employees here have enough say if a problem arises with management.</td>
<td>1</td>
<td>0.011</td>
<td>-0.038</td>
<td>0.696</td>
<td>0.080</td>
</tr>
<tr>
<td>How much say over how many hours you work a week.</td>
<td>2</td>
<td>-0.058</td>
<td>0.643</td>
<td>0.010</td>
<td>-0.047</td>
</tr>
<tr>
<td>How much say over your starting and finishing times.</td>
<td>3</td>
<td>0.002</td>
<td>0.785</td>
<td>0.043</td>
<td>-0.192</td>
</tr>
<tr>
<td>How much say over when you have a meal break.</td>
<td>4</td>
<td>-0.027</td>
<td>0.753</td>
<td>0.000</td>
<td>0.011</td>
</tr>
<tr>
<td>How much say over when you take time off (eg holidays, appointments).</td>
<td>1</td>
<td>0.013</td>
<td>0.710</td>
<td>-0.098</td>
<td>0.150</td>
</tr>
<tr>
<td>How much say over your workload</td>
<td>2</td>
<td>0.071</td>
<td>0.525</td>
<td>0.123</td>
<td>0.035</td>
</tr>
<tr>
<td>I work more hours each week than I would like.</td>
<td>3</td>
<td>-0.650</td>
<td>-0.083</td>
<td>0.043</td>
<td>-0.034</td>
</tr>
<tr>
<td>Satisfaction with balance between your work and personal life (reversed)</td>
<td>4</td>
<td>0.797</td>
<td>-0.014</td>
<td>0.089</td>
<td>-0.097</td>
</tr>
<tr>
<td>I get told at home that I am working too much.</td>
<td>1</td>
<td>-0.560</td>
<td>-0.015</td>
<td>0.086</td>
<td>-0.284</td>
</tr>
<tr>
<td>My work responsibilities interfere with my social life more than they should</td>
<td>2</td>
<td>-0.783</td>
<td>-0.047</td>
<td>0.031</td>
<td>-0.076</td>
</tr>
<tr>
<td>I am often too tired to properly enjoy my time away from work</td>
<td>3</td>
<td>-0.638</td>
<td>0.017</td>
<td>-0.099</td>
<td>-0.016</td>
</tr>
</tbody>
</table>

Note: (a) The wording on some questions has been changed slightly for readability. (b) Factor 1 = Work/life conflict; Factor 2 = Employee control; Factor 3 = Management support; Factor 4 = Workload pressure.
Consistent with our expectations, the results of the regression analysis indicated that work/non-work conflict was negatively correlated with supportive management and employee control and negatively correlated with workload pressure. The results also showed a statistically significant relationship between hours worked and work/non-work conflict, although the strength of the relationship was very weak. There were no other statistically significant relation between the dependent and the dummy variables.

**Discussion**

The most important factor influencing work/non-work conflict in Table 4 is workload pressure. When employees are in organisations where working long hours are taken for granted, they do not leave on time, they often take work home and work builds up while they are away, they are likely to show the signs of work/non-work conflict: they are more dissatisfied with the balance between their work and personal lives, are often too tired to properly enjoy their time away from work, get told at home that they are working too much, find their work responsibilities interfering with their social life, and would prefer to be working fewer hours.

The more hours people work, the more likely they are to experience work/non-work conflict. However, the indicators of workload pressure mentioned above are, in total, more important in explaining variations in work/non-work conflict than the number of hours worked. Supportive management was also important: workers were less likely to experience work/non-work conflict if management could be trusted, tried to get on with employees, set reasonable performance targets, and treated all groups of employees with equal fairness.

---

**TABLE 4**

<table>
<thead>
<tr>
<th>Regression of Work/Non-work conflict</th>
<th>Unstandardised Coefficients B</th>
<th>Std. Error</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>3.332</td>
<td>0.281</td>
<td>0.001</td>
</tr>
<tr>
<td>Workload Pressure</td>
<td>0.465</td>
<td>0.032</td>
<td>0.001</td>
</tr>
<tr>
<td>Supportive Management</td>
<td>-0.186</td>
<td>0.029</td>
<td>0.001</td>
</tr>
<tr>
<td>Employee Control</td>
<td>-0.142</td>
<td>0.032</td>
<td>0.001</td>
</tr>
<tr>
<td>Trade Union Status</td>
<td>-0.064</td>
<td>0.047</td>
<td>0.179</td>
</tr>
<tr>
<td>Casual Employment</td>
<td>-0.154</td>
<td>0.109</td>
<td>0.157</td>
</tr>
<tr>
<td>Fixed-Term Contract</td>
<td>-0.019</td>
<td>0.106</td>
<td>0.857</td>
</tr>
<tr>
<td>Sex</td>
<td>-0.070</td>
<td>0.054</td>
<td>0.200</td>
</tr>
<tr>
<td>Hours Worked in Week</td>
<td>-0.016</td>
<td>0.002</td>
<td>0.001</td>
</tr>
<tr>
<td>Age 20-24</td>
<td>0.290</td>
<td>0.160</td>
<td>0.071</td>
</tr>
<tr>
<td>Age 25-29</td>
<td>0.285</td>
<td>0.154</td>
<td>0.065</td>
</tr>
<tr>
<td>Age 30-34</td>
<td>0.210</td>
<td>0.153</td>
<td>0.171</td>
</tr>
<tr>
<td>Age 35-39</td>
<td>0.173</td>
<td>0.153</td>
<td>0.261</td>
</tr>
<tr>
<td>Age 40-44</td>
<td>0.128</td>
<td>0.153</td>
<td>0.403</td>
</tr>
<tr>
<td>Age 45-49</td>
<td>0.089</td>
<td>0.158</td>
<td>0.573</td>
</tr>
<tr>
<td>Age 50-54</td>
<td>0.257</td>
<td>0.160</td>
<td>0.109</td>
</tr>
<tr>
<td>Age 55-59</td>
<td>0.248</td>
<td>0.171</td>
<td>0.148</td>
</tr>
<tr>
<td>Age 60+</td>
<td>0.276</td>
<td>0.204</td>
<td>0.176</td>
</tr>
<tr>
<td>Professionals</td>
<td>-0.054</td>
<td>0.096</td>
<td>0.574</td>
</tr>
<tr>
<td>Assoc Professionals</td>
<td>0.111</td>
<td>0.101</td>
<td>0.271</td>
</tr>
<tr>
<td>Tradespersons</td>
<td>-0.057</td>
<td>0.107</td>
<td>0.591</td>
</tr>
<tr>
<td>Advanced clerical &amp; service</td>
<td>0.181</td>
<td>0.126</td>
<td>0.150</td>
</tr>
<tr>
<td>Intermediate clerical, sales &amp; service</td>
<td>-0.011</td>
<td>0.105</td>
<td>0.919</td>
</tr>
<tr>
<td>Intermediate transport &amp; production</td>
<td>-0.325</td>
<td>0.171</td>
<td>0.058</td>
</tr>
<tr>
<td>Elementary clerical, sales &amp; service</td>
<td>0.132</td>
<td>0.163</td>
<td>0.419</td>
</tr>
<tr>
<td>Labourers &amp; related workers</td>
<td>-0.289</td>
<td>0.170</td>
<td>0.090</td>
</tr>
</tbody>
</table>

R² =0.43; N = 886.  
Omitted categories are aged 19 and under, and managers and administrators.
Work/non-work conflict is also related to employee control, but on this issue the relationship is more complex. Our index of employee control revealed by the factor analysis regresses significantly against the dependent variable, but when we look inside it we find that some of its five components do not significantly correlate with work/non-work conflict or with most of its components. Certainly, employee control over workload, and over when they can take time off, significantly reduces work/non-work conflict. However, employee control over the number of hours worked each week does not significantly correlate with work/non-work conflict or with most of its components. Employee control over start and finishing times, and over when they can take meal breaks, have significant bivariate correlations with the dependent variable but these diminish and mostly disappear in partial correlations that control for ability to control workload or when employees can take leave. Employee control matters for containing the work/non-work conflict, but what particularly matters is the issues over which employees have control. Having some control over working hours, or starting and finishing times, is of little value if employees have no control over their workload or they cannot control when they can take time off for holidays or appointments.

Finally, the non-significance of most of the control variables showed that what we see is not simply a series of occupational or age effects.

**Conclusion**

High demand jobs with low employee control, low support and high workload pressure can result in lower quality family interactions. Emotional interference reduces both the quantity and quality of family contact time because workers do not feel capable of participating in family activities. Workers are recovering from time spent at work and thus emotionally unavailable for their family. It is not just an issue of long hours – it is also an issue of the stress employees endure at work, and the emotional baggage they bring home.

Reversing the deterioration in the work-life balance requires employees to have supportive management, the genuine capacity to take time off work, and control over the central source of the problem—the workload they endure. Yet obtaining control over workload is what has become increasingly difficult over the past decade. Downsizing has led to management seeking the same total production out of fewer and fewer employees. The weakening of labour market regulation has given employees less control over the hours they work, despite the rhetoric of family-friendly workplaces that have featured in popular discourse. Part of the solution may come in management recognising that it is not in their interests to put continual pressure on employees, but so far that recognition has been slow coming. Through public expenditure on health, social security and other services, governments (or more precisely, taxpayers) eventually pay no small part of the cost of work/non-work conflict, but so far there is little sign of an effective state response. If it is not willing to return some regulation to the workplace, then it will be up to the representatives of employees to do so themselves.
References


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**The influence of knowledge sharing on transfer of training: A proposed research strategy**

Shahril Baharim and Bernadine Van Gramberg
Victoria University

**ABSTRACT**

Studies on transfer of training generally focus on training input factors such as trainee characteristics, training design and work environment. The Learning Transfer System Inventory (LTSI) conceptual model developed by Holton, Bates & Ruona (2000) is a more comprehensive model that accounts for the impact of primary intervening variables such as motivation, environment, ability and secondary influence factors such as performance self-efficacy and learner readiness. Nevertheless this model does not consider the influence of knowledge sharing on transfer of training. We argue that knowledge sharing could play a key role in understanding transfer of training. We base this hypothesis on the principles of the theory of planned behaviour (TPB), which predicts trainees' behavioural intentions and actual behaviour of sharing the learned knowledge, skills and attitudes in the workplace. Consequently, this paper proposes a research strategy to test the importance of knowledge sharing as a factor in predicting transfer of training by combining the LTSI and TPB.

**Introduction**

Training and development is an expensive investment for most organisations. It is fair to say that employers aim to ensure that investments in training provide maximum returns. Unfortunately, the extent to which transfer of skills learned in training are applied to the workplace have been shown to be somewhat limited (Baldwin & Ford 1988; Broad & Newstrom 1992). In a knowledge economy, knowledge sharing is becoming increasingly important. There is also groundswell of support for the notion that the return on investment of training expenditure is dependent on transfer of training occurring. Public sector organisations have been criticised for their lack of accountability for these factors but this is now changing. For instance, in Malaysia, although a study of government registered training providers demonstrated the use of formal evaluation techniques, the author nevertheless recommended further improvements (Hashim 2001). The researcher called for a greater focus on transfer of training outcomes in Malaysian public sector education programs. On a wider scale, the concept of transfer of training has attracted the attention of many training researchers and human resource development (HRD) practitioners, particularly in terms of how transfer may be enhanced (Wexley & Latham 1991; Holton, 1996; Holton, Bates & Ruona 2000).

Training may be defined as a planned learning experience designed to bring about permanent change in an individual's knowledge, attitudes, or skills (Campbell, Dunnette, Lawler & Weick 1970). As knowledge has become a key economic resource and a source of competitive advantage, effective training is most important to instil knowledge (Drucker 1995). In particular, organisations rely on learned knowledge and skills being applied to the job. To a large extent, this behaviour constitutes a transfer of training. By definition, then, transfer of training, is the degree to which trainees apply the knowledge, skills and attitudes gained in training to their job (Wexley & Latham 1991). It has also been described as the maintenance of those skills, knowledge and attitudes over a certain period of time (Baldwin & Ford 1988). In an HRD context, transfer of training represents a core element transforming learning into individual performance (Holton 1996).

In order to improve transfer of training, it is important for organisations to not only understand the factors that affect transfer, but also to ensure that the organisation's training evaluation model takes account of these factors. In a contemporary workplace dependent on knowledge management and the optimal application of skills by a leaner, more educated workforce, organisations need to turn to effective ways to ensure that knowledge generation and transfer are not overlooked. One of those ways is to design a training program that utilises the benefits of knowledge sharing. This paper outlines a research strategy to measure the elements, which contribute to transfer of training by combining the LTSI, a model used to examine factors affecting transfer of training (Holton, Bates & Ruona 2000) and TPB, a theory which predicts trainees' behavioural intentions and actual behaviour of sharing the learned knowledge, skills and attitudes in the workplace (Ajzen 1991).
By doing so, this research proposal will extend existing knowledge of transfer of training and provide trainers with an additional mechanism for evaluating successful workplace training programs, initially in the context of the Malaysian public sector but, we predict, with generalisable results for wider application.

The evolution of the transfer of training concept

Transfer of training is defined first, as the degree to which trainees apply the knowledge, skills and attitudes gained in training to their job (Wexley & Latham 1991). Second, transfer of training is measured by the maintenance of the skills, knowledge and attitudes over a certain period of time (Baldwin & Ford 1988). Rouiller and Goldstein (1993) expanded the research on transfer of training to include the concept of a ‘transfer climate’ consisting of situations and consequences that either inhibit or help to facilitate the transfer of what has been learned in training into a job situation. They suggested four types of ‘situational’ cues: goal cues, social cues, task cues, and self-control cues. These cues remind trainees of what they have learned, or at least provide an opportunity for them to use what they have learned. In contrast, ‘consequence’ cues were described as on-the-job outcomes which affect the extent to which training is transferred. The four consequence cues comprise positive feedback, negative feedback, punishment, and no feedback. According to Holton, Bates, Seyler & Carvalho (1997), accurately measuring transfer of training climate is important because it can help HRD move beyond the question of whether training works, to analysing why training works. Therefore, having a valid and reliable measure of transfer climate could help identify not only when an organisation is ready for a training intervention, but also when individuals, groups and departments are ready for such an intervention.

Another key factor identified by Holton et al. (1997) was the ‘opportunity to use’ which described the extent to which trainees learn to obtain resources that enable them to use their new skills on the job. Their study suggested that trainees perceive transfer climate according to referents to the organisation (for example supervisor, peer, task or self) rather than according to the psychological cues (goal cues, social cues), as proposed earlier by Rouiller and Goldstein (1993). The factor analysis in Holton et al’s. (1997) study extracted 9 transfer climate constructs. These constructs were Peer Support, Supervisor Support, Openness to Change, Personal Outcomes Positive, Personal Outcomes Negative, Supervisor Sanctions, Content Validity, Transfer Design and Opportunity to Use. In 2000, Holton et al expanded their work by introducing the concept of a ‘transfer system’ consisting of situations and consequences that either inhibit or help to facilitate the transfer of what has been learned in training into a job situation. These cues remind trainees of what they have learned, or at least provide an opportunity for them to use what they have learned. In contrast, ‘consequence’ cues were described as on-the-job outcomes which affect the extent to which training is transferred. The four consequence cues comprise positive feedback, negative feedback, punishment, and no feedback. According to Holton, Bates, Seyler & Carvalho (1997), accurately measuring transfer of training climate is important because it can help HRD move beyond the question of whether training works, to analysing why training works. Therefore, having a valid and reliable measure of transfer climate could help identify not only when an organisation is ready for a training intervention, but also when individuals, groups and departments are ready for such an intervention.

Holton et al. (2000) used the earlier HRD Research and Evaluation Model (Holton 1996) as their conceptual framework. In that framework, three primary training outcomes were defined. These outcomes were learning, individual performance and organisational results, defined respectively, as achievement of the learning outcomes desired in an HRD intervention; change in individual performance as a result of the learning being applied on the job; and results at the organisational level as a consequence of the change in individual performance (Holton 1996, p.9). The term ‘individual performance’ is used in the model instead of ‘behaviour’ in the Kirkpatrick (1994) model because it is a broader construct and a more appropriate descriptor of HRD objectives. The authors first sought to incorporate the nine transfer climate constructs identified in Holton et al. (1997) study into the framework. They then searched the literature on transfer of training to identify 7 other constructs that had not been previously tested in Holton et al’s. (1997) study but which, they believed, would fit into the model. The 7 additional constructs comprised: performance self efficacy (Gist 1987), expectancy related constructs (transfer effort performance and performance outcomes), personal capacity for transfer (Ford, Quinones, Sego & Sorra 1992), feedback-performance coaching, learner readiness (Knowles, Holton & Swanson 1998), and general motivation to transfer. Table 1 lists these final 16 constructs and Figure 1 shows how the 16 constructs fit in the LTSI model.
TABLE 1
The 16 factors of the LISTS which affect transfer of training

<table>
<thead>
<tr>
<th>No</th>
<th>Constructs</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Learner Readiness</td>
<td>Extent to which trainees are prepared to enter and participate in training.</td>
</tr>
<tr>
<td>2</td>
<td>Motivation to Transfer</td>
<td>Trainees’ desire to use the knowledge and skills mastered in the training program on the job.</td>
</tr>
<tr>
<td>3</td>
<td>Peer Support</td>
<td>Extent to which peers reinforce and support use of learning to the job.</td>
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<tr>
<td>4</td>
<td>Supervisor Support</td>
<td>Extent to which supervisors/managers support and reinforce use of training on the job.</td>
</tr>
<tr>
<td>5</td>
<td>Personal Outcomes-Positive</td>
<td>Degree to which applying training on the job leads to outcomes that is positive for the trainees.</td>
</tr>
<tr>
<td>6</td>
<td>Personal Outcomes-Negative</td>
<td>Extent to which individuals believe that not applying skills and knowledge learned in training will lead to negative personal outcomes.</td>
</tr>
<tr>
<td>7</td>
<td>Supervisor Sanctions</td>
<td>Extent to which individuals perceive negative responses from supervisors/managers when applying skills learned in training.</td>
</tr>
<tr>
<td>8</td>
<td>Content Validity</td>
<td>Extent to which trainees judge training content to accurately reflect job requirements.</td>
</tr>
<tr>
<td>9</td>
<td>Transfer Design</td>
<td>Degree to which (1) training has been designed and delivered to give trainees the ability to transfer learning to the job (2) training instructions match job requirements.</td>
</tr>
<tr>
<td>10</td>
<td>Personal Capacity to Transfer</td>
<td>Extent to which individuals have the time, energy and mental space in their work lives to make changes required to transfer learning to the job.</td>
</tr>
<tr>
<td>11</td>
<td>Opportunity To Use</td>
<td>Extent to which trainees are provided with or obtain resources and tasks on the job enabling them to use training on the job.</td>
</tr>
<tr>
<td>12</td>
<td>Performance Self Efficacy</td>
<td>Trainee’s general belief that they are able to change their performance when they want to.</td>
</tr>
<tr>
<td>13</td>
<td>Transfer Effort-Performance Expectations</td>
<td>Expectation that effort devoted to transferring learning will lead to changes in job performance.</td>
</tr>
<tr>
<td>14</td>
<td>Performance-Outcomes Expectations</td>
<td>Expectation that changes in job performance will lead to valued outcomes.</td>
</tr>
<tr>
<td>15</td>
<td>Feedback</td>
<td>Formal and informal indicators from an organisation about an individual’s job performance.</td>
</tr>
<tr>
<td>16</td>
<td>Openness to Change</td>
<td>Extent to which prevailing group norms are perceived by trainees’ to resist or discourage the use of skills and knowledge acquired in training.</td>
</tr>
</tbody>
</table>


Of the 16 constructs, the first 11, (learner readiness, motivation to transfer, peer support, supervisor support, personal outcomes-positive, personal outcomes-negative, supervisor sanctions, content validity, transfer design, personal capacity for transfer and opportunity to use) represent factors affecting a specific training program. Constructs 12 -16 (performance self-efficacy, transfer effort-performance, performance-outcomes, feedback and openness to change) were classified as general factors, affecting all training programs.
In order to measure these 16 constructs, Holton et al. (2000) identified 76 ‘items’ to measure the 11 constructs representing specific training program factors and 36 ‘items’ to measure the 5 general constructs affecting all training programs. Exploratory factor analysis was used by Holton et al. (2000), which revealed a clean interpretable factor structure of all16 transfer system constructs. The findings from their study are important in HRD, and to the present research strategy, as any effort taken to develop a generalisable instrument to measure factors affecting training transfer must consider all factors as proposed by Holton et al. (2000).

The model has been accepted as one of the most influential in measuring training effectiveness (Donovan, Hannigan & Crowe 2001). Further, it is valuable in expanding more traditional training effectiveness models by taking into account factors such as motivation, environmental elements and ability. Nevertheless, we argue that the model fails to consider the role of knowledge sharing as a further indicator of transfer of training. We begin this discussion with a brief exploration of the theory of planned behaviour.

**The theory of planned behaviour**

The theory of planned behaviour originated in the field of social psychology as a predictor for behaviour (Ajzen 1991; Ajzen & Fishbein 1980; Fishbein & Ajzen 1975). The TPB predicts that the most important determinant of a person’s behaviour is behaviour intent. The individual’s intention to perform a behaviour is a combination of his or her attitude toward performing the behaviour, the prevailing subjective norms and the perceived behavioural controls on the individual (Ajzen 1991).

Based on TPB, peoples’ attitudes towards their own behaviour refers to the degree to which they have made a favourable or unfavourable evaluation of the behaviour in question (Ajzen 1991, p.188). Subjective norms are the perceived social pressures to perform or not to perform the behaviour and perceived behavioural control refers to the perceived ease or difficulty of performing the behaviour. According to Ajzen (1991), the more favourable the attitude and subjective norms with respect to the behaviour, and the greater the perceived behavioural control, the stronger should be an individual’s intention to perform the behaviour under consideration. Figure 2 demonstrates the relationship between attitudes towards behaviour, subjective norms and perceived behavioural controls.
The Theory of Planned Behaviour

The TPB has been widely used in empirical research to predict human behaviours. For example, the theory has been used to predict hunting behaviours (Hrubes & Ajzen 2001), to predict dishonest actions (Beck & Ajzen 1991) and to predict teachers’ intention to provide dietary counselling (Astrom & Mwangsi 2000). TPB has also been applied in a workplace context to assess the extent to which senior managers intended to encourage knowledge sharing (Lin & Lee 2004). By using TPB, Lin and Lee (2004) found that the main determinant of enterprise knowledge sharing behaviour was the intention to encourage knowledge sharing behaviour. Additionally, they also found that senior managers’ attitudes, subjective norms, and perceived behavioural controls were found to positively influence their intention to encourage knowledge sharing. Table 2 outlines the five key indicators of knowledge sharing determined by the TPB.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>The Key Indicators of Knowledge Sharing</th>
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<tr>
<td>1</td>
<td>Attitudes toward knowledge sharing</td>
</tr>
<tr>
<td>2</td>
<td>Subjective norms toward knowledge sharing</td>
</tr>
<tr>
<td>3</td>
<td>Perceived behavioural control toward knowledge sharing</td>
</tr>
<tr>
<td>4</td>
<td>Intention to share knowledge</td>
</tr>
<tr>
<td>5</td>
<td>Sharing behaviour</td>
</tr>
</tbody>
</table>


Knowledge sharing

Knowledge sharing is a set of behaviours that involves the exchange of information or provision of assistance to others (Connelly & Kelloway 2003). Chua (2003) described the process of knowledge sharing as the manner in which individuals collectively and interactively refine a thought, an idea or suggestion in the light of their experiences. Knowledge sharing has been regarded as an important strategy for developing a competitive advantage for organisations (McEvily, Das & McCabe 2000). This is because shared organisational knowledge can be stored and integrated to form the basis for instilling competence, capability, or routine, and thus, it can contribute to creating competitive advantage.
The benefits of knowledge sharing have been reported in studies of firms such as Buckman Laboratories and Texas Instruments, which claimed significant gains in revenue (Chua 2003) while Dow Chemical and Chevron reported savings (Stewart 2001). Other companies such as General Motors and Skandia (a Swedish financial services firm) both recognised the benefits of knowledge sharing and instigated policies requesting their managers to share knowledge by teaching what they know about the business as a way of refining and improving existing organisational knowledge (De Long & Fahey 2000).

Knowledge sharing has been cited as improving individual performance. A qualitative study by Collison and Cook (2003) determined that knowledge sharing by teachers (of what they had learned in a middle school computer technology project) with their colleagues improved their teaching. The authors found that individual teachers learned more when they shared their learned knowledge and this resulted in improved teaching performance. For knowledge sharing to occur, a key criterion is the extent to which people are willing to share their knowledge. It has been argued that the level of trust in the organisation is an important factor affecting the willingness to share knowledge (Huemer, Von Krogh & Roos 1998; Sveiby and Simons 2002).

A new model for knowledge sharing and transfer of training

By combining Holton et al.'s (2000) Learning Transfer System Inventory and the Theory of Planned Behaviour (Ajzen 1991) we aim to test factors affecting transfer of training including trainees’ perceptions of sharing the learned knowledge and skills in the workplace context. The inclusion of knowledge sharing behaviour in our proposed research will contribute to a further understanding of transfer of training in a workplace-training context. Figure 3 provides the combined LTSI-TPB model.

Testing the combined model: A proposed methodology

The authors have received agreement in principle to conduct this analysis in the Malaysian public sector. The model will be tested through a survey of managerial and non-managerial staff from government agencies in Malaysia who had attended any two types of training (technical or non-technical) not more than 3 months prior to the survey. Subjects within this time range are assumed to be more likely to avoid obsolescence of the learned training content. A survey questionnaire will be administered and follow-up interviews will be held to focus on key points identified in the analysis of the survey.

The minimum sample size for this study will be based on Hair, Anderson, Tatham and Black (1995) who suggested a ten-to-one ratio of observations to items. In the present study, the items will correspond to the constructs of transfer of training. Assuming that this study has developed a survey instrument of 80 to measure the 16 constructs, the minimum sample size required is 800. Therefore, a total of 1500 trainees will be targeted, given the difficulty in obtaining 100% response rate.

Following this, semi-structured interviews will be conducted with at least 20 subjects to provide important information regarding the influence of knowledge sharing on transfer of training from their own experience. Subjects will be asked to provide examples or documented evidence during the interview in order to develop case studies.
The project will be driven by the following 5 research questions:

Research Question 1: What are the critical factors affecting transfer of training?

Research Question 2: Is knowledge sharing a key critical factor affecting transfer of training in the government agencies in Malaysia?

In order to answer these questions, factor analysis will be used as this study involves a large number of variables. Factor analysis is chosen because it is the best method of determining the number and nature of the underlying variables among larger numbers of measures in this study (Kerlinger 1973). According to Holton et al. (2000), exploratory factor analysis is the best method at this stage where there is no strong theory or conceptual framework exist in transfer of training literature. Although a conceptual framework is used in this study to guide the development of instruments, the conceptual framework has not been tested yet. Therefore, exploratory factor analysis is more suitable to apply at this stage.

Research Question 3: If ‘Yes’ to Q.2, then how does knowledge sharing influence transfer of training in the government agencies in Malaysia?

This question will be answered through the combination of SPSS analysis of the questionnaires and semi-structured interviews. Information gathered from the interviews will then be coded into the SPSS system so that they can be analysed to provide illustrations and examples in order to explain the findings.

Research Question 4: What are trainees’ perceptions toward knowledge sharing in the context of transfer of training in the government agencies in Malaysia?

SPSS analysis of the semi-structured questionnaires will be utilised to gain insight into trainee’s own perceptions towards knowledge sharing as a positive indicator of transfer of training. Information gathered from the interview will then be coded into the SPSS system so that they can be analysed and explain the findings.

Research Question 5: What are trainers’ perceptions toward knowledge sharing in the context of transfer of training in the government agencies in Malaysia?

A total of five training managers in the government agencies will be targeted. They will be provided with the results of this study. Through an online interview (web-based) we will seek the opinions of the training managers on knowledge sharing results of the surveys and semi-structured interviews in order to gauge their intention to incorporate knowledge sharing as part of course evaluation.

Conclusions

Whilst both the LTSI and TPB models have been investigated empirically, the link between knowledge sharing and transfer of training has not been specifically tested. This paper has proposed the development of a research design to test whether knowledge sharing can be considered a factor in the transfer of training through the combination of the LTSI and TPB models. The proposed study may have important implications to HRD professionals, as any effort taken to re-organising, restructuring and re-regulating rewards for labour must take into account the employees’ job performance. In terms of understanding the factors affecting transfer of training this research strategy will contribute to the development of new training evaluation models by adding a new dimension, knowledge sharing.

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Re-working policy: Industrial relations in the Australian states

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The University of Sydney

ABSTRACT
Most industrial relations scholarship has considered the States in a limited and episodic way. This paper asks how and why different – and apparently contradictory – policies are pursued at different scales of government within Australia. From 1991 to 1996, with Labor in office nationally, all the States except one introduced legislation which reduced arbitral and union power, in some cases going further than the Workplace Relations Act would do in 1996. Thereafter, most States ‘re-collectivised’. Party politics alone do not explain these changes. Rather, the relationship between States and the national scale, as well as geographically-specific economic structures and forms of political influence explain this complex and little explored problem.

Introduction
Most teaching and scholarship has considered the States in a limited and episodic way, doing little to compare, far less explain, changes in industrial relations over time and across space. Further, when overviews are attempted, they are usually a story of the inevitable rise of the Commonwealth over the States. We suggest that this does some damage to the historical record, and, most importantly for our purposes in this paper, to the current complexities and future possibilities around the politics of the regulation of work.

This paper sets out to re-examine the legislative paths of the States since 1991 against the backdrop of long periods of national political stability under Labor, 1983-96, and the Coalition in the years since. It does not repeat the close studies of the State legislation passed since 1991 (see Nolan ed., 1998). The paper focuses on the relationships between the States’ policies and between the States and national changes, examining variations over time and across space. It is deliberatively speculative rather than conclusive. It proposes that we rethink some aspects of how social forces exercise influence over the state and why variations occur as they do. We begin by painting a policy scene that is rather different from the usual picture.

A global, national, State conundrum
If we do not necessarily privilege the national over the States, we can make the recent history of industrial relations policy look very different from the received wisdom and we can begin to problematise the issues rather differently. A familiar story can certainly be told with reference solely to the national: in a context of ‘globalisation’, faced with the urgings of the powerful proponents of ‘deregulation’, there has been, since at least 1991 and markedly since 1996, a retreat from the comparative wage justice, arbitration and collectivism.

If we examine all the scales of government in Australia and their interaction with institutional forces, we can tell a rather different story: a series of significant contests over regulatory direction within the States, contests with quite a different temporal trajectory from the national scene. After all, we find that five of the six States had travelled down the path of decentralisation before the passage of the Commonwealth’s Workplace Relations Act in 1996. In some cases, they had travelled further than the national conservative coalition would do with that Act. Thereafter, the direction seems to have been reversed in most of the States. Comparing the trajectories of the States and Commonwealth, we can see that before and after 1996, the policies of State governments ran counter to those of the Commonwealth, be the latter governed by Labor or the Liberal-National coalition.
Most people would be familiar with the terrain just described, or at least ‘their’ State’s part of it. We suggest, though, that these variations over time and space have not had as much attention as they might. This is more than a problem of mere description. Standard explanations of policy, usually an amalgam of pluralist and Marxist theories, suggest that changes in policy have happened because of global economic restructuring, national economic and trade policy, the emergence of individualistic values, the influence of particular class-based institutions like the Business Council of Australia and the Australian Council of Trade Unions (ACTU), shifts in political alignments of different groups amongst employers and changes in the bureaucracy. However, when we seek to explain the full range of government policies in Australia, that is, including the States as well as the Commonwealth, problems arise. The standard explanations do not work so well when pulled apart and examined at different scales, over time. The same context has not produced uniform outcomes. We can point to globalisation (whatever is meant by that), to the same forces arguing the same things about efficiency, the economy and union power; there are, broadly, the same institutional forces at work but, emerging from all this, different policies (cf Nolan, 1998 whose summary addresses contexts but not outcomes).

There is, of course, an obvious, one-word answer to this conundrum: politics. Different political parties win office, different policies are pursued, end of story. This explains change over time and differences at any one time. Or does it? There are two things to say about this and to lead into the rest of the paper. Firstly, to say that the answer is ‘politics’ is actually a significant claim to make. At the very least, it means that ‘global forces’, the economy, and the big business groups – all the things summarised in the standard model above – are not a sufficient explanation for policy-making (see Wailes, 2002 for a discussion of this at the national scale). Secondly, it suggests that State-specific structures and institutions play a role in the shaping of policy. If ‘politics matter’, then they are shaped differently from one State to another. We need, then, to pay more attention to local specificity than is usually the case.

**Geographies of regulation**

The argument that we are beginning to develop draws on existing industrial relations literature and, given the topic matter, on the work of a number of specialists in labour law in particular. There are also some implicit references to theories of the state as well, which in this short paper we cannot deal with. We want to address some work which is more novel, that derived from human geography. The language of the paper thus far, referring to ‘scale’ rather than ‘level’ and to ‘space’ as well as State and jurisdiction, while avoiding the usually ubiquitous word ‘system’, is a clue to one of the ways to re-think policy. We want to avoid the initial assumption that there is a system or even systems of industrial relations. It is the making of regulatory frameworks and how scales of action and argument constructed that are important. We argue that it is vital to think about this relationally, to see how what occurs in one space is related to processes in others in the same period. There is no space to recap on the relationship between industrial relations and human geography but we need to address two related issues: first, the concept of scale; second, spatial specificity and local regulation.

Explaining differences within one nation as its global relations change is, whatever else it may be, a matter of human geography. In industrial relations and much empirical geography, the issues dealt with in this paper are cast in terms of levels of government. We suggest that scale, by which we mean a relational and social construction is more powerful (Howitt, 1998; Marston, 2000). The problem with ‘level’ is not so much the term in itself but rather that it has become, for industrial relations scholars, hopelessly implicated in positivist, Dunlopian thinking. When we are trying to understand how regulation changes, then the idea of a pre-given ‘system’ and levels of that system is unhelpful. There is little recognition of the very issue we seek to address: that levels are actually made through human agency. The concept of scale, in the hands of its more sophisticated proponents, is neither a pre-given constraint upon social agents nor a product of a single social agent or physical geography (Herod and Wright, 2002, pp. 4-12; Sadler and Fagan, 2004).

We must also address the apparent paradox that in the era characterised as global, the local or the regional, become more, not less important, or at least that geographical variations become more pronounced. Geographers have long focused on the importance of the local; for instance Peck: ‘labor markets are socially regulated in geographically distinct ways’ (1996, p. 106, original...
emphasis), or put slightly they are ‘locally constituted’ (1996, p. 95). This leads to the question of how labour is regulated in these places. Using regulation theory, which emphasises the role of national frameworks for stabilising industrial relations, geographers argued that regulation at other scales was not only likely, but likely to increase with so-called ‘deregulation’ (Jonas, 1996). Even if there were a national scheme in Australia, this would not counter this argument because it would be not unitary at all. Rather, it would be thoroughly localised and individualised, a point hinted at by some very traditional industrial relations scholarship long ago (see Flanders and Fox, 1969). To address geographies of regulation, Jonas talks about a local labour control regime by which he means:

An historically contingent and territorially embedded set of mechanisms which co-ordinate the time-space reciprocities between production, work, consumption and labour reproduction within a local labour market (1996, p. 325).

In this, his attention is on the local and on how capital controls labour; ours is on the state and the States – but the explicit awareness of scales and spaces other than the national as sites of the making of regulation is helpful. In particular, it suggests that these inter-relationships do vary from place to place. We turn first to a treatment of recent legislation in the States.

The state of the States

State governments have more direct power than the Commonwealth over industrial relations. They have initiated important changes in employment conditions, including long service leave and sick leave and pay equity for female workers (Patmore, 2003). There have long been different rates of State and Commonwealth coverage of workers as between the States and quite considerable gender differences within this too. In New South Wales, women are more likely than men to be covered by State instruments (Nankervis et al., p. 81).

This section of the paper focuses on the main pieces of legislation in each State, firstly, as the States reduced arbitral and union power while Labor held national office, and secondly, as they moved to some degree back towards collectivism with the coalition in power after 1996.

The States decentralise 1991-96

The process of change in the States began while national policies were being framed by the Prices and Incomes Accord of the Labor Government. Although shifting toward decentralisation itself, with the two-tier system of 1987 and more markedly with the Commission’s reluctant endorsement of enterprise bargaining in 1991, the Accord and Labor’s legislation retained arbitration and union rights. In all the States bar one (Queensland, examined in the next section), the changes were quite different: anti-unionism was core. In this period, we argue, the States, not the Commonwealth, were the scale of government where the supposedly inevitable policies of decentralism and individualisation played out.

New South Wales was the first State to undergo change. The Industrial Relations Act, 1991 was introduced by the Liberal-National coalition. Despite immense opposition, including the first general strike since 1917, the legislation was perhaps more truly ‘liberal’ than what followed in other States. The ‘Objects of the Act’ set out a desire to shift to what the Act called an ‘enterprise focus’ and to encourage equity at work. It was ‘liberal’ in that it the parties themselves would decide about a role of a third party. There was a right to strike, too, albeit limited to disputes over interests (that is, establishment of conditions) and not rights (interpretations). The key changes were that individual employees would be recognised before the Commission; non-union ‘enterprise-based bargaining units’ could be established – a union needed 50 percent of votes if already established, 65 if not (McCallum, 1998). The outcomes were less than expected. Although this matter is beyond the scope of this paper, it is important to note for subsequent developments in other places that the new processes did not usurp awards, arguably because of union resistance and employer apathy. Only 18.6 percent of New South Wales workers in the State jurisdiction had these enterprise agreements (1992-95) and 75 percent of these were only partial (Pragnell and O’Donnell, 1997a, 1997b).
Victoria’s break from the collective, union-based model was more radical than that in New South Wales. In the 1890s, it had been the first colony to adopt tribunals, wages boards for the ‘sweated trades’, and a century later its policy-making remained significant and far-reaching not only for the State itself but beyond its borders. This was a profound policy change which ended in the abolition of State-specific regulation and became entangled in Commonwealth policy. It was an example of one particular approach to policy-making distinct from New South Wales. This was not for the faint-hearted; policies were changed quickly as well as thoroughly. The Liberals’ Employee Relations Act 1992 cut off access to tribunals unless both parties agreed to it. It became fully effective on 1 March 1993, when all Victorian awards were abolished. Collective or individual agreements would take their place (Pittard, 1998). However, precisely because the Australian state is fragmented, there was a way out. If unions were able to ‘flee’ the Victorian jurisdiction, they could gain a federal award. This is precisely what happened. The Commonwealth Labor government facilitated the process by amending the federal legislation with the Industrial Relations Reform Act, 1993.

In Tasmania, the newly elected Liberal government, like so many others, cast its re-working of industrial relations law in economic terms. A review of the State’s economy was followed by new industrial relations legislation in 1992. The legislation sat somewhere between that introduced in the two most populous States. Among other changes, this legislation removed all provisions for preference to unionists, restricted union right of entry to workplaces and allowed for enterprise agreements (Garnham, 1998).

In 1993 the Western Australian Liberal-National Party coalition government introduced a series of new industrial relations laws which radically curbed the power of unions and the industrial relations commission, continuing the mantra of decentralisation and ‘deregelation’ so familiar across the country. The changes were cast in terms of ‘wealth creation’ and cooperative workplace cultures – as in other jurisdictions – but the legislation had the appearance of retaining existing tribunals and so, unlike the Victorian legislation, could be sold as about open choice, not union and tribunal bashing, a clear case of learning from other sites. This legislation included the Workplace Agreements Act which allowed individual agreements to be made outside of the jurisdiction of the Industrial Relations Commission and to replace the terms and conditions set in collectively negotiated awards. The centrepiece was undoubtedly the individual contract, the Workplace Agreement (doomed to become known at least in some circles as the ‘woppa’) which, under the Minimum Conditions of Employment Act 1993 had to satisfy the Commissioner for Workplace Agreements. The Commission’s powers were reduced: its powers of interpretation and settlement were to be constrained. So, the terms of agreements were merely registered – and that meant that the parties had successfully ‘opted out’ of the traditional system. It appears – and indeed could be – a very simple process. Typically, the agreements were very brief (Wallace-Bruce, 1998; Ford, 1999). In 1995 and 1997 many amendments were introduced – referred to as the second and third wave of reforms. These inspired very high profile and imaginative opposition (Bailey and Iveson, 2000). But, as far as unions and many employers were concerned the damage – or the benefits – had largely been delivered already. The legislation was used by big employers in the key industries to de-unionise, notably in the Pilbara’s iron ore industry beginning with Hamersley Iron in 1993.

The States’ rolling back of arbitral and union power concluded in South Australia in 1994. Still faced with a national Labor government in office, the incoming conservative government in South Australia introduced new industrial relations legislation. This was by no means as extreme as the changes introduced in Victoria and Western Australia. The Industrial and Employee Relations Act 1994 combined elements of conciliation and arbitration with collective, workplace based agreement making. While it was not the objective of the act to provide for greater opportunity to individualise the employment relationship, the legislation did limit union power to organise and represent workers (Stewart, 1998).

**Bringing back collectivism? The States since 1996**

In 1996, the Liberal-National coalition won office in the Commonwealth election and the Workplace Relations Act, though heavily amended by the Senate was soon passed. The Act confirmed the importance of enterprise bargaining but went further, allowing for (individual) Australian Workplace Agreements, reducing the role of the Australian Industrial Relations
We begin in Queensland where, on the eve of the Workplace Relations Act, a National-Liberal coalition won office in Queensland. The Workplace Relations Act 1997 was thus the one piece of legislation which was in line with national policies. It closely followed the national Workplace Relations Act. Not only was the title of the Act replicated, but, like the Commonwealth legislation, the Queensland Act constrained the Industrial Relations Commission’s ability to rule on awards to 20 allowable matters, it introduced individual employment agreements (the Queensland Workplace Agreement, QWA), established an Employment Advocate and restricted union power and organising abilities (De Plevitz and Bamber, 1998). The Act had only a short life. Following the election of a Labor government in the State, new industrial relations legislation was again introduced. The Workplace Relations Amendment Act, 1998 and the Queensland Industrial Relations Act 1999 sought to restore some of the collective and union aspects removed by the previous legislation. Awards were no longer restricted to twenty matters, employees may be encouraged to join unions and while QWAs still exist, they have become more regulated and subject to greater scrutiny. (Unless otherwise noted, summaries in this section are from Nankervis et al., 2004, pp. 81-86).

New South Wales was the first to change in 1991 and the first, with the coalition in national power, to change again. The Labor Government’s Industrial Relations Act, 1996 explicitly recognised the value of collective organisations of employees and employers. This legislation maintained awards as important instruments of regulation but also continued to allow for enterprise agreements to be made between employers and the relevant unions or employees directly. That the collective was preferred was clear by the reversal of the previous legislation in one important respect. In order to be certified, a union agreement requires 50 percent of employees to approve by secret ballot to the new terms and conditions, while a non-union agreement requires 65 percent of employees to be covered to agree. In contrast to the national, Victorian and Western Australian legislation, the New South Wales legislation does not actively promote the individualisation of employment agreements and arrangements. Collectivism is an explicit objective of the regime (Shaw, 1996, 1997; McCallum, 1998).

In Victoria, the key to understanding policy lay in the relationship between the national and the State scales. After Labor had lost office nationally, the Victorian government struck back. On 11 November 1996, the Victorian premier announced that the government would cede its powers over industrial relations to the Commonwealth – there would be no tribunals solely within the State of Victoria. In Victoria, as in Western Australia, developments since 1991 make no sense without understanding the national scale. Unions could escape from the Victorian jurisdiction; they could gain a federal award. The Commonwealth Labor government came to the aid of unions in that State with its amendments to the Industrial Relations Reform Act, 1993. Without a national Labor government there would have been no such escape. So it proved with the election of the coalition in 1996. The Victorian government simply ceded its powers to the Commonwealth.

When Labor won office in Victoria, there was change again, but it was some time in coming and it did not at all look like a return to the old framework. The Federal Awards (Uniform System) Act 2003 re-worked the link with the Commonwealth, giving the Australian Industrial Relations Commission the power to make industry or ‘common rule’ awards to apply to Victorian enterprises.
This means that federal awards covering Victorian workers can cover all employees in a particular industry, and not just those whose employers or unions named in an award, but this is still limited to the 20 allowable matters of federal awards. The government has tried to amend the laws in recent years but has failed to get its legislation through Parliament – another take on the importance of politics.

The Tasmanian framework was also altered after the election of a Labor government and again in opposition to national trends. In 2001, the legislation was amended to restore some right of entry to unions and to ensure that awards and union industrial agreements were central to the regime. Non-union agreements were retained but they now required the support of 60 percent of employees covered by them before they can be certified. Union agreements need approval from 50 percent of employees. There was no return to pre-1992 but there was some winding back of the trend towards non-union regulation.

If Western Australia had been the only jurisdiction to equal Victoria’s attack on arbitration and unionism, it became the site of intense struggle again after the conservatives lost office. And like Victoria, events there could not be understood without thinking about the relationship to the national scale. The Labor Government’s Labour Relations Reform Act, 2002 endeavoured to re-introduce a more collective approach to industrial relations and replaced Western Australian Workplace Agreements with Employer-Employee Agreements. These individual contracts cannot be made if an industrial agreement is already in place covering the relevant employee, thus limiting the extent of individualisation. The response from some employers, however, has been to seek individual agreement making under the federal jurisdiction instead of the state system, an issue to which we return below (Todd et al., 2004).

Under a new Labor government, South Australia has recently reviewed this industrial relations legislation. If implemented, the recommendations of the Stevens’ Review would extend the scope of the safety net of minimum employment standards and partially restore the power and authority of the South Australian Industrial Relations Commission to regulate minimum employment conditions and to oversee the bargaining process. The recommendations are regarded by employers as pandering to the union movement; and by the union movement as not providing enough protection for certain sectors of the labour market such as casuals and part-time employees. For its part, the Commonwealth government argues that the recommendations miss the opportunity to integrate the South Australian system more closely with their regulatory regime.

In late 2004, all States, (with the exception of Victoria) retain awards and, unlike the national scale, there is no restriction on the number of matters that can be included. All States have options allowing for union and non-union enterprise based agreements. Flexibility, efficiency and choice are buzzwords regardless of party or place. Perhaps only in New South Wales is individualism not a recurring theme. In addition to industrial relations legislation, a range of other Acts in each of the States requires compliance – unfair dismissal legislation, occupational health and safety legislation and anti-discrimination legislation being the obvious ones (Nankervis et al., 2004, p. 86).

Drawing together this part of the paper, we reiterate these key points: the States’ policies moved in one direction, towards decollectivism, well before the Commonwealth in 1996. Since 1996, most moved in the opposite direction and, once again, in opposition to that national direction. There were differences between the States too, even when the same party was behind legislation. We move now to some speculation on why all this might be so.

**The geography of policy**

To draw out the main themes of the paper, we concentrate on the most populous State, New South Wales and the quintessential resource State, Western Australia. They are different from each other and different from the Commonwealth. Policy-making in these States demonstrates the importance of relationships over time and across space as well as the fact of local variance. Both cases are also suggestive of how the power to shape industrial relations legislation is spatially specific.
In New South Wales, the first foray into decentralism was both limited and arguably unsuccessful. But was it unimportant? No, because the liberal qualities of the 1991 Act were not repeated by national policy-makers in 1996. It seems that the policy-makers learnt their lessons well. Were it not for a hostile Senate (again pointing to the importance of specific political frameworks), the changes would have gone still further. It is natural to want to compare, as we have, the legislation passed in the same year by a State Labor and a national conservative coalition, but to pursue the argument about State specificity further, we might also compare the Labor Party's legislation at different scales. Word limits preclude this question being answered but we might ask whether the general trajectory of New South Labor has been similar to the national policy to 1983. Specifically, what does a close examination of the NSW Workplace Relations Act 1996 in comparison not to the Workplace Relations Act but to national Labor's legislation in 1988 and 1993 reveal?

In Western Australia localised political influence and intersections with the national scale seem of most importance. Mining employers lobbied hard against Labor's changes and then found ways around them. The world's two biggest resource companies, Rio Tinto and BHP-Billiton, refused to utilise the new State individual contracts, shifting to the national scale to maintain local control of their worksites through AWAs or even a federal award – anything to escape the State's regulatory scheme (Ellem, 2004). Not only does this escape explain what the mining companies have done, it also explains a large part of the recent rise in the number of AWAs. Western Australia has contributed to this far beyond its weight. In this case, as most markedly too in Victoria in the 1990s, national policy cannot be understood without understanding local and State events.

This has taken us away from policy-making which is the paper's core, it most speculative, concern. We suggest that in explaining policy, attention should be directed to particular institutions and lobby groups which have different effectiveness in different places, more specifically at different scales.

In the 'resource State', Western Australia, some particularly powerful forces are, obviously enough, involved in influencing policy-making. We argue that here, and in general, differences in industrial relations policy can be explained in terms of the mobilisation of power at the intersection of economy and state. The mining companies and their employer association seem to have more power within Western Australia than they do in other States with more diverse economies. This might explain why Western Australia is different from other States and it might also explain why the coalition and Labor's laws were each different from that of their equivalents in, say, New South Wales. Finally, it will explain why the Workplace Agreements Act was different from the national scale, from the Workplace Relations Act.

What of the populous, diverse 'new' economy State of New South Wales? Here we suggest that part of the answer to explaining trends in New South Wales lies in relationships between the State Labor Party and the Labor Council of New South Wales and, on the other hand, on the countervailing power of employer groups in that State. Two things appear to have happened, though both may now be in flux. Once again, both point to comparisons at the same scale (that is, with other States) but also to comparison with national politics and policy-making. First, the Labor Council has had more impact upon Labor than, at the national scale, the ACTU has had on the national Labor. The lesser capacity of Labor to win federal as opposed to New South Wales elections is one factor but of greater importance is the link with the union movement. (Similar issues play out in Victoria with a united and relatively militant labour council unable to have much impact because of the party's dire record in 20th century elections. See Brigden, 2003.) 'The close ties between unions and Labor under the Accord were exceptional – and the jury is still out on where the power lay in that relationship. There are, of course, good institutional reasons to think that unions will have less impact given that affiliation to the party is at the State, not national, scale. As to employers, it could well be the case that, again compared to Western Australia, employer power, reflecting the structure of the economy is more fragmented. No one group, for instance, speaks with the power that the mining lobby does in that State.

Finally, and still more speculatively, we suggest that in addition to the well-documented ways in which the language of competition and individualism has shaped debate and policy in the recent past that a geographical component might be part of this, too. State leaders spend much energy constructing definitions of their States which invariably focus on competitiveness, but not solely in that. There is of course an additional element to this in the States, as they compete with each other for resources, investment and jobs.
This ‘boosterism’ plainly has industrial relations implications. However, we should go beyond this and ask if particular constructions around globalism, resources and knowledge economies affect deeper values about collectivism and individualism in ways which might be State-specific.

**Conclusion**

This paper asks how different scales of political activity are actually constructed in a federation such as Australia and questions the received wisdom about the shape of industrial relations policy over the last decade or so. A concentration on changes within and between the States poses problems for our standard explanations of policy-making. Looked at through the State scale, the story is much more uneven and contested than it is by reference to the national scale alone.

Examined in detail, the terrain becomes more, not less, complex because there are quite significant differences between the industrial relations legislation produced by the same political party but in different States. ‘Labor legislation’ is not the same everywhere, any more than the main Acts passed by the State conservative parties are alike. Finally, despite the attention focussed on Commonwealth governments, none of them, be they Labor or the coalition, can claim to be the author of the most comprehensive legislative changes of the recent past. This distinction surely must go to the conservatives in Victoria (1992) and Western Australia (1993) and to Labor in New South Wales (1996).

We suggest that these differences are important and that different places, including the States, appear to have distinct political-economies in which local institutions have locally-specific power in the political process. We also suggest that these local institutions mediate social and economic forces in ways which vary from one place to another. Comparisons between the States are common enough. We argue, more than this, that some explanation for the apparent differences is necessary and that the landscape cannot be fully appreciated without thinking about the relationships between State and national.

**References**


‘We’re here to make money. We’re here to do business’: The privatised state and questions for trade unions

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ABSTRACT

Under both Labor and Liberal governments Australia has been one of the world’s leading proponents of privatisation. One of the key arguments about privatisation is that it would end the inefficient state monopoly of public services and reduce the power of public sector trade unions. Within a relatively short period of time there has been a reconsolidation of ownership in the energy and transport sectors which raises new challenges for the trade unions. After a period of consolidation following privatisation, the main trade unions in the Victorian rail and electricity sectors have adapted to the new circumstances to renew and rebuild their structures and strengthen their capacity to challenge the new private oligopolies.

Introduction

The privatisation of the state and associated agencies has been underway for over twenty years. In Australia, privatisation has extended beyond loss making bodies to include core aspects of the state. During the 1990s over US$69,627 million worth of state assets were sold. This comprised 7.43% of global receipts from privatisation and was third behind only Italy and France (Parker and Saal, 2003: 5). The process of privatisation in Australia was initially tentative and uneven. While the Labor government undertook a slow and steady stream of privatisations, under the Howard Coalition government privatisations reached unprecedented levels. At the State level the shift became both extensive and dramatic, especially under the Kennett government (1992 - 1999) in Victoria which made 53 sales between 1993 and 2001. These privatisations were clustered in certain sectors; airports, banking, and particularly energy with 40 sales and transport with 24 separate sales. While one of the objectives of this process was to redraw the boundaries of the state, and to create the conditions for a more ‘efficient and effective’ provision of goods and services, there has been little examination of the precise impact on work and employment relations and the implications this may have for trade unions (cf. Hodge, 2003).

The argument is that privatisation has led to a tension between ownership and workforce organisation and composition. On the one hand, there has been an increasing pressure towards the consolidation of ownership and the emergence of private monopolies, especially in the utilities and transport sectors, and, on the other, a marked fragmentation of the workforce, involving both the composition of the workforce and the organisation of labour processes in these sectors. These paradoxical developments raise difficult questions for trade unions as they seek to rebuild and represent their memberships in these changed circumstances.

The paper is organised in four sections. In the first section, the theoretical context of the analysis is presented. This is followed by section two where evidence is deployed to show the way in which a profound restructuring of these privatised enterprises is underway, especially in the energy and transport sectors. In section three, the analysis is drawn together with a consideration of the implications of these developments for trade unions. In the final section, an assessment is presented.

Theoretical considerations

The argument in favour of privatisation has often been cast in terms of efficiency, public choice and competition. It is argued by many that privatisation creates the conditions for the construction of efficient and adaptable enterprises, which will bring benefits to both the providers of services as well as those who use the goods and services (Veljanovski, 1987). More recently, there have been a number of critiques of the privatisation programme, pointing out that privatisation has failed to realise the gains that were claimed by advocates.
Beder (2003), in an examination of the electricity industry worldwide, argues that privatisation is the outcome of the deployment of the power and resources of transnational corporations to promote privatisation programmes for self-interested gain. While sympathetic to and in broad agreement with the Beder analysis, Spoehr (2004: 40) argues that there has always been considerable scepticism amongst the citizenry about the positive implications of privatisation, and that the policies are very much the outcome of an on-going ‘power play’ between transnationals, governments, citizens and others. He also notes that in the case of electricity there is a distinct prospect that in a few years the global electricity industry is likely to be concentrated in less than a dozen multinational corporations.

Corporatisation and privatisation of the utilities and transport, as well as finance, is part of a process of depoliticisation. The concept of depoliticisation refers to the disengagement of the state politically from the economy, thereby creating the conditions for a disengagement of the state from key functions of state policy and formulation (Burnham, 1999). It is clearly part of a broad restructuring that is taking place in the relationships between governments, management and labour in the former state sectors (for specific examples in relation to gas and electricity in Australia, see Barton, 2002, and Fairbrother and Testi, 2002).

Privatisation involves the redrawing of employment boundaries in the state sector, with job losses in this sector. In terms of direct employment, there has been a massive decline in public sector employment, in part attributable to privatisation policies (Wilson, 2003; Gosbell and Robinson, 2004). The approach by management can be quite ruthless. To illustrate, the water industry was subject to privatisation, with consequent reductions in staff numbers. The employment levels at South Australia Water, for example, fell following privatisation in 1996 from 2,707 to 1,790, a fall of 48 percent. When questioned about this development and the financial details of the contract, the chair of the new company United Water stated:

We’re not here because we love the state and we’ve got bleeding hearts, for Christ’s sake. We’re here to make money. We’re here to do business (Birnbauer, 2003: 5).

The implication of these aspects of restructuring the privatised sector is that the relations between these enterprises, as employers, and the workforce have been transformed. How and under what circumstances workers’ interests will be recognised is no longer certain. It remains unclear what the impact of privatisation has been on those who are employed in these enterprises and the trade unions that represent them. Although the success of privatisation is couched in terms such as the benefits accruing to citizens and consumers and other less visible consequences of reform, labour is largely rendered invisible. At most, once an enterprise has been privatised, labour is referred to obliquely only in terms of improved labour productivity and they are denied a direct role as participants in this process (Hodge, 2003).

In one recent study of the post-privatisation impact on industrial relations, Arrowsmith (2003) argues that trade unions in the post-privatised firms remain well organised with significant capacity to disrupt. However, with reference to the British rail and electricity industries, Arrowsmith argues that there is no ‘theory of privatisation’ in terms of industrial relations. His study of two former state monopolies characterised by well-organised trade unions, operating within these state enterprises, points to a more voluntaristic set of outcomes than indicated by other researchers who drew a closer relationship between the process of privatisation and industrial relations outcomes. In contrast, Arrowsmith refers to arguments to the effect that privatisation was likely to lead to widespread changes in employment because of the pressures towards profit maximisation (Pendleton, 1999). A process of continuity and change was in process, individualised employment relations and a tendency towards union concessions. Rather, he proposes an explanation of trade union organisation and activity in terms of a ‘firm in sector’ approach (Arrowsmith and Sisson, 1999). He argues that there is variation between sectors and managers and unions are able to reach their own settlements within their own specific contexts.

These studies, notwithstanding, the broad focus has been on industrial relations impacts, rather than on the recomposition of labour and the organisation and capacities of trade unionism in the privatisation context. Moreover, it is also the case that little attention has been given to the political economy of privatisation and the way in which these relations set the scene for work and employment relations. As Arrowsmith (2003), notes the critical point is the discretion available to management and trade unions to establish the terms and conditions of
the settlement in each area. However, unlike Arrowsmith, the emphasis in this paper is on the
generic features of the restructuring and reorganisation that is taking place and the questions
this raises for trade unions.

**Reconstituing ownership**

The initial pattern of ownership involved numerous consortia, mostly drawn from overseas.
However, these patterns were not fixed and in the period after privatisation a process of
consolidation and concentration of ownership began. The consequence is that vertical and
horizontal integration has become much more common, shifting the terrain of work organisation
and the associated industrial relations in profound ways. This paper will focus on power generation
and suburban passenger rail transport in Victoria where the incidence of privatisation and the
concentration of ownership have been most prominent.

**ENERGY:** After an initial period of multi-ownership in the energy sector, the pressures of
international competitiveness, coupled with the underlying weakness of multi-ownership within
the Australian economy, consolidation became the norm. By 2004, a process of re-aggregation
of the energy companies was occurring with the creation of vertically and horizontally integrated
energy companies. One example of such a development is the purchase of TXU Australia by
Singapore Power (a state owned power multinational). This gave Victoria’s monopoly transmission
business, GPU PowerNet, around a third of Victoria’s gas and electricity distribution networks,
1.1 million retail energy customers, Victoria’s underground gas storage, a share in the SEAgas
pipeline to South Australia and the 1280 megawatt Torrens Island generator in Adelaide. The
ACCC has ruled that Singapore Power must divest the generation interests within two years
(Myer, 2004: B3). Another example of the re-aggregation that is taking place is provided by the
purchase of Loy Yang A by Australian Gas Light (AGL). This purchase followed changes in
the original cross-ownership rules aimed at stimulating cross ownership, with the consequence
that vertical and horizontal integration became much more likely in the industry. In the case of
AGL the company owns peaking plants in Victoria and South Australia. This process of vertical
integration in the Victorian generating industry is in line with developments elsewhere in the
world, and is seen by governments and commentators as necessary to secure inward investment
into the base load power industry (Myer, 2003: B2).

The re-aggregation is occurring because the original privatised companies were too small, too
expensive, and operated in excessively volatile markets. As part of this reshaping of corporate
ownership, there has been a move from northern energy owners – NRG (US), Edison Mission
(US), Duke Energy (US), Powergen (UK), National Power (UK), and other US owners – to
either local owners (Australian Gas Light) or regional Asian companies (Singapore Power, China
Light and Power). As part of this shift in ownership patterns, most State cross-ownership
legislation has been weakened, either directly or as a result of legislation.

**RAIL:** In Victoria the reform of rail began with the Rail Corporations Act 1996 which allowed
for the corporatisation of V/Line Freight and the creation of two statutory suburban train
Corporations – Bayside and Hillside. The corporatisation process was accompanied by the
introduction of a new ticketing system which allowed the government to staff only 67 out of
209 stations. These changes saw public transport jobs fall from 33,000 in 1988 to less than
9,000 in 1998 (Rees, 2003). In 1999 the government awarded 15 year franchises to a French
consortium Connex to run Hillside Trains, to a French and Australian consortium Metrolink
to manage Yarra Trams and to the British company National Express to run Bayside Trains,
Swanston Trams and V/Line passenger. By 2001 the system was under strain. When it took
over the contract National Express projected that patronage of its train and tram services
would increase by 70 percent in the period to 2009 but instead found patronage increased at
between 2 and 4 percent a year. The replacement of tram conductors and train station staff
resulted in fare evasion that was estimated to cost $50 per million per annum (Simpson, 2003:
11; Rees, 2003). The government and the private operators met to negotiate new subsidy levels
but National Express did not accept the proposed level of subsidy and withdrew from the
three franchises leaving the three companies in government administration for 16 months
(Connex, 2004; Rees, 2003).
There has since been a reaggregation of ownership. In early 2004 the government announced Yarra Trams would take over M>Tram, the former Swanston Trams, and Connex the running of M>Train, the former Bayside Trains. The subsidies to run the network would be increased by $201 million a year for 5 years (Broadbent, 2004: 13). This would mean the government would pay the operators $2.3 billion over the next five years, an increase of $1 billion over the original contracts (Skully, 2004).

**Trade unions**

The trade unions that organise and represent in these areas of employment have a long history (on electricity, see Fairbother and Testi, 2002; on gas see Barton, 2002). With privatisation and the subsequent changes, these unions have had to reconsider their positions within these industries. This process has not always been easy and in some cases involved a reconstruction of unions, as was the case in the power generation industry in Victoria (Fairbrother and Testi, 2000: 124 – 28).

**ENERGY:** The initial response by unions in the face of privatisation and the uncertainty of ownership was to rebuild the union base. In the case of the gas industry, the unions suffered from an inability to forge a unified approach in relation to the privatisation of the Gas and Fuel Corporation of Victoria. Another example of this process occurred in the La Trobe Valley where the unions were also disconcerted by the process of privatisation and unclear how to address it. Following privatisation the Construction, Forestry, Mining and Energy Union (CFMEU) was in a state of apparent stasis for nearly three years. However, beneath the surface appearance long-standing union members, supported by full time officers, began to rebuild the union base power plant by power plant.

One feature that unions have had to face is representing the same occupations to different employers, who on occasion have pursued widely varied policies and approaches. In the initial corporatisation period where the government owned generators shed large numbers of jobs and restructured employment (Fairbrother and Testi, 2002), the CFMEU obtained Enterprise Agreements with all the generators that guaranteed shift continuity, notice periods for shift changes, staffing numbers (CFMEU Official, 2004). More recently the unions have been in a series of disputes that centred on Yallourn Energy which is primarily owned by the UK company Powergen. Although Yallourn took the lead role, the other generators were keen to follow suit on any concessions that could be extracted. In the 1999 EBA negotiations Yallourn Energy demanded greater workforce flexibility and put to the unions ‘seven fundamental principles. These were that ‘everything we hold dear, everything we were promised, they wanted to take away from us.’ The unions mounted a joint campaign but found it difficult to coordinate their industrial strategy (CFMEU Official, 2004). After escalating industrial action by the Electrical Trades Union (ETU), Australian Manufacturing Workers’ Union (AMWU) and CFMEU and company threats of lock outs, the Bracks government intervened and used emergency powers to force the workers to return to work. Although the parties reached agreement over security of employment for maintenance workers, other issues remained unresolved (Fairbrother and Testi, 2002) and continued to fester. The AIRC intervened and terminated the bargaining period and in September 2001 arbitrated an agreement that delivered an agreement that, in the union’s eyes, undermined job security, rosters and conditions. But the dispute did have some positives.

I think because we put on such a significant fight against that happening because the other two companies, Hazelwood was lining up for an Enterprise Agreement as well at the time and so was Loy Yang. At the beginnings of that process they were all pretty gung ho about bloody following suite but I think by the time we’d finished with Yallourn, even though we’d lost the conditions there, … I think Yallourn themselves would admit cost them something like $60 to $100 million to take them off us in lost production’ (CFMEU Official, 2004).

The ferocity of the union response discouraged the other generators from pressing for similar concessions. After the dispute

Loy Yang and Hazelwood basically approached us and said look we don’t want any of that, we want to do an agreement … we actually improved our conditions during the Yallourn dispute at Loy Yang and Hazelwood (CFMEU Official, 2004).
The CFMEU’s readiness to take industrial action, Loy Yang and Hazelwood’s recognition they did not have the same financial resources as Yallourn and their high levels of debt worked to guarantee those conditions. The union’s strong stance in 1999 paved the way for the current positive EBA negotiations with Loy Yang and Hazelwood. The union’s relationship with Yallourn was described as ‘very bad’ with the company wanting to continue with the terms and conditions of the AIRC imposed agreement. The workforce was reluctant to engage in industrial action after the AIRC enforced settlement of the last dispute (CFMEU Official, September 2004).

Although the unions were still able to mount significant industrial campaigns, The union amalgamations and rationalisations of the late 1980s created disunity and competitiveness between the unions. These divisions meant that unions lost their focus on organising the membership at a time of significant industry change. The relationship between the unions was still fraught largely over these issues and past industrial strategy. The CFMEU had made a conscious decision to position itself as the principal union in power generation. It has made some organisational changes and in 2001 created the La Trobe Valley Victorian Mining and Energy District. Since the industry restructuring commenced, the CFMEU’s membership density has been increasing although the industry’s absolute workforce has been declining. The CFMEU argued that its past principled stance on job retention, and the actions of some senior Australian Services Union (ASU) officials taking managerial positions at one of the generators, had delivered the union members from areas traditionally covered by other unions. The union has outgrown its La Trobe Valley office and has bought the former SECV headquarters, known locally as Bullshit Castle, as its new offices. In 2002 the CFMEU played a pivotal role in reforming the Gippsland Trades and Labour Council (GTLC) which had collapsed in the 1990s. The GTLC was seen as vital to maintain cohesiveness amongst the unions in the industry (CFMEU Official, September 2004).

**RAIL:** As in many other privatised industries, the government played a pivotal role in terms of job reductions and a changed approach towards trade unions. In some ways privatisation brought some respite but offered a new set of challenges. In the case of transport, the trade unions have followed a strategy of playing the private companies off against each other. In both, Tasmania and South Australia the 1997 privatisations of state rail resulted in union defeat and subsequent demoralisation. However, in the case of Victoria, the unions took notice of these defeats and developed a more astute strategy. Prior to the privatisations, the Rail Tram and Bus Union (RTBU) negotiated EBAs that included transmission of business arrangements which protected wages and conditions. The two main companies, National Express and Connex, took different approaches to the union. National Express imported many key senior managers from the UK and employed a number of other new managers with little experience in rail. The company attempted to introduce changes in working conditions based on the company’s UK experience. In contrast Connex employed a small number of French managers and continued to employ people from the industry and took a conciliatory approach to the unions. These factors were to have a telling effect on the three RTBU divisions.

Shortly after privatisation the National Express owned M>Tram approached Enterprise Agreement negotiations with an agenda of reducing conditions to save costs. They were stymied by two factors, the existing EBAs which preserved terms and conditions, and the Kennett government’s service level agreements which imposed fines for service unavailability and made the company unwilling to bear the cost of industrial action. Since privatisation the Tram Division’s relationship with management has changed. The Kennett government took an aggressive approach to the union and withdrew the payroll deduction of union dues and the facility that allowed the depot delegate a day a week to attend to union affairs. Under private ownership the Tram Division had been able to have these provisions returned and the union is also allowed to address every new intake of drivers. The Tram Division attributed M>Tram’s business failure to its poor relationship with the workforce. The employees responded with poor tram maintenance and an indifference to tram punctuality which incurred the company service level fines. The RTBU found Yarra Trams more amenable and attributed this to the fact that its French management, unlike National Express, came from a unionised company. The union has 100 percent membership and since privatisation has achieved a 28 percent pay increase. Ironically privatisation and the service level agreements have increased the union’s industrial leverage (Tram Division Official, RTBU, August 2004).
Privatisation has thrown up new challenges for the RTBU’s Victorian Locomotive Division which covers train drivers. The privatisation process actually increased the number of drivers by 24 as the split system lost some economies of scale. Having seen off National Express’ challenge, the Division was able to exploit the differences between the two operators. ‘We exploited the situation and when we settled with Connex we would say well that is now the benchmark, you’re going to have to meet it. … They would try and play us and we would play them’. At the moment the Division’s relationship with management was amicable ‘that’s not because they’re good blokes. That’s because … many scars have been left’. The Division argued that in the current environment those unions that are strong will prosper. In 1993 the Kennett government had taken away payroll deductions and, while the privatised companies have since offered to reinstate this facility the Division prefers direct debit arrangements ‘We put no pressure on anyone to join the union. If they don’t see the benefit don’t join. We don’t want the companies to collect our dues. We want our members to say I’ll consciously contribute because it delivers an outcome’. The Locomotive Division has 100 percent membership (Locomotive Division Official, RTBU, September 2004).

Within the Rail Operations Division, which covers station staff and signallers, the experiences of corporatisation and privatisation have seen the union refocus and rebuild. The corporatisation process, with its extensive voluntary redundancy programme, saw membership decline and half the workplace delegates leave the industry. National Express took an aggressive approach to the union and made delegates perform their union duties in their own time, and removed union material from notice boards The Rail Operations Division adopted the Organising Approach and union elections have seen the return of a leadership dedicated to this approach. The union has taken an aggressive industrial approach and has taken selective and targeted industrial action aimed at challenging managerial authority rather than disrupting passenger services. Members want to be delegates and the union has enshrined trade union training leave in its latest EBA (Rail Operations Official, RTBU, September 2004). Since the privatisation of the public transport system, the Victorian Branch of the RTBU has grown by 1,384 members or 32% (RTBU, 2004a). The union has recently formed, along with the Transport Workers Union (TWU) and the Maritime Union of Australia (MUA), the Victorian Group of the International Transport Federation. This group aimed to build upon relationships developed during the 1998 Patricks’ MUA dispute and enable union members to work together to maximise their power against companies, such as Toll, who were moving to cover the entire freight logistics chain (RTBU, 2004b).

**THE PROSPECT OF RENEWAL:** This process of union renewal and repositioning is significant in one important respect. In most cases, the unions have learnt from the immediate experiences of privatisation and in the face of ownership change and increasing concentration have sought to develop anticipatory policies. On the one hand, the CFMEU has attempted to lay an organisational base through the Mining and Energy District and its sponsorship of the revived GTLC means they can address all employers in the industry. The RTBU’s membership of the International Transport Federation is part of a cross union attempt to deal with the concentration of ownership in the transport industry. On the other hand, the unions are developing more discerning strategies about the weaknesses and strengths of the enterprise owners. The CFMEU’s lengthy industrial action at Yallourn and its awareness of the business position of the other generators has enabled it to improve members conditions at the other generators and lay the ground for more productive enterprise bargaining. The RTBU exploited strategic division between the two former owners to achieve gains.

These developments underwrite the seldom noted feature of collective organisation, namely that it is in the context of the wage relationship that collective organisation is built and rebuilt (cf. Kelly 1998). Apparent defeat is not a failure of leadership per se, although it may be a factor. Rather, it is a feature of the struggles, both materially and ideologically, that take place in the circumstances of corporate change, managerial restructuring, employer hostility, and the social exclusion often associated with redundancy. Instead of viewing unions as secondary organisations, or defensive bodies, it is important to attribute the strength of initiative and self-organisation (locally, regionally and nationally), that defines the modern trade union movement. In short, in the process of apparent union defeat, the wage relationship means that there is a wellspring for collective re-organisation and revival.
Assessment

The argument is that the process of ownership concentration in the privatised sectors of the economy recreates the basis for more uniform terms and conditions of employment as well as fewer employers in the industry. These processes are clearly evident in the electricity, gas and transport sectors. Over the last few years, since privatisation was introduced with relatively restrictive rules on cross-ownership, there has been a loosening of these rules. In part, this development is the outcome of business lobbying to ensure that the economic and financial conditions are in place for these multinational firms to gain entry into these former state utilities. The result is a process of vertical and horizontal integration.

The developing concentration in ownership, and the associated vertical and horizontal integration, in the two sectors, energy and transport, sets the terrain for a consideration of work organisation, work relations and forms of collective organisation, via trade unions. In contrast to other analyses (Pendleton 1999 and Arrowsmith, 2003), our argument is that the relationship between employment restructuring and the processes and outcomes of industrial relations is more complex than suggested. Rather than argue a relatively direct relationship between privatisation and industrial relations (Pendleton, 1999) or a ‘firm-in-sector’ approach (Arrowsmith, 2003) we suggest that the attention should focus on the political economy of the restructuring process following and involving privatisation. Such an examination draws attention to the initial process of disintegration and the subsequent concentration and consolidation in different sectors, and the way such processes in transport and energy are prototypical. It is likely that the developments that we have examined in these two sectors are part of a general pattern, in Australia and beyond. If this is so then the circumstances of worker organisation and relations, as well as the activities by trade unions, occur in relation to an unfolding set of capitalist relations that involve transnational corporations, government policy, forms of regulation, and the reorganisation of work relations and work processes.

The increasing ownership concentration, and hence the moves towards vertical and horizontal integration, indicates an increasing uniformity of work experience and associated terms and conditions of employment in these two sectors. In such circumstances trade unions are in a position to begin to develop strategies to address these developments. These trends contrast sharply with those observed by Arrowsmith (2003: 153) in relation to British railway industry where privatisation ended the single state company, British rail and fragmented the industry. Although the government has take steps to introduce more direct forms of state regulation and control than was originally the case, there is no apparent move towards a concentration of ownership. It may be that this snapshot by Arrowsmith captures a particular moment and thus the analysis should be judged accordingly. It is possible that a process of vertical integration will occur in the British rail industry in time, with the implications outlined above.

One of the implications of the above analyses of privatisation is that there is a strong impetus for privatised enterprises to recompose and relocate previously established workforces. Management priorities and employment relations are recast to promote the competitive base of the privatised enterprises (on the energy industry, see Capelli, 2000, Fairbrother et al., 2003). It is assumed that these developments are policy driven or the outcomes of managerial strategies (Vergin and Stanislaw, 1998; Beynon et al., 2000). Collective organisation in these circumstances is neither straightforward or easy. On the contrary, the scale and scope of the changes, accompanied by relatively hostile employer initiatives, threatened the vary basis of trade unionism, especially in the energy sector. However, building on the material and ideological features of work and employment, these trade unions built and rebuilt their organisations as well as developing approaches to confront the emergent terrain of trade unionism in these privatised industries. In these circumstances the unions displayed both reactive and proactive responses to these dramatic developments. Out of apparent defeat, these unions laid the foundation for renewal.

Overall, the process of privatisation in Australia is now well established. These economic, financial and institutional arrangements are relatively settled; there is little prospect of a return to public ownership, although the regulatory framework could be tightened in the future, depending on the economic and political circumstances of these industries. Short of this latter development, the organisational and institutional location of these enterprises is now relatively settled and part of the industrial relations terrain in this sector. While for unions there may be a process of adjustment to the increasing ownership concentration, the novelty of privatisation is part of the past. In this respect, trade unions are in a position to review their organisational arrangements and their capacities to challenge the private oligopolies that now own this sector.
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Conflict or cooperation: Industrial relations practice in the Victorian public health sector

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ABSTRACT
This paper reports on a survey of 35 human resource directors from public healthcare facilities in Victoria and explores the character of industrial relations within the four divisions of the Victorian public healthcare sector, particularly the industrial relations climate. This sector is characterised by a traditional pluralist model of industrial relations despite wider Australian trends towards decentralisation and individualisation. Management in metropolitan hospitals rated their industrial relations climate the most cooperative of all four healthcare divisions. Even though there was limited evidence to suggest management hostility towards unions, community health centres rated the lowest in terms of cooperation and highest in terms of hostility. Implications are drawn for the practice of human resource management in a unionised environment.

Introduction
Despite the fact that there is an increasing international interest in health sector industrial relations (Bach and Winchester 1994, Bach 1998, 2000, Thornley 1998, Oxenbridge 1996); until recently in Australia this sector was largely under researched. This is surprising considering that the health industry is labour intensive and one of the more highly unionised industrial sectors, with evidence that some health sector unions are increasing their union membership and density (Stanton. 2002). The health industry is also characterised by a number of different professional groups, each highly educated and skilled with its own history, culture, specialisms and patterns of practice (Duckett 2000). These professions often have different interests and the ability to exercise a certain amount of clinical autonomy and independence (Bach 2000), leading to accusations of rigid working arrangements revolving around professional 'silos' and tribal behaviour between the groups (Hunter 1996). At the same time there is an international shortage of many healthcare professionals and technological innovations which have led to the need for even greater skill acquisition with up-skilling rather than deskilling in many areas (Braithwaite 1997; Stanton 2002). Braithwaite (1997) argued that up to the early nineties industrial relations in the Australian health care sector was largely stable, centralised, award bound and rigid and Bray and White (2003) and Stanton, Bartram and Harbridge, (2004) suggest that despite flirtations with decentralisation through enterprise bargaining, health sector industrial relations in New South Wales and Victoria have remained centralised. One reason for this is that the sector is also largely publicly funded and hence dependent on government policy for direction setting and control. However, as governments have sought more innovative and flexible work practices over the last decade the potential for struggle over contested terrain has increased.

This paper focuses on the public healthcare sector in Victoria, which has been through two different government approaches since 1992, both of which have had a significant impact on industrial relations. The Liberal Coalition government from 1992 to 1999 adopted the approach of New Public Management, which encouraged the decentralisation of pay bargaining, hostility towards trade unions and a ceding of industrial relations powers to the federal level. In contrast, the current Labor government has relied on greater centralisation of industrial relations, particularly in the public health sector, and appears to have adopted a more open relationship with trade unions. This paper reports on a survey of 35 human resource directors from public healthcare facilities in Victoria and explores the character of industrial relations within the four divisions of the Victorian public healthcare sector (e.g., Metropolitan hospitals, the rural base hospitals, district hospitals and community health services). These responses concerned the human resource directors’ views and perceptions of the industrial relations climate, formalisation of industrial relations and union-management relations within their organisation.
This survey is part of a larger-scale systematic study into people management practices in the Victorian public health sector undertaken by the researchers. This paper is of significance as there is clear evidence that building a positive industrial relations climate between trade unions and management can be an important starting point for the promoting, adopting and understanding the challenges, constraints and opportunities of workplace innovations such as human resource management (HRM) (Cregan, Bartram and Johnston, 2001; Bartram and Cregan, 2003).

**Changing government policy in Victoria**

Historically public hospitals in Victoria have been largely independent bodies run by semi-autonomous boards of management, staff were employees of the hospital not of the government. However, until 1992, public health employment in Victoria was centralised in that hospital staff were largely employed on state awards. Industrial processes were conducted centrally with direct state government involvement and employers had to implement these decisions with little input into their negotiation (Fox, 1991). Lin and Duckett (1997:49) argue that the health trade unions, because of their links with the Australian Labor Party, were seen as powerful and had been able to negotiate generous wages and conditions and also able to resist any real reform of work practices. The Liberal Coalition government elected in 1992 attempted to introduce pay decentralisation through the development of enterprise bargaining, at the same time it tried to weaken the power of the trade unions through abolishing union payments at source and by publicly excluding unions from consultation processes. (Stanton, 2002).

Stanton (2002) exploring industrial relations in the health sector under the Kennett government argued that government policies led to a struggle for control in three areas. The first, between government and employers as employers tried to resist or extend government policy. The second, between employers and their employees as employers tried to implement government policy and, third, between government and trade unions as trade unions tried to resist government policy. Employers believed that industrial action had increased during this period but largely as a response to government policy rather than their own actions.

In 1999 the election of the Labor government led to a return to centralised industrial relations processes in the health sector, with government officials playing a greater role in negotiations, and an increased reliance on the Australian Industrial Relations Commission (AIRC). Stanton et al (2004) interviewed key informants from government, trade unions and employers to compare both governments’ policies and their impact on the practice of industrial relations in the sector. They found that from the perspectives of the key actors within the system, in practice both governments’ approaches to management of the sector have not differed markedly and have been applied with political theatre, a continuance of central-local tensions and an absence of government direction and leadership system wide. While the Liberal Coalition government promoted ‘hands-off’ managerialism and the employers enjoyed some involvement in the ‘enterprise bargaining’ process, which promoted limited flexibility for labour utilisation at the local level, the evidence suggests that the process was still largely centralised with strong government involvement and interference in the background. In contrast, the Labor government has openly centralised the bargaining process and in-effect largely removed employers from the bargaining process as unions are negotiating directly again with the Department of Human Services. Evidence from the key informants suggested that there is a lack of consultation with the management and the field. Consequently, it is possible that the complex web of historically ingrained tensions between key actors has been perpetuated and has stifled the renewal of innovations in people management in the Victorian public health sector. The evidence from the key informants suggested that the actions taken at the level of policy and strategy has directly impacted on collective bargaining and personnel policy at the level of the workplace (Kochan, Katz and McKersie 1986). However, we have little systematic data that explores the industrial relations climate and union management relations at the organisational level in the Victorian healthcare sector and what we do know tends to reflect the views of managers from the larger tertiary hospitals. In this study we explore the industrial relations climate from the perspectives of human resource directors in a number of healthcare facilities. In this paper, first, we review briefly the literature on industrial relations climate, second, we outline the sample and method, third, we present the findings and finally we focus on discussion and conclusions.
Industrial relations climate

Organisational climate refers to a variable, or set of variables, that represents the norms, feelings and attitudes prevailing at a workplace (Payne and Pugh, 1976). The concept of organisational climate offers the opportunity to link individual and organisational levels of analysis. Kelly and Nicholson (1980) argue that the application of the climate concept in industrial relations can bridge the theoretical gap between organisational characteristics and industrial relations outcomes such as conflict. Dastmalchain, Blyton and Adamson (1991) suggest that a firm’s industrial relations activities generate a characteristic atmosphere within that organisation. This characteristic atmosphere, as perceived by the organisational members, is what is regarded as the industrial relations climate. The concept of industrial relations climate viewed in this way is perceptual rather than objective and is organisational rather than psychological (Payne and Pugh, 1976).

The union-management relationship offers a potentially fruitful area for the exploration of the concept of organisational climate (Dastmalchian, et al, 1991). In an effectively unionised organisation that is faced with the challenge of competitive pressures, management has the problem of introducing changes that strike at the heart of collectivism: issues of flexibility include skill definitions, job controls, work intensification, wage rates and job loss. Such issues can be dealt with by collective bargaining with its inherent threat of industrial action. However, if the aim of management is to introduce flexibility yet avoid industrial conflict, there is evidence to demonstrate that, where there is an effective union presence, management often consult with unions to achieve this end (Ackers, Marchington, Wilkinson and Goodman, 1992; McInnes, 1985).

In its formal guise, such as joint consultation committees (JCCs), the practice has a long pedigree and has entered the armoury of HRM in the form of participation or employee involvement (EI). Union presence is said to facilitate consultation by providing a ready-made organisational structure among employees (Turner, 1994).

Unions have optional responses to a consultative relationship. There is a major stream of industrial relations literature that suggests that labour reaps little benefit from consultation per se. In his classic study, Ramsay (1977) argued that “participation is … best understood as a means of attempting to secure labour’s compliance” … as a managerial device to ensure “legitimation”. As such, it is based on a unitarist concept of “the company”. Labour takes part because its objective is “the primacy of democracy itself” (p498). The latter is doomed to be realised in the long term, as managers no longer encourage participation when worker resistance fades. Ultimately, it is a zero-sum game, with management as the victor.

However, different views have been expressed about consultative practices, Batstone (1984) maintained that companies that were making losses ‘had a strong incentive to highlight their problems to workers and seek their co-operation in overcoming them’ (p261). Bougen, Ogden and Outram (1988) argued that in a situation of competitive pressures, management might need to secure co-operation from workers rather than mere compliance. Moreover, a view has developed that there may be scope for mutual gain from management-union co-operation as managers’ search for competitiveness and employees for job survival in a context of global pressures (Guest and Peccei, 2001; Eaton and Voose 1992). Collective bargaining - with its threat of industrial conflict - may be a major impediment to such a goal, so consultation between management and employees has taken on a greater significance in certain situations. That is, consultation can be part of a positive-sum game in which both managers and workers gain. The price for managers is a sacrifice of some of their ‘prerogative’, and that for workers, a constraint on their capacity to collectively bargain. Recently, however, there has been greater emphasis in the literature concerning management and trade union cooperation (Goddard 2004). Walton (1985) establishes the dominant American managerialist paradigm, indicating that HRM policy choices should be contingent and reflect the interests of a range of stakeholders, including trade unions. Walton (1985) proposes also that ‘commitment-based’ strategies highlight the mutuality in labour relations planning and problem solving for both trade unions and management. It has also been argued that trade union presence has been associated with a greater sophistication of HRM. In fact, Eaton and Voose (1992) suggest that trade union presence has been associated with greater employee productivity.
The relationship between unions and the employer within the public health sector has had its ‘ups’ and ‘downs’, depending on the government of the day, funding arrangements and personal philosophies of the key players within the sector. Much of the attention in the literature has been on the relationship between trade unions and the government, the highly political nature of the sector and the fact that the health industry is seen as an essential service (Fox 1991, 1998, Stanton 2002). Case studies in the sector suggest that management practice and prerogative need to be understood in the wider industrial relations context (White and Bray 2003, Carr 1999). It is clear from the health services literature that it is difficult to understand any developments in the public health sector without considering the highly unionised and politicised industrial relations context.

**Sample and methodology**

The data used in this paper is derived from a survey of 130 organisations in the public healthcare facilities in Victoria, including metropolitan health services which are the large city based teaching hospitals, the large regional base hospitals, smaller non-teaching district and bush hospitals and community health centres between December 2003-April 2004. Five hundred and thirty six questionnaires were distributed to the CEO, human resource director and two general functional managers (often Directors of Nursing or Medical Directors) per organisation. A total of 184 questionnaires (34 percent response rate overall) were returned including 64 CEOs, 35 HRDs and 85 GFMs (almost 50 percent response from CEOs and an estimated 90 percent response rate from HRDs as all organisations do not have a designated HRD). In this paper HRDs from nine metropolitan hospitals, five base hospitals, 14 district hospitals and six community health centres were used in the analysis.

There were two survey instruments; one directed at the HRD and the second to the CEO and general functional managers of the organisation. The HRDs survey comprised of questions relating to strategic HRM, questions relating to the full range of HRM functions including recruitment and retention and a comprehensive set of HRM outcomes such as industrial relations outcomes, recruitment and selection and turnover outcomes. The CEO and GFM survey contained the same SHRM questions, a less comprehensive set of the same group of HRM functions plus questions pertaining to the organisational outcomes monitored by their organisation. Only the HRDs were questioned about industrial relations since they generally have responsibility for most industrial relations matters.

In this paper Dastmalchian, et al’s (1991) 35 item measure of industrial relations climate was used. Five components of industrial relations climate emerged following a principal components factor analysis of [eigen values > 1 retained and the factor solution rotated using the varimax orthogonal method]. Reliabilities and standard deviation are presented of the five factors: cooperation between management and trade unions (alpha=.78, mean=10.2, S.D.=3.2, items=5); management hostility towards trade unions (alpha=.89, mean=7.8, S.D.=2.7, items=4), formalisation of the industrial relations system (alpha=.84, mean=25.9, S.D.=3.0, items=6); union support in organisation (alpha=.73, mean=11.1, S.D.=1.7, items=3); and employee perceptions of fairness of the industrial relations system (alpha=.73, mean=9.1, S.D.=2.4, items=3). One-way ANOVA tests were conducted to ascertain the extent of differences in management perceptions of the industrial relations climate across the health services divisions. From an examination of the one-way ANOVA tests, a number of possible climate dimensions that reflect the various aspects of the union-management relationship in Victorian public health facilities can be identified.

**Results**

First, means of the components of industrial relations climate are reported. Overall, it is apparent that the HRDs rated cooperation with trade unions as generally favourable, despite the large standard deviation. Moreover, HRDs across the four divisions rated highly the extent of formalisation of industrial relations processes. Employee support for trade unionism was also rated quite highly by the HRDs and promoting hostility with trade unions was rated low by the HRDs.
Second, One-way ANOVA tests found statistically significant differences between the health services divisions in relation to cooperation \( [F=4.775, p=.008] \) and hostility \( [F=2.494, p=.080] \) between trade unions and management. More specifically, HRDs in metropolitan hospitals perceived that they possessed the most cooperative industrial relations climate in comparison to community health centres - with least cooperative industrial relations climate (see Table 2). In terms of hostility between management and trade unions, the means were low indicating management reported an absence of hostile views towards trade unions. Moreover, HRDs in base hospitals reported that their organisation was the least hostile towards trade unions and community health centres the most hostile towards trade unions. Results also indicate the high level of formalisation of industrial relations systems and processes 25 and above. Despite not being statistically significant human resource directors view employee support for unions within the organisations highest in the metropolitan hospitals and lowest in the community health centres. Moreover, HRDs perceived that employees viewed industrial relation systems and processes fairest in the metropolitan hospitals.

### TABLE 1
**Descriptive statistics**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperation</td>
<td>17.79</td>
<td>3.28</td>
</tr>
<tr>
<td>Formal IR systems</td>
<td>25.88</td>
<td>2.96</td>
</tr>
<tr>
<td>Hostility</td>
<td>7.82</td>
<td>2.68</td>
</tr>
<tr>
<td>IR system fair</td>
<td>11.09</td>
<td>1.67</td>
</tr>
<tr>
<td>Employee Support union</td>
<td>9.06</td>
<td>2.42</td>
</tr>
<tr>
<td>( n = .34 )</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Third, further analysis was carried out using one-way ANOVA on the individual items of the cooperation and hostility factors. HRDs had largely neutral views concerning joint management-union committees achieving success across all of the four divisions. Metropolitan hospitals held the most positive views concerning a great deal of concern for the other parties’ point of view in management-union relations. HRDs in the other divisions held quite neutral views. Significant differences were found between the divisions concerning the statement shop stewards are treated with respect at the organisation \( [F=6.10, p<.002] \). HRDs from the metropolitan and district hospitals had higher means compared to HRDs from community health services. Once again in terms of parties freely exchange information - metropolitan hospitals rated ‘agree’. HRDs in the other divisions rated this statement as neutral. Significant differences were found between the divisions concerning the statement management often seek input from the union before initiating changes \( [F=3.19, p<.04] \). HRDs from metropolitan hospitals had higher means than the HRD from community health services. With reference to the hostility items HRDs across the divisions tended to disagree with the statements (see Table 3).

![Table 2](image-url)
### TABLE 3
ANOVA of cooperation and hostility for HRDs (individual items)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean (Division 1)</th>
<th>Mean (Division 2)</th>
<th>Mean (Division 3)</th>
<th>Mean (Division 4)</th>
<th>F'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint management-union committees achieve results</td>
<td>3.67</td>
<td>3.00</td>
<td>3.50</td>
<td>3.00</td>
<td>.713</td>
</tr>
<tr>
<td>Great deal of concern for the other parties point of view in management-union relations</td>
<td>3.78</td>
<td>2.80</td>
<td>3.07</td>
<td>3.00</td>
<td>1.46</td>
</tr>
<tr>
<td>Shop stewards are treated with respect here</td>
<td>4.00</td>
<td>3.40</td>
<td>4.21</td>
<td>3.29</td>
<td>6.10***</td>
</tr>
<tr>
<td>Parties exchange information freely</td>
<td>4.00</td>
<td>3.20</td>
<td>3.64</td>
<td>3.43</td>
<td>1.42</td>
</tr>
<tr>
<td>Management often seeks input from the union before initiating changes</td>
<td>4.11</td>
<td>3.60</td>
<td>3.79</td>
<td>2.86</td>
<td>3.19**</td>
</tr>
<tr>
<td>Management often opposes changes advocated by the union here</td>
<td>2.56</td>
<td>2.00</td>
<td>1.86</td>
<td>2.57</td>
<td>2.31*</td>
</tr>
<tr>
<td>Union-management relations in this organisation can be best characterised as hostile</td>
<td>1.89</td>
<td>2.20</td>
<td>1.62</td>
<td>2.29</td>
<td>1.56</td>
</tr>
<tr>
<td>Parties regularly quarrel over minor issues</td>
<td>2.44</td>
<td>2.80</td>
<td>1.86</td>
<td>2.47</td>
<td>1.62</td>
</tr>
<tr>
<td>Best way to get anything accomplished here is for the parties to report to aggressiveness</td>
<td>2.00</td>
<td>2.00</td>
<td>1.36</td>
<td>2.00</td>
<td>.018**</td>
</tr>
</tbody>
</table>

* n = 34
* df=33
* p < 0.10
** p < 0.05
*** p < 0.01

### Discussion and conclusions

Overall the picture that emerges of the industrial relations climate in Victorian public healthcare facilities is one of cooperation between management and trade unions, a fairly formal system of industrial relations in a non-hostile environment where there is a perception of employee support for unions. However, when this is broken down further into the four divisions of the Victorian public health system the evidence suggests that there are in fact heterogeneous industrial relations climates, management perceptions and possibly even industrial relations approaches. Based on the proceeding analyses there is some evidence to suggest that HRDs in the metropolitan hospitals surveyed are more likely to promote cooperative strategies relative to the other divisions, followed by the largely rural district hospitals, then by the large rural base hospitals and lastly the community health services. It is unclear from the data as to why this is the case. It could be that trade union density within metropolitan hospitals is likely to be larger relative to the other divisions, not only because of their size but also because of their relative importance within the industry however, the rural base hospitals are also large and have importance in their
community. It could be that trade unions in rural areas are not as welcome to employers as in the city however, this would not explain why the largely rural district hospitals promoted cooperative strategies. It might be that in the smaller rural district hospitals, which often have limited human resource departments unions might also provide important management and communication functions. However, community health services are generally much smaller organisations with a limited human resource function and these organisations also rated the lowest in terms of cooperation. Community health services have many of the features of a small business and their managers might prefer a more direct relationship with their staff without the involvement of unions. The industrial relations process might be seen as an outside third party rather than a stakeholder in the organisation.

Despite the metropolitan and to a lesser degree district hospitals pursuing industrial relations strategies of cooperation with trade unions, results indicate that HRDs did not strongly favour the benefits or outcomes of workplace innovations such as joint-consultation committees with trade unions. In contrast, HRDs across all of the divisions strongly favour traditional mechanisms of dispute resolution and negotiation in accordance with legislative requirements (e.g., collective bargaining, informal meetings and the AIRC). These results confirm the case study of a Victorian regional public hospital's approach to industrial relations (Bartram and Cregan, 2003). The results also confirm Carr's (1999) case study findings in Britain that change was taking place but largely through a shift towards a more consultative style within a traditional industrial relations framework rather than a human resource management approach. Despite trends of the growth of individualisation and decentralisation of Australian industrial relations (Deery and Walsh, 1999; Mitchell and Fetter, 2003) the evidence in this study tends to support the continued existence of a traditional industrial relations system within the Victorian public health system – a pluralist model of industrial relations that is highly centralised, unionised and formalised – similar to Bray and White's (2003) findings in NSW. This is despite, or perhaps even because of, the largely government inspired enterprise bargaining battles of the past decade. The pluralist model of industrial relations has enormous implications for the introduction and growth of HRM particularly in terms of Kessler and Purcell's (1996) notion of strategic choice. This paper supports Bach (1998) in arguing that an understanding of the wider constraints in health sector industrial relations is essential, if organisations try to re-direct their approach in a context that is inextricably linked with a wider complex web of regulations, relationships and restrictions. In such an environment there is no benefit to employers in promoting conflict and hostility towards trade unions and professional associations. Rather a co-operative approach is more likely to achieve results.

References


Union strategies of public sector nurses in Sri Lanka: Issues of revitalisation

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ABSTRACT

The discussions around union revitalisation are central to union strategies resisting neo-liberal market reforms. In Sri Lanka, these reforms have been implemented since 1977, with main political parties controlling and domesticateing dominant union strategies. Amidst the general paralysis of most unions, the main public sector nurses' union has expanded its membership, but not without contradictions. By approaching unions form a social movement perspective, the aim of this paper is to explain the possibilities of revitalising union strategies as civil society actors. As an emerging union revitalisation perspective, social movement unionism suggests the potential for unions to move beyond its workplace organisation towards becoming a movement. This paper highlights how issues of ethnicity and gender are significant for such a strategic orientation, particularly in the post-colonial Sri Lankan context.

Introduction

The strategies of the main nurses' union in Sri Lanka, the Public Services United Nurses Union (PSUNU), illustrate a form of independent unionism. This paper takes a closer look at the PSUNU's independent unionism focusing on its internal relations. By describing elements of union organisation, mainly leadership and alliances, the aim is to explain PSUNU's capacity to deepen its independent unionism towards a movement. While independent unionism is central to becoming a movement, this paper argues that an analysis of ethnicity and gender are also important for fostering a social movement union strategy, particularly in a post-colonial Asian context.

The paper is divided into four main sections. The first describes the conceptual framework to analyse union responses to neo-liberal globalisation. The second provides a brief background into Sri Lankan unions, the public health service and nursing care. The third explains the emergence of the PSUNU and its strategic orientation. Finally, the paper looks at the PSUNU's capacity to develop a social movement unionism strategy.

Union strategies

In terms of union responses to neo-liberal globalisation, business unionism and movement unionism have emerged as dominant strategies (figure. 1). Within these responses, independent unionism concerns movement unionism where political party-union relationship is significant for distinguishing political unionism from social movement unionism (Lambert, 2002:186).

Within the business unionism strategy, strategic unionism or 'best practice' unionism, suggests union cooperation with management for promoting the "efficiency of enterprises" (Lambert, 2002). In the Australian context, the adoption of strategic unionism has failed to adequately resist the promotion of individual contracts (labour market deregulation) and privatisation (Lambert, 2002). The authoritarian version of business unionism include state subordinated unions such as those in Indonesia and China, where unions are controlled by the authority in power (Lambert, 2002). Particularly in the Asian context of authoritarian state regimes, union subordination to the state (China and Indonesia), political parties (South Asia) and companies (Philippines) constrain their capacity for collective action as civil society actors. Not surprisingly, independent unionism threatens the authoritarian regimes, grounded in maintaining a low cost, productive and disciplined labour force as the basis for promoting “international competitiveness”.

Movement unionism and independent unionism highlights the limits of business and political unionism which narrow unions to workplace organisation, and to the state industrial relations system. The state integration, mainly promoted through political unionism, is instrumental in limiting unions to representative (parliamentary) politics while restricting and de-legitimising their movement (or extra-parliamentary) politics. In contrast, independent unionism has the potential to develop a social movement unionism strategy, where unions extend beyond the workplace through “long term alliances with other civil society movements and a collective action orientation” (Lambert, 2002:197). By forging alliances beyond the workplace, with a wide spectrum of civil society actors, social movement unionism is aimed at mobilising workers and in the process, reframing issues of citizenship (Webster, 1988; Waterman, 1993; Moody, 1997; Seidman, 1994; Lambert, 2002).

![Diagram of Union Responses](image)

### Unions in Sri Lanka

Political unionism strategies dominate the labour movement in Sri Lanka, as in most South Asian countries. Nevertheless, unions have maintained varying degrees of independent unionism, predominantly among skilled, professional workers (Fernando, 1988). The PSUNU has emerged as a key union among the independent unions. With a membership of around 14,449 nurses in 2000, the union represented nearly 95% of all public sector nurses (MOH, 1998). While this suggests a union of considerable strength, from a social movement unionism perspective, it is inadequate for mobilising workers.

The level of unionisation in Sri Lanka in 2000 was around 18% of the employed labour force, or nearly one million workers, of the 5.6 million total employed labour force (Labour Department, 2001). Between 1977 and 2000, the numbers of unionised workers have fluctuated between 1.4 to 1 million workers. In 2000, there were 1636 unions encompassing around 1.4 million members, (Labour Department, 2001). In 1999, the combined public sector unions in banking, electric utilities, telecommunication, health and education, accounted for nearly 23% of total (public and private sector) union membership. Within the public sector health services, the number of nurses (including public health nurses) has increased from 6,336 in 1980 to 14,804 in 1998 (MOH, 1998). The nurses accounted for nearly 50% of the workforce in the public sector health service. While women workers in the workforce and in trade unions have increased, there are no gender-disaggregated data on Labour Department’s union statistics. Nevertheless, according to the PSNU, women constitute nearly 95% of all public sector nurses.

### Public health service and the nurses

The nurses’ struggles within the public health service are shaped by both the labour movement as well as the women’s movement (Uragoda, 1987; DeSilva, 1970; Jayawardena, 1993; Brohier, 1994). The history of nursing in Sri Lanka emerged with British colonialism, and this legacy still endures with regard to issues of knowledge and language of health care (Attanayake, 1997). Following de-colonisation in 1948, the main reforms in nursing came under the closed-economy period (the import substitution regime) of 1956-77. The new government in power, supported by the labour movement launched a Sinhala-Buddhist ethno-nationalist project, which initiated reforms in the English dominated public sector. This ethno-nationalist assertion is a key feature of post-colonial dynamics of class and ethnicity (Sivanandan, 1984; Tambiah, 1992). Prior to
nursing was the realm of middle-class English educated women, who viewed nursing as a 'calling' (DeSilva, 1970). This 'Nightingale' ideology of nursing soon changed with more working-class and rural women entering the workforce.

The closed-economy initiated a welfare state, which promoted Sinhala, the majority ethnic community's language, as the official language in 1956. While the language policy absorbed workers from rural, Sinhala-Buddhist backgrounds, it also aggravated ethnic tensions, particularly among the marginalised Tamil ethnic group (Bastian, 1984; Seneviratne, 1999). These changes in the public sector also transformed nursing and power relations within hospitals. The closed-economy welfare state model which lasted until 1977, strengthened the 'professional' public service ethic associated with nursing. However, with the open-economy and the deregulation of the health sector since 1977, attitudes towards nursing have been shifting from a 'public service' towards a 'job' (PSUNU, 1999).

Under the post-1977 'liberalisation' policies promoted by the World Bank and the IMF, the key changes in the health sector included: private practice for public sector doctors, deregulation of drug imports, and the introduction of health insurance and medical benefit schemes (Lakshman, 1997; Attanayake, 1997; PTF, 1997; Fernando, 1993a). These market oriented reforms prioritised curative over preventive health care. This has essentially dismantled an effective grass-roots network of health care services, established during the 1956-76 closed-economy period (Fernando, 1993). While health expenditure as a percentage of total government spending has increased from 3.2% in 1978 to 4.1% in 1996, the overall health status and health service provision remain inadequate (Jayasekera, 2000; Attanayake, 1997; PTF, 1997). Moreover, the partial decentralisation of state health services, introduced in 1987-89, retained the authority of the central state while shifting responsibilities and costs to provincial governments (Attanayake, 1997). These changes in public health service have amplified the difficulties faced by the nurses.

The doctors are at the centre of the hospital regimes, which are coordinated by highly developed and complex administrative structures (Freidson, 1970:xvii). With doctors also acting as hospital managers, nurses are in a position of subordination, having to 'follow doctor's orders' (Kenway and Watkins, 1994). The nurses play a pivotal role in the health care delivery system, as the largest group of health care professionals, providing round-the-clock direct patient care. However, it is the doctors who often gain recognition as the 'guardians' of public health care. In effect, the nurses are in the margins of decision-making processes within the state bureaucracy – the Ministry of Health. In 1996, out of around 50 directors within the Ministry of Health, only three were key nursing administrators (or Nursing Directors) (MOH, 1998).

Nursing care, work and wages

As a skilled occupational category with 'professional' status, nursing care is standardised, regulated, and updated by the state. Although the 'professional' status allows a certain degree of control and autonomy in their work, it is also shaped by concrete working conditions. In effect, their daily tasks include activities within and outside their training (Friedson, 1970; Kenway and Watkins, 1994).

While a few nurses work in well-lit, comfortable health-care facilities, most are working in poorly maintained, over-crowded hospitals (PTF, 1997; MOH, 1998). Many government hospitals lack beds, facilities for visitors, toilet facilities and basic amenities (PTF, 1997, Attanayake, 1997). Nurses are now doing more work and longer shifts, at a faster pace (PTF, 1997). Even the opportunity to refuse overtime work is limited. Hospital nurses are often engaged in a range of non-nursing tasks such as conducting linen and drug inventories, clerical work, reception, and serving meals. Despite official safety guidelines, the nurses face added risks due to basic shortages of soap, masks and gloves and bathing facilities in most government hospitals (PTF, 1997).

Nurses in the public sector are workers within the core of the labour market. They can negotiate their wages, and there is stability of employment and mobility. Public sector wages also include built-in increments, promotions, allowances and other bonuses. In the Public sector, the newly trained nurses start at an annual salary of around Rs. 47,600 (A$ 1,012) in 1999. The base salary of around Rs. 4,000 per month is considerably less than a starting salary for a junior male manager which is around Rs. 7,000 (BOI, 2000).
**PSUNU: Emergence**

The PSUNU was formed in November 1969, with the initiative of a male nurse and a Buddhist monk, venerable Muruththettuwe Ananda. The monk has remained the leader over the last 30 years, and is the chief prelate (monk) of the Abhayarama temple in Narahenpita, a suburb of Colombo. At present, the main union office is at the temple premises, although there is a newly built office complex within two kilometres from the temple.

The PSUNU came about when the United National Party (UNP) was mobilising against the opposition, the Sri Lanka Freedom Party (SLFP), which was supported by the labour movement. The UNP mostly represented the interests of the international (comprador) capitalist classes, while the Sri Lanka Freedom Party (SLFP) represented the interests of nationalist capitalist classes (Sivanandan, 1984). The labour movement, led by the Communist Party (CP) and the Lanka Sama Samaja Party (LSSP), has generally supported the SLFP. In effect, the PSUNU was formed despite the influence of working class parties over the labour movement.

Established towards the late 1930s, the LSSP and the CP unions were instrumental in organising and mobilising the working classes (Jayawardena, 1985; Sivanandan, 1984). Both parties have maintained a strong parliamentary presence since 1948. Following the 1970 elections, which brought the SLFP into power, the CP and LSSP leaders were given key posts within the new cabinet. However, at the 1977 elections both parties were unable to elect a single candidate, which illustrated the disintegration of the LSSP and the CP.

Among the nurses, the LSSP and the CP only had limited influence. The main nurses’ union in the late 1960s was an SLFP allied union. Although the social democratic and working class parties (SLFP, LSSP and CP) extended the welfare state from 1970-76, it was also a period of economic crisis and social unrest. Social protest was highlighted by the Peoples Liberation Front or the Janatha Vimukthi Peramuna (JVP) youth insurrection in 1971, and an incipient Tamil youth insurrection beginning in the mid-1970s (Jayawardena, 1985).

In implementing neo-liberal policies for 17 years (1977-1994), the UNP was instrumental in dismantling the labour movement led by the CP and the LSSP (Fernando, 1983, 1988; Sivanandan, 1984). While the SLFP-led Peoples’ Alliance (PA) (1994-2001) government reasserted certain democratic freedoms for the trade unions, the promotion of export oriented industrialisation, soon curtailed this. The PA was supported by the CP and the LSSP along with other smaller working class parties. The UNP returned to power from 2001-2004, but with less capacity to contain union militancy. More recently, the PA came to power in April 2004, as the United People’s Freedom Alliance, which included the Marxist JVP.

Since the introduction of the Executive Presidential system under the 1978 constitution, the state has been increasingly centralised (Fernando, 1983; Sivanandan, 1984). Along with the Prevention of Terrorism Act introduced in 1982, the new system has been active in constraining civil society and repressing unions that engaged in movement politics. The ability of the PSUNU to manoeuvre and grow under an increasingly centralised state reveals a form of independent unionism that has kept its movement tendencies in check.

**Strategy: Independent unionism**

The PSUNU’s articulation of worker interests primarily focuses on the workplace with collective bargaining as the unitary goal (PSUNU, 1999). The key issues include: wages, allowances, accommodations, appointments, transfers and worker education. In emphasising nurses as a specific occupational group with particular interests, this independent unionism is based on separating the nurses’ union from other health sector workers.

The PSUNU’s independent unionism is distinct from political unionism strategies of working-class parties (CP, LSSP, NSSP, and JVP). Political unionism generally tries to incorporate nurses’ interests with other health sector workers, within a broader class strategy for social reform. In contrast, the PSUNU’s strategy situates ‘class’ as a ‘popular’ (‘public interest’) struggle against an elitist state, and displaces the class identities of public sector workers. The PSUNU’s acknowledgement of a ‘class struggle’ itself is primarily aimed at deflecting influences of militant unionist and working-class parties within the labour movement.
The union’s independent unionism embodies a top-down state-centred populism, in which civil society is made invisible. Although the union engaged in a major protest action in 1985, its strategic orientation is primarily within the state industrial relations system (CRM, 1986). In effect, the growth of the union was supported by the state under the subsequent UNP government (1988-1994). The same government granted the union land for a new union building and integrated the union within the state. For example, the union was increasingly consulted on issues of promotions and transfers.

The PSUNU’s articulation of worker interests, emphasising its instrumental (servicing) role, directly complements authoritarian state tendencies. In distinguishing itself from political unionism, the union dismisses party alliances, while situating itself within a vague “public interest” discourse. “Our union is no arm of any party. Our primary alliances are with the people and not political parties.” (PSUNU, 1999). This populist orientation hides the class alliances the nurses have with other health sector workers, as well as the labour movement in general.

Alliances

The PSUNU’s main union alliances include a broader network of similarly ‘independent’ public sector unions. Most of these unions consist of professional, skilled workers. In the health sector, the PSUNU and the doctors’ union (GMOA) are the two prominent unions. The Sri Lanka Nurses Association (SLNA), while distinct from the PSUNU, is an important actor lobbying for the nurses. Among the nurses, there are two recently formed more militant unions: the Government Nursing Officers Association (GNOA) and the United Health Workers Union (UHWU).

As for international alliances, they are marginal to PSUNU’s strategic orientation. The PSUNU infrequently participates in programs sponsored by the Friedrich Ebert Stiftung (FES) and the American Centre for International Labour Solidarity (ACILS). These interactions are primarily focused on institutional and industrial relations issues, which often avoid movement and civil society questions.

With its focus on a narrow, separate, occupational identity, the PSUNU has minimum interaction with most health sector unions. This was illustrated by its agitation against supplementary workers, or ‘attendants’, on the issue of uniforms. This agitation highlights the contradictions of its ‘populist’ positioning. The uniform was a long-standing demand among the supplementary staff. Protesting against the Health Minister’s decision, the PSUNU argued that the nurses’ uniform is symbolic of a specific professional status and qualification, similar to the police. But PSUNU’s critics, including the Joint Council of Professions Supplementary to Medicine (JCPAM), pointed out that even a police uniform is demarcated by badges. They argue that the sarong and sari which attendants have historically worn is simply not practical and a burden at work. According to the critics, the nurses felt that it was ‘beneath their dignity’ to wear a similar uniform to their ‘attendants’ (Gunaratne and Gunadasa, 1999). The PSUNU’s limited alliance with other health sector unions as well as the labour movement is reproduced in terms of women workers’ interests and the women’s movement.

Women’s movement

In terms of addressing women’s issues, the PSUNU is embedded in the male-biased structures of the state, workplace, as well as the labour movement. The union’s formal (constitutional) leadership position, the general secretary post, is allocated to a female nurse and a majority of the executive committee are women (PSUNU union records). However, the two key positions, the leadership and administrative secretary posts, are held by men. Both men, the leader (monk) and the administrative secretary, who pioneered the union, are influential in shaping union strategies.

The PSUNU leadership has often invoked Buddha as the originator of women’s liberation and draws on heroine characters of Buddhist mythic-history, such as Patachara (union newspapers). However, it is a conservative interpretation that has been historically linked with Sinhala-Buddhist ethno-nationalist projects (Jayawardena, 1985). It also hides a range of women’s perspectives that have extended (and revalourised) the Buddhist doctrine (Omvedt, 2000; Chakravarty, 1981).
The PSUNU celebrates the International Nurse's Day with the state patronage and great fanfare, while down-playing the International Women's Day. The PSUNU's marginalisation of the International Women's Day also reflects its approach to the women's movement. The International Women's Day is celebrated by the women's movement, with a range of rallies, meetings and workshops. In addressing women's issues on this day, the union newspaper once briefly mentioned that 'capitalist society has made women into a play toy'. But the intended aim is to dismiss the women's movement, by claiming that these organisations are ineffective and activated only on this day (Hedamina, 2000: March). The PSUNU also illustrates a dominant tendency within the labour movement, not only in Sri Lanka, but across South Asia, which continues to dismiss the women's movement, and feminist politics, as a corruption of 'Western' values (Jayawardena, 1988). This view on the women's movement demands a closer look at leadership and organisational democracy issues.

**Leadership and organisational democracy**

A key feature of PSUNU’s organisational democracy is the autonomy of the monk's leadership from the members. This partly relates to the monk's cultural status, as a symbol of Buddhist religion, and Sinhala ethnicity. Buddhist monks have often engaged as civil society actors (Thambiah, 1992; Seneviratne, 1999). This monk's civil society activism is unambiguously separated from his role as a union leader. The monk has participated in a range of protests, which include anti-World Bank campaigns, and protests initiated by students and farmers. Quite unintentionally, this activism has reinforced his role as an effective union leader. In May 2000, the monk launched a teachers’ union (the Education Professionals Union), which attracted a membership of around 25,000, within a few months.

The PSUNU narrows organisational democracy to formal democratic procedures, which give weight to organisational 'efficiency' over 'democracy'. As a result, dissent and internal debates are viewed with suspicion (PSUNU, 1999). This defensive approach to worker solidarity unfortunately undermines membership initiatives for organisational innovation and elaboration.

Two dissenting groups within the PSUNU finally broke off in 1996. Both of these unions are led by young male nurses who finished their training in the early 1990s, and belong to a generation that was politicised during the JVP insurrection (1987-90). They highlight the PSUNU’s weaknesses, in terms of education and training, as well as the lack of engagement on contentious issues, such as privatisation, deregulation and outsourcing. The young UHWU leaders challenge the PSUNU’s ‘independent’ status, highlighting its contradictions.

‘… They evade the principal question: the privatisation of the health sector. They just want to win temporary gains. But recently, they haven't been able to even win their daily demands. As soon as the government makes promises, the agitation stops. So the union is under the government.’ (Ajitha Gunarathne, United Health Workers Union)

The PSUNU’s narrow internal democracy which limits internal debates reveals how independent unionism can also intertwine with ethno-centric nationalist projects. According to union officials, the Tamil nurses account for around 20% of PSUNU’s membership. However, they are invisible in the union newspaper and in discussions.

The PSUNU’s leader, as a politically active monk, is embedded in ethno-nationalist state strategies (Jayawardena, 1985; Seneviratne, 1999). The launch of neo-liberal strategies in 1977, was combined with Sinhala-Buddhist ethnocentric politics which framed nation building as a Sinhala-Buddhist 'righteous society' (Arunugama, 1991; Thambiah, 1992; Seneviratne, 1999). This strengthened segments of pro-market and conservative Buddhist monks, who promoted a centralised, unified state that advanced only a military solution to the ethnic war (Gunasinghe, 1996; Sivanandan, 1984). In 1998, commenting on a negotiated settlement, the monk asserts, ‘I don't think that political proposals are going to solve this. … The only thing I can see is that you need terrorism to destroy terrorism’ (author's accents) (Jayasekera, 1998).

The PSUNU leader’s Sinhala-Buddhist ethnocentric identity politics reflects authoritarian militarised tendencies within the state as well as civil society (Arunugama, 1991). While constraining democratic counter-movements within civil society, this ethnocentric identity politics reproduce enduring patriarchal structures. In effect, the PSUNU’s capacity to develop into a movement is intricately linked with transforming its male-biased ethnocentric tendencies.
**Limits of independent economic unionism**

The PSUNU represents a specific version of independent unionism that limits movement politics. Nevertheless, PSUNU embodies the potential for developing a SMU orientation. According to Lambert (2002), there are two interconnected dimensions to develop a SMU orientation (Lambert, 2002:197). First, a workplace organisation must become a social movement through commitment to collective action. Second, this change is realised through forging enduring and long term alliances “beyond the workplace with other social movements in civil society” (Lambert, 2002:197).

Although the PSUNU is based on an organisation mode, the 1985 struggle illustrated its capacity for movement politics. Also the PSUNU alliance with an independent union network has the potential to develop into enduring and long term relations. However, these alliances also concern the PSNU’s capacity to transform its gender politics which involves confronting ethnocentric (Sinhala Buddhist) identity politics. In effect, addressing issues of gender and ethnicity in mobilising workers can enhance the PSUNU’s capacities to build alliances with a range of civil society actors while reframing issues of citizenship.

**Conclusion**

As a public sector union, the PSUNU is a key party-independent union. Its independent unionism is based on narrowing unions to a workplace organisation which limits alliances with other unions and in turn, its capacity for becoming a movement.

One could ask the question, why should a nurses union with nearly 95% of all public sector nurses, and more than adequate financial resources develop a SMU orientation? First, the nurses workplace struggles for better wages, working conditions and dignity is influenced by issues of privatisation and deregulation. Second, the PSUNU’s capacity to maintain their gains is interdependent with the strength of the broader labour movement, in national, regional and global spaces.

The PSUNU has the potential to develop a SMU orientation by extending its strategies beyond the workplace to becoming a movement. This also entails building enduring and long-term alliances with other unions and civil society actors. Given that the PSUNU’s leadership is maintained by a male Buddhist monk, the fostering of a SMU orientation involves recognising the ethnic and gender dimensions of the union, and transforming these power relations to revitalise the union’s movement dimension.

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Exploring gender in peak union bodies

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ABSTRACT

With an increasing interest in examining peak union bodies both theoretically and empirically, as yet little attention has been given to gender. This paper argues that, by focusing on explorations of both gendered power and gendered space, greater insight is gained into the power and spatial dynamics found within peak bodies. With a focus on examining our understanding of women's role in peak bodies, a brief review of the Australian literature is then followed by an overview of the fragmented and incomplete picture we have of women in one peak body, the Victorian Trades Hall Council.

Introduction

On the walls of the Council Chamber in the Victorian Trades Hall are honour boards listing the names of past secretaries and presidents of the Victorian Trades Hall Council (THC). Careful scrutiny reveals the title Ms. before J. Armstrong’s name, signifying the first woman to be elected president of the Victorian Trades Hall Council in June 1989. Since then three other women (Barbara Lewis, Karen Batt and Jane Calvert) have served as president with Michele O’Neil currently holding office. In 2004, more state peak union bodies had a woman secretary than a man, with affirmative action policies ensuring their senior leadership groups are characterised by gender representation. The Australian Council of Trade Unions (ACTU), led by its second woman president, Sharan Burrow, ensures it has an executive with equal representation of women and men (Cooper 2000a: 590). Clearly, significant advances have been made since the early 1990s, where women’s executive representation on two state peak bodies was 24 percent in South Australia and 14 percent in Victoria (Pocock 1995: 13). While these figures highlight the contemporary position of women unionists, our understanding of women’s experience in peak bodies is not supported by a vibrant body of research integrating contemporary experience with past patterns, actions and strategies. Indeed we know comparatively little about the historical legacy of their sister delegates, and their presence in (and absence from) peak union bodies.

In recent years in Australian industrial relations and labour history, there has been an increasing interest in focusing attention on the under-researched area of peak union bodies. Some of these studies incorporate critical spatial insights drawn from geography into the analysis of peak bodies. As yet, however, there has been only minimal attention given to gender (Brigden, 2003). The experiences of both men and women unionists in peak bodies, the impact of masculinity on the strategies, agendas and campaigns of these historically male-dominated peak bodies and the recent feminising of patterns of representation and decision-making and the consequences for union power and purpose remain insufficiently explored.

In looking at women in peak bodies, this paper will focus on one part of a larger project of ‘gendering’ our analysis of peak bodies. With scattered and incomplete secondary sources, the picture is still a preliminary one as stories await uncovering. Excavating the experience of women trade unionists fits, as Matthews (2003: 3) recently noted, with the ongoing need for ‘reclamation’ and ‘contribution’ feminist history. While acknowledging Lake’s call (1992: 2) to move ‘beyond new forms of contribution history’ to address the political difference made by the presence of women’ (as, for example, Cobble’s (2004) ‘The Other Women’s Movement’ does in relation to American labour feminists in the post-war years), without revealing this ‘hidden history’ (to draw on Sheila Rowbotham’s much-invoked term) the picture of women unionists in peak bodies remains opaque, fragmented and incomplete.

The first section of the paper will canvass some of the debates about gender and space relevant to ‘gendering’ our analysis of peak bodies. To identify our current understanding of women’s roles and activities in peak bodies, a number of peak body histories are then examined. The final section will focus on some of the challenges involved in the project of ‘re-claiming’ and ‘re-placing’ women into the story of the THC.
Power, gender and space in peak bodies

As has now been generally observed and begun to be remedied, there have been limited theoretical and empirical studies of peak bodies (Ellem and Shields 2001: 66; Brigden 2003: 13-17). While there may be a number of national peak body histories, once attention is shifted to the state or regional scale, fewer and fewer stories are found. In the Australian case, we can count the full-length published histories on one hand, with lengthy periods between each publication (Hagan 1981; Markey 1994; Oliver 2003).

Among the growing body of literature, there have been theoretical frameworks advanced for increasing our understanding of why peak bodies are created by trade unions as collective bodies; challenging the prevailing focus on authority as the key explanatory framework with power being argued to provide a more nuanced perspective through which to explore and understand the internal dynamics of peak bodies, and exploring the nature of peak body power and purpose (Ellem, Markey and Shields 2004; Ellem and Shields 1996, 2001; 2002; Brigden 2000; 2003). Such work strengthens our empirical studies of peak bodies, in which there are several key themes: the origins of peak bodies; the relative priority of the political role compared to the industrial role, and peak body purpose (Brigden 2003: 17-26). Gender is strikingly absent.

Clearly presenting a significant gap in the peak body literature, this omission is consistent with, and indeed reflects, the broader absence of gender analysis in the general industrial relations literature (Pocock 1997a).

For many years, the dominant theme in the Australian peak body literature has been an overriding attention given to the nature of ‘authority’, particularly through analysis of the ACTU. More recently, this emphasis has been argued to unduly narrow our understanding of the dynamics of peak bodies. Shifting attention to an analysis of power enables the construction of a more complex picture of a peak body's internal and external relationships, and the exploration of the intersection of power and purpose (Brigden 2000, 2003; Ellem and Shields 2001). Grounding an analysis of peak bodies in the concept of power also enables us to explicitly address the gendered nature of the power dynamics at play in peak bodies. Pocock's assertion (1997b: 11) that the ‘question of power is at the heart of gender politics in unions’ forcibly emphasises the link between gender, power and unionism.

Trade unions, like other institutions in industrial relations, cannot be regarded as being gender-neutral. Indeed Forrest (1993: 9) argues that: ‘The genderless worker/trade unionist is a myth that serves to perpetuate male control’. In countering this gender-neutrality, recognition of the diversity of experiences of workers and trade unionists should also include issues of masculinity and sexuality (see, for instance, Lynch 1997; Hunt 1999). The historical overt masculinity of individual unions became reflected in peak bodies as the under-representation of women found amongst both the membership and leadership of colonial unions was transposed to inter-union bodies. Peak bodies, like their affiliate unions, are gendered organisations in which gendered patterns of power consequently influence peak body policy, strategy and purpose. As Elton (1997: 110) argues, women’s presence has shaped contemporary debate:

Women elected to … affirmative [action] positions in Trades and Labor Councils and the ACTU have ensured a voice for women in these forums and have been important — even crucial — to the passage of recommendations put up by women activists.

Recognising the agency of both men and women is therefore critical. As Cooper (2000b: 67) reminds us, ‘it is the agency rather than the mere presence of feminist women in unions that has the capacity to challenge the masculinist status quo within labour organisations’. Restoring a sense of gendered agency will contribute to the much-needed historical analysis of women in peak bodies. Extending our appreciation of the agency of trade unions in building, rebuilding and sustaining the union movement, through her discussion of the organising activities of the Labor Council of NSW between 1900 and 1910, Cooper (2002: 50) highlights the significant role played by a small group of women activists on the Labor Council’s Organising Committee, wherein ‘the impact of the women upon the agenda … well exceeded their under-representation’. Drawing on the Canadian experience, White (1997: 94) focuses on the role played by women's committees, a feature of all Canadian peak bodies, asserting they are the ‘critical base of women's activity inside the union movement’ through which ‘women raise
their issues, press for change, and get their demands onto both the convention floor and the negotiating table’. The historical continuities and discontinuities of women’s peak body activism should underpin contemporary analysis of this scale of activity.

The historical ‘gender-blindness’ of much industrial relations research is matched by its ‘space-blindness’ (Ellem and Shields 1999). Gendering our analysis of peak bodies thus intersects with the growing interest in examining the spatial dimensions of industrial relations through greater awareness of the work of geographers (Sadler and Fagan 2004). Each of the three central geographical concepts of scale, space and place is salient for our analysis of peak bodies.

The scalar organisation of labour in the nineteenth century saw union organisation relatively quickly lead to the formation of peak bodies: in 1856 in Victoria and 1871 in NSW. Indeed, the early formation of peak bodies in the development of the Australian trade union movement demonstrated recognition by colonial unionists of the importance of organising at a variety of scales. As the early peak bodies were dominated by male unionists and their experiences and priorities, this created a scalar organisation of labour in which union activism and strategy was shaped by gendered patterns of participation and representation; raising, in turn, questions as to how women unionists engaged with this scalar organisation of labour, how the construction of scale was affected by their presence and agency, as well as how women sought to engage at different scales.

Emphasising the intersections between space, place and gender is the debate about the gendered dimension of space (see, for example, Spain 1992 and Massey 1994). This is part of a broader feminist debate amongst feminist historians, anthropologists, sociologists and others about ‘the way in which a consideration of ‘public’ and ‘private’ space can enhance our understanding of gender power relations and the dynamics of social organisations’ (Damousi 1995: 255). Damousi’s assertion (ibid) that ‘studying the way space can define male and female roles in the socialist movement, we can illuminate the nature of gender relations in the movement and in society at large’ has resonance for analysis of peak bodies and the labour movement.

Spain (1992: 3) talks about ‘gendered spaces’ which ‘separate women from knowledge used by men to produce and reproduce power and privilege’. These gendered spaces, including trade unions, illustrate the negative impact on women’s status of spatially segregated institutions and their control of information. Even when craft unions assisted women to form unions, she argues that ‘separate organisations — separate places — were created in which women were segregated from men … the result [being] a lack of female access to masculine knowledge and status’ (pp. 20-21). When unions formed peak bodies, these forms of spatial segregation were translated into another, creating other gendered spaces. In the case of Victoria, the gendered nature of the Trades Hall was consolidated with the building of the Female Operatives Hall, which opened in 1883 in the wake of the Tailoresses strike in 1882 (Brigden 2003: 59). Gendered spatial segregation, including separate organising, was not always to women’s disadvantage, however, and for some was a deliberate strategy to ensure women’s voice and to create space for women (see below; Cobble 1991). Analysing how the absence, presence and agency of women influenced gendered space requires an appreciation of how women influenced (or sought to influence) and were shaped by space and place, particularly in light of Spain’s assertion (1992: 28-29) that ‘Gendered spaces themselves shape, and are shaped by daily activities. Once in place, they become taken for granted, unexamined, and seemingly immutable’. Just as examination of peak bodies will reveal patterns of gendered power, so too will the nature of gendered space be uncovered. We will now turn to look at women in the peak body literature, with primary focus on the Australian literature, beginning with the picture of women found in the three peak body histories.

Women’s place in the literature

Women unionists are almost entirely absent from Hagan’s history (1981) of the ACTU. Moreover, Hagan manages to talk about the issue of equal pay over the years without mentioning any women activists. Discussion of the Working Women’s Charter is also devoid of any sense of women’s agency with only one particular women named (Barbara Murphy from the NSW Teachers Federation) and then as the mover of an amendment (pp. 380-81). Only two women are included in the index (Murphy, a Congress delegate, and ACTU advocate, Jan Marsh).
In contrast, Markey's history of the NSW Labor Council (1994: 23, 72-3, 75-6) begins more promisingly, telling us of the organising of women in the 1890s and early 1900s and the role of early women activists like Creo Stanley (secretary of the Female Employees' Union and the Labor Council's first female delegate in 1891) and Selina Anderson (employed by the Labor Council as an organiser). There then, however, appears a substantial chronological gap before women 're-appear' in the late 1970s (pp. 436, 437-9). While we may presume an ongoing presence, we don't actually know who the women delegates and activists were for many decades. Betty Spears, who had been a Federated Clerks Union delegate to Council since 1959, is only mentioned once (p. 436; for Spears' biographical details, see the Working Lives Biographical Register www.econ.usyd.edu.au/wos/workinglives/spears). Most discussion is limited to broad developments in women's participation in the late 1980s up to 1991. As in Hagan's account, women are curiously absent from the discussion of equal pay, even with the formation of the Labor Council's equal pay committee in 1957 (p. 378). Equally, there is little discussion of the women's committee after it's formation in 1978 (p. 436). While Betty Spears is mentioned as the committee's chair, there is no indication that she had been the secretary of the Labor Council's equal pay committee from the late 1960s until 1975.

Oliver's (2003) history of the Western Australian (WA) Australian Labor Party (ALP) and Trades and Labour Council (TLC) does seek to highlight the role played by women in the labour movement. Like Markey's history, the strongest sections are those discussing the early activities of women union activists. As a consequence of the peculiarities of the WA situation, Oliver's story becomes one of two organisations in which more focus is given to the activities of the (political) 'Labor women' rather than their industrial sisters. This is underlined when we learn that Ruth Jeneff (or Geneff: as her name is spelt once with a J and twice with a G) is made a life member of the WA TLC (p. 331) but there is no mention of which union she represented, what led to this acknowledgment of her contribution nor what were her achievements. Cecilia Shelley, whose early activities are discussed by Oliver, disappears from the account after 1929 although she led her union until 1967, and was 'a member of [the ALP's] Trade Unions Industrial Council and the later [WA TLC]' (Radi 1988: 187). Known as the 'Tigress of Trades Hall', she too was made a TLC life member: however, Shelley's name is absent from Oliver's list of life members (2003: 378; Working Lives Biographical Register www.econ.usyd.edu.au/wos/workinglives/shelley). This means that, as time goes on, the presence or otherwise of women delegates and activists fades from view until women reappear in the contemporary period in leadership positions (see pp. 331, 346-7). Again women unionists encounter the chronological gap with analysis of contemporary activists disconnected from those who went before them.

We know even less about women in regional peak bodies, though two studies provide some insight into the gender politics at play. Eather (2000: 151), in the case of the Wagga Wagga Trades and Labour Council, argues that while 'overall numbers were never great … all women delegates made positive contributions to the TLC's activities'. Not only had women been active in the body's formation in 1943, one of the first office bearers was a woman, Ellen Collins (a member of the Australian Railways Union's women's auxiliary). Reflecting broader community attitudes, Eather recognises that the 'women were subject to the dominant prejudices of the period' as well as being confronted by 'political parties and labour organisations [that] downplayed, obstructed or ignored in varying degrees the potential of their women members' (ibid). Ellem and Shields (2001) draw attention to the interplay of gender, power and union strategy through their examination of the Barrier Industrial Council's (BIC) imposition of a marriage bar in Broken Hill. Internal gendered power in a peak body was a consequence of external gender politics. With married women excluded from the labour market, their participation in the labour movement was severely circumscribed, with there being 'no women among the 50 or so delegates to the BIC and only a handful of female union officials' by the late 1920s (p. 134).

It is, of course, not just the Australian peak body literature in which women fade in and out of view, while men remain in eternal focus. Bather's bracketing of women in his comment (1963: 16) on 'the usually little known men (and women) who have created local political and industrial labour movements' demonstrates the secondary position of women. Leier's observation (1995: 181) that 'the masculine term is appropriate and illustrative' in using the term 'spokesmen' to describe the Vancouver TLC leaders, builds on his earlier depiction of women in the TLC in the early 1900s:
women in general remained unorganised and under-represented on the [Vancouver] TLC. In 1905 Mrs Smith of the Laundry Workers’ Union was seated as a delegate, and in 1907 three other women represented their unions on the council … Little is known of these delegates; they made no motions, served on no committees, and do not appear in the minutes apart from the notice of their initiations. Nor was their attendance exemplary: in 1909 the garment workers’ delegates attended nine of forty-eight meetings.

Reflecting some awareness and appreciation of the gendered nature of power, Leier (1995: 170-71) surmises

Without evidence, it is difficult to know, but it is likely that the women did not take an active role because they were continually outvoted and intimidated by men. Such was indeed the pattern in unions that organised women.

However, Leier does not compare female and male participation rates nor acknowledge the impact of family responsibilities on women’s ability to participate. In the forty year history of the Ohio AFL-CIO, we learn that in 1974, ‘the delegates made history in electing the first two women to serve on the Executive Board, Barbara Easterling of the Communication Workers of America … and Genevieve Motsinger [Electrical Workers]’ (Van Tine, Slanicka, Jordan and Pierce 1998: 113). As we hear nothing more of these two women, or whether this began an ongoing pattern of representation of women, the impact and effect of women on this decision-making body remains unknown.

Women’s place in peak body history: building the Victorian picture

In 1979, John Merritt commented that an article on NSW women trade unionists in the 1890s:

reveals a degree of organisation among women workers which might surprise readers familiar only with the ‘standard’ works on the nineteenth century. For the most part, Nicol’s information has come from well used sources, an indication both that women’s activities were passed over by earlier historians and that such sources can contribute to a broader and richer labour history if subjected to new or different questions (p. 1).

Over a decade later, in 1991, in their introduction to the Labour History special issue on women and work, Frances and Scates (1991: p. ix) noted again that often it was not ‘a matter of finding new sources so much as asking new questions of the old’ (in contrast to the 1975 special issue which ‘bemoaned the ‘fragmentary’ character of women’s past: in a world dominated by men the ‘evidence’ of their endeavours was either absent or repressed’). In the absence of a comprehensive history of the Victorian Trades Hall Council or indeed of the broader Victorian labour movement, women in the THC are often ‘missing’, overlooked or their peak body activities not recognised with significant information sometimes tucked away in footnotes.

Even in the standard account of the 1882 Tailoresses strike by Brooks (1983), women are notably absent. His story of the strike is marked by the focus on the role of the THC and its male secretary rather than, as may be anticipated, the women leaders (such as Helen Robertson, one of the founders of the Victorian Tailoresses Union) and members (Ellem 1989: 28). Only one woman, “Mrs A’ – almost certainly Mrs Creswell’ (one of the strike leaders and member of the strike committee, who later became president of the union), is mentioned: as a witness at the 1883 Royal Commission on Employees in Shops held after the strike (Brooks 1983: 36). Given the activity of members of this union spanned a number of scales, the lack of recognition of their agency is significant. An indication of their inter-colonial scale of activism is found in a footnote in an article about women in NSW unions in the 1890s (Nicol 1979: 20, note 11). At the third Intercolonial Trade Union Congress in 1885, congress president Thomas Caddy said ‘how he hoped the ‘noble example’ set by the two female delegates to the Congress would serve to stimulate unionism amongst women in Sydney’ (p. 20). Both delegates, Mrs Creswell and Ms Aribin, represented the Tailoresses Union, and were the only women present. In all, the union sent delegates to three of the Inter-colonial Trades Union Congresses: Mrs Creswell and Mrs Graham in 1884 and Mrs Muir in 1891 (Nicol 1979: 20, note 11).
The restoration of the Trades Hall building provides its own story of ‘recovery’. As the walls of the Southern Hall were being restored in 1995, nine plaques, previously painted over, were revealed, listing Life Governors of numerous Melbourne charitable institutions, including the Melbourne, New Women’s, Eye and Ear and St Vincent’s hospitals. Five of the Life Governors were women unionists including Helen Robertson, Maude O’Connell (Tobacco Workers Union) and Minnie Felstead (Domestic Workers’ Union). The governors were all members of the Eight Hour Day Anniversary Committee (whose membership was elected from Victorian unions). The elections for the prestigious governorships were ‘hotly contested’, providing evidence of the profile of these particular women unionists within the Victorian union movement (Brown 1995: appendix 2).

With that chronological gap in evidence again, Melanie Raymond (1988: 41-42) found:

It is normal … to find mentioned the strike by the Victorian Tailoresses’ Union in 1882 as the one and only example of early female involvement in the labour movement. A great leap forward is then made to the equal pay campaigns of the 1920s and 1930s led by equal pay activist Muriel Heagney. But in between these two events there is an enormous gap where working women seem to have disappeared from the political and union stage.

Filling part of that gap, Raymond (1986, 1988) and Nolan (1991) provide a critical contribution to our understanding of the profile of THC women delegates in the 1910s. In this period, ‘separate organising’ was a favoured strategy (see Cooper (2002) for its use in NSW). Minnie Felstead was elected to the THC Organising Committee in 1910, and ‘argued for a special [THC] women’s organising committee, established a Women’s Organising Fund and was employed as Women’s Organiser for £3 a week for six months’ (Nolan 1991: 108). Together with women such as Sara Lewis (Female Hotel and Caterers Union) and Ellen Mulcahy (Clerks Union), Felstead organised women workers into separate women’s unions as well as female sections of male unions in 1910 and 1911. By the end of the following year, together with women representatives of male unions, it is estimated there were 31 ‘forums’ in which women workers were represented (Raymond 1988: 45-6). Although not indicating the extent to which these women-only unions affiliated with the THC, Nolan (1991: 108) argues that delegates ‘from those unions in occupations with a growing proportion of female workers … changed the composition’ of the THC. Two further attempts by the THC to organise women between 1914 and 1921 occurred at the behest of its women delegates (p. 118).

Active in campaigning for equal pay, the profile of women delegates reflected the ebb and flow of that campaign as the ‘rise and fall of the equal campaign coincided with a rise and decline in women’s representation’ from a peak of 10% during the first world war to 5% of delegates by the early 1920s (Nolan 1991: 118). What led to this decline is as yet unclear. In a footnote, however, where Nolan lists the THC’s five women delegates in January 1918, she notes that one of these, Sara Lewis was also a member of the THC executive (p. 118, note 119; surprisingly no mention of this is found in Raymond’s 1986 article on Lewis). Whether this decline in women delegates persisted through the decade in the early 1920s is also unclear, yet women continued to be elected to THC committees. Most significantly, Nelle Rickie (Theatrical Union and a member of the Communist Party) was elected to the THC executive in December 1923, while other women delegates were elected to the eight hours committee in the mid 1920s (Brigden 2003: 256, note 26). Biographical material on Nelle Rickie doesn’t include this membership of the THC executive, just that she was a THC delegate (for example, see Lake (1999: 99); Macintyre (1998: 125). While scrutiny of the THC minutes will ascertain if there were women THC executive members before Lewis and after Rickie, when Gail Cotton (Food Preservers) was elected to the executive in 1978 she was described in the media as the ‘first woman in the history of the THC to sit on the old executive’ (The Age, 10 June 1978: 5; see also The Herald, 8 June 1978; 1).

What we commonly find is episodic attention, which primarily revolves around the campaign of equal pay and particular activists, like Kath Williams (Nolan 1991; D’Aprano 2001). The broader participation of women in the THC, including decision-making bodies like the executive and key committees such as the eight hours committee is overlooked in the late nineteenth and early twentieth century, and the inter-war years, a pattern persisting through most of the post-war period (Brigden 2003). The differing profiles of two women delegates serve as an example. While their years as THC delegates coincided during the 1950s and 1960s, more is
known about Kath Williams (THC delegate for the Liquor Trades Union, Communist, equal pay activist and secretary (and only woman member) of the THC equal pay committee) than of another prominent woman delegate, Leonora (Lee) Lloyd (THC delegate for the Clerks Union) (D’Aprano 2001). Vice president of the Clerks Victorian branch, an active Grouper who later was an office bearer in the Democratic Labor Party, Lee Lloyd contested (unsuccessfully) a number of THC elections for the right. While they may have had gender in common, Williams and Lloyd reflected the factional divide in the THC: reminding us that factional politics could and did divide women (Brigden 2003).

From the latter 1970s, increased participation in the THC arose from new affiliates (such as teachers, nurses, airline hostesses, mothercraft nurses) with large female memberships and more women officials, as well as from an increasing number of women delegates from older affiliates (Brigden 2003: 251-254). Once again, the strategy of separate organising was adopted: initially with the formation of a women’s committees and, later on, inclusion of affirmative action positions. This use of separate organising by women in different periods of THC history suggests that analysis of women in the THC should include an examination of this strategy. As Briskin (1999: 547) has noted, the ‘meaning of separate organising is always being negotiated, and reconstituted through struggle and resistance’ with different contexts shaping historical and contemporary approaches:

an historical perspective illuminates the difference between separate organising which is a response to imposed or forced segregation, and that which is a pro-active choice on the part of women in order to strengthen their voices, articulate their concerns as activists and workers, and create a context to develop gender-sensitive organising strategies.

**Conclusion**

In redressing the historical omission of peak bodies from research agendas, a number of recent theoretical and empirical contributions have extended our analysis of trade unionism. Largely missing from that analysis so far has, however, been gender: in particular, the role of women unionists in peak bodies. This paper has sought to contribute to the ‘gendering’ of peak body research, by highlighting the contribution of a gender analysis which also intersects with another emergent research thread, the spatialising of industrial relations research. With women encountering a chronological gap in a number of accounts producing a fragmented and incomplete picture of peak body women, attention then shifted to the reclaiming and replacing women in the history of the THC. A focus on remedying the ‘chronological gap’ encountered by women activists by reclaiming and replacing women in the VTHC, identifying patterns of female activism from the late 1800s through the ‘missing’ post-war decades, should be the next stages of the ‘gendering’ project, together with an analysis of separate organising, which was used as a strategy in both the 1910s and the 1970s, and its impact on challenging the dynamics of gendered power and space within in the Trades Hall.

**References**


Women’s organising strategies: Women-only unions in Japan and Korea

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ABSTRACT

The growing non-full-time workforce in Japan and Korea, is significant especially for women, the majority of whom are not unionised and who can’t be organised by enterprise-based unions. Yet the creation of autonomous, women-only unions which historically has been a significant strategy for the organisation of women workers internationally, was only adopted by women in Japan and Korea from the 1990s. For those who might argue that gender based organising is counterproductive for the union movement it is important to remember that in the early period of union formation, women formed, and were encouraged to form, women-only unions because they were excluded from existing unions. While in all aspects women-only unions in Japan and Korea may not resemble traditional ‘western’ unions, they do resemble the women-only unions which have formed internationally.

Introduction

Women-only unions have existed in a range of countries including Australia, Canada, England and Ireland and continue to exist in Denmark, the United States and India. Women-only unions however, have only recently formed in Japan and South Korea (hereafter Korea). Japan’s first women-only union Onna Rōdō Kumiai Kansai (henceforth Onna Kumiai) formed in 1990, and in 2003 there were seven women-only unions throughout Japan. In Korea there are 3 women-only unions all of which formed in 1999. The Seoul Women’s Trade Union (SWTU) was the first but the Korean Womens’ Trade Union (KWTU) is the largest with 9 regional branches and approximately 4200 members. (interviews October 2003; June 2004)

Organising workers on the basis of gender might be considered to contribute to fragmenting or diluting the union movement and working class organisation, I would suggest that as the union movements in Japan and Korea have hitherto been unable or unwilling to organise non full-time workers, a significant proportion of women workers are without union representation.

The proportion of women in paid work in Japan and Korea has been steady at around 40 percent since the early 1960s, but labour markets in both Japan and Korea have been and remain highly gender segmented with women overrepresented in non-full-time forms of employment. In Japan 46 percent (Kosei Rōdōshō 2001: 18) and in South Korea 67 percent (Korean Women’s Trade Union 2001) of women workers are in non full-time employment, with the majority working in non-unionised service sector occupations and/or in small companies with inferior employment conditions compared with larger companies. In South Korea 64 percent of women work in companies with less than 5 workers (Korean Womens’ Trade Union 2001) and in Japan 42 percent of women work in companies with less than 29 employees. (Kosei Rōdōshō 2001: Appendix 76) The proportion of unionised women workers in Korea has declined from 11 percent in 1987 to 5.6 percent in 1997, compared with 19% of male workers. (KWTU 2002:6) In the same year in Japan, the percentage of unionised women workers stood at 17 percent (Takashima 1997:4) and unionisation rates for non full-time workers are negligible. With union membership in Japan and Korea declining, in 2001 total membership in Korea was 14.5 percent while Japan’s rate of unionisation dropped below 20 percent for the first time in 2003. (Kōsei Rōdōshō 2004) Women’s low levels of representation on union committees also exacerbates the difficulty for issues such as the gender wage gap and discriminatory conditions being included on union agendas.

In 2000 women represented only 6.6 percent of Rengo’s (Japanese Trade Union Confederation, Japan’s largest national peak labour organisation) executive committee members (Rengō, International Division 2002:52) but Rengō is presently pursuing a policy of increasing the number of women on committees or within union structures. In 1999 Korea’s Federation of Korean Trade Union (FKTU), the largest peak labour organisation, had 30 percent of its membership comprised of women however, of its 700 leaders only 30 were women. (Seok 1999) It is not surprising that women in Japan and Korea have created women-only unions as a way of addressing issues that existing mixed unions have failed to resolve. Yet women are blamed for not being active or interested in workplace issues (Miller & Amano 1995:45) rather than unions addressing structural and organisational issues.
To date very little research has been conducted on women-only unions in Japan and Korea (see Broadbent 2003; 2004; forthcoming) so I compare them to existing women-only unions in Denmark and the US as a way of understanding their formation in the broader context of women’s organising. Do women-only unions share characteristics with existing women-only unions? There are broad similarities in that they formed because mixed unions were not addressing issues of concern to women and they perform similar functions. Women-only unions in Japan and Korea have achieved some gains but differ from the longer established women-only unions because of their limited membership and their status as ‘second’ unions. In gathering information for this research I conducted interviews with officials and members of Josei Union and Onna Kumiai in Japan, and KWTU and SWTU in Korea, as well as interviews with officials in women-only unions in Denmark.

**Women’s ways of organising**

Women workers and unionists have and continue to use a range of strategies to address issues of concern for women. The strategies adopted by women differ depending on historical and cultural context but Briskin’s (1999) broad conceptualisation is useful for understanding women’s organising. Briskin identifies two broad strategies of women’s organising (i) separate organising and (ii) autonomous organising. Separate organising is identified as the organising of women’s committees or caucuses within existing unions and is the strategy adopted overwhelmingly by contemporary women workers in a diverse range of countries. Autonomous organising is the creation of independent women’s organisations including women-only unions and it is this category which is the focus of this paper.

**AUTONOMOUS ORGANISING - EARLY EXAMPLES:** There are many examples of autonomous organising in the early period of women’s organising primarily drawn from the Anglo-Scandanavian countries. Autonomous women-only unions formed in Australia, England, the US, Ireland and Denmark from the 1880s and were created predominantly to counteract the exclusion of women workers from the existing unions. In many cases the creation of women-only unions received support from the male unions and/or employers as a way of managing the employer-created and perpetuated competition derived from women’s labour. (Hargreaves 1982; Ellem 1989; KAD 2001; www.uic.edu/depts/lib/specialcoll/services accessed Oct 2004) Internationally, Denmark’s Kvindeligt Arbejderforbund (KAD or Women Workers’ Union) formed in 1885, the Womens’ Trade Union League (WTUL) in the US formed in 1903 (www.uic.edu/depts/lib/specialcoll/services accessed Oct 2004) and the Womens’ Trade Union League (WTUL) formed in England in 1874 (www.genesis.ac.uk accessed Oct 2004) to name a few. All formed essentially to organise women workers excluded from the male unions. Few early women-only unions survived and either dissolved or were absorbed into existing unions. Of the numerous women-only unions formed in New South Wales (NSW) in the 1880s only the telegraphists union survived the depression of the 1890s (Ryan 1984:37) and by 1906 the Tailoresses’ and Tailors’ unions in Victoria had combined. Of the international women-only unions formed in the late 19th or early 20th centuries, only Denmark’s KAD continues to exist but it has been resisting overtures from the General Workers Union (GWU) to amalgamate since 1930. The WTUL (US) suffered from membership declines from the 1930s, eventually dissolving in 1950 (www.uic.edu/depts/lib/specialcoll/services accessed Oct 2004) and the WTUL (England) was absorbed into the Trade Union Congress (TUC) in 1925 (www.genesis.ac.uk accessed Oct 2004).

**CONTEMPORARY EXAMPLES:** Despite the existence of other examples in the following section I will concentrate on two women-only unions, KAD (Denmark) and 9 to 5 (US), in order to gain an understanding of women-only unions in Japan and Korea. All three women-only unions share a feminist consciousness to promote full equality for women. 9 to 5 evolved from the women’s movement it moved closer to the organised union movement in 1975 when it received a charter from the Service Employees’ International Union (SEIU). (Milkman 1986:317)
What do women-only unions do?
The following section discusses the core activities conducted by women-only unions in order to achieve their stated objectives, although the unions are involved in a range of other activities including training of union activists (KAD 1995:3) and worker’s education classes (www.9to5.org).

COLLECTIVE BARGAINING: The women-only unions all conduct collective bargaining with the focus covering a broad agenda as well as including wages and employment conditions. KAD functions like other unions in Denmark as it has the right to bargain but while organising only women workers but it concentrates on improving rights for all women, not just its members. (KAD 1995:3-4) 9 to 5 bargains on issues such as sexual harassment, equal opportunity and age discrimination (www.9to5.org; Milkman 1986:316).

LOBBYING: A second important activity conducted by existing women-only unions is lobbying. KAD and 9 to 5 all lobby governments over a range of issues including provision of free public childcare and maternity leave (KAD interview November 2003), family-friendly policies for low-wage women such as expanding family and sick leave benefits and anti-discrimination measures (www.9to5.org).

Women’s organising in Japan and Korea

Women’s organisng in Japan: The primary organising strategy adopted and still used by the majority of women workers in Japan has been the organisation of women’s committees often formed in the face of intense opposition from male unionists because ‘... these would focus women workers’ attention on ‘special interest’ issues which would divert it from the ‘real business’ of the union.’ (Molony 1991:236) Women first had a formal role in the union movement when a women’s department (Fujinbu) was created within Japan’s first union, the Dai Nihon Rōdō Sōdōmei Yūaikai (Yūaikai or Friendship Association) in 1916, a government-recognised and business friendly union which despite unions illegal status was not harassed in the way unions affiliated with the Japan Socialist Party and Japan Communist Party were subject to. Ongoing opposition to the existence of a women’s bureau and the place of ‘women’s issues’ generally within the union movement led to the creation of a separate women’s organisation, the Fujin Dōmei (Women’s League) in 1927.

With the introduction of the Trade Union Law in late 1945 and the legalisation of unions, collective women workers’ organisations formed once again. The Zentsu Fujinbu (Women’s Department of the Postal Workers Union) formed in June 1946 and became the nucleus of the early postwar women worker’s movement. At branch level the women worker’s movement was also progressing when in May 1946 the Tokyo Education Union Women’s Bureau held its inaugural meeting. Moves to create a national Fujinbu were also advancing. (Suzuki 1994:76)

Soon after Sohyo’s formation, the Fujin Kyogikai was created in 1952 grouping together the women’s departments of the industrial federations affiliated with Sohyo (predominantly public sector unions) and held its first general meeting in January 1953. (Suzuki 1994:79-80) Women’s departments exist within peak labour organisations and industrial federations as it is rare for enterprise unions in Japan to have a dedicated ‘women’s department’. Rengō is presently pursuing a policy of increasing the number of women on committees or within union structures.

Korea: Korean women workers formed a union Kunwooohoe (Helping Friends Society) as early as 1923 concentrating on female workers in factories. Kunwooohoe was affiliated with the communist party, and its existence created an opportunity for women to struggle against the oppression resulting from Japanese colonisation. One of Kunwooohoe’s demands was for the abolition of wage discrimination against women as well as the exemption from night work and labour dangerous to women and paid leave for the pre and post childbirth period. The Japanese colonial government cracked down on Kunwooohoe’s activities as a result of its role in the demonstrations of female students’ at the end of 1929 and it was finally disbanded in 1933. (Park 1987 cited in Sohn 1999:31)
The unions in the postwar period were considered state-sponsored labour organisations . . . little more than instruments for use by the state to control the national labour force . . . [and] the FKTU [Federation of Korean Trade Unions] was concerned only with facilitating the achievement of the Park government’s economic policies, without regard for costs incurred by its membership. (Chun 2003:108)

In the 1970s workers adopted the strategies of transforming existing unions or creating new, independent unions side-stepping the FKTU and NTWU (National Textile Workers Union) because we needed collective bargaining. We had to deal direct with the owners and the government because we could not depend upon male leaders who would not represent our interests. (cited in Chun 2003:108)

Many researchers (see Koo 2001; Nam 2002; Chun 2003) acknowledge it was the women-led unions in Korea such as those at Dong-il textiles and the Chonggye union which sustained the democratic, worker-organised union movement in and through the 1970s. Only a minority of male workers supported the actions of the women unionists and worked with women-led unions as the majority were mobilised by employers to destroy the unions. One well-known example is the Dongil Textile Union struggle where among the less violent strategies used by the employer was the sponsorship of a male leadership ticket and reaching a secret agreement with the male leadership of the NTWU to bring in male supervisors to take over and control the union (see Koo 2001:82; Chun 2003)

Women-only unions

**JAPAN:** As discussed Japanese women workers have no prior history of autonomous organising, and although the membership in women-only unions is relatively small, in total approximately 1000 women workers, the creation of independent women-only unions in Japan represents a departure from women workers past organising experience. *Josei Union* started life in 1995 as a structure organised within the National General Workers’ Union, continuing the strategy of separate organising. Harassment and opposition by union officials to both their existence and the ‘special focus’ of women’s issues prompted the organisers to officially launch *Josei Union* as an independent women-only union in February 2002. It currently organises 250 women 68 percent of whom are employed full-time and employed in a range of industries with service industries (37 percent) and manufacturing (22 percent) the highest. Occupations include clerical (48 percent) and specialist/technical workers (22 percent). *(Josei Union Tokyo 2002:39)* *Onna Kumiai* began as a women-only organisation in 1990 with a core of former women temporary workers sacked when the Japan National Railway (JNR) was privatised. The women involved wanted to create an organisation for women, which would be controlled by women because they were dissatisfied with the focus of the male dominated leadership of the JNR union during the process of privatisation. *Onna Kumiai* organises approximately 70 members the majority of whom are full-time workers. The majority of members of *Josei Union* and *Onna Kumiai* affiliate on an individual basis. Both unions are committed to achieving equality for women *(Onna Kumiai 1987:1; Josei Union 2003)*.

**KOREA:** In contrast to Japanese women workers, women workers in Korea had gained experience in controlling and running unions independently of the ‘official’ union movement from the 1970s. Despite the literature on Korea’s union movement in the 1980s focusing on the union activism of male workers, women workers continued to be active in unions as well as the developing women workers’ movement. Women active in the major protests of the 1970s such as at Control Data, Y. H. Trading, Seijin Electronics, Bando Trading and Chungkye Textile (Nam 2002:87) brought together women’s groups from a wide range of sectors to form the umbrella organisation, the Korean Women United Association (KWAU) in 1987. As KWWAU is a policy based organisation it decided to form the Korean Women’s Trade Union (KWTU) as a women-only union in 1999, enabling it to collective bargain on behalf of its members. The SWTU was formed in January 1999 by a group of women employed in NGO’s focusing on women’s issues. Like its counterparts in Japan, SWTU remains independent from other union federations or organisations. The SWTU
organises approximately 60-80 members but its membership has declined since the success of its legal struggle to organise unemployed workers (interview June 2004).

**Comparisons with existing women-only unions**

How do the roles performed by women-only unions in Japan and Korea compare with those of KAD, 9 to 5 and SEWA?

**COLLECTIVE BARGAINING - JAPAN:** Josei Union and Onna Kumiai are registered unions but only Josei Union conducts collective bargaining. In one case of collective bargaining, the focus of bargaining is wage increases, unpaid overtime, infringements of the Labour Standards Law, issues of indirect discrimination in pay calculations and discriminatory treatment in promotion. (interview October 2003) Josei Union conducts only a few cases of collective bargaining, there are examples where negotiations for an individual have resulted in broader collective benefits. Josei Union negotiated in one case over working time/paid holidays where negotiations were conducted on behalf of an individual but the outcome resulted in all employees becoming aware of their eligibility for and amount of paid holidays they were owed and making claims, including also for their overtime allowance entitlements. Another example is where negotiations over employment conditions whereby companies have been made notified by the union of their infringement of the Labour Standards Law has resulted in the companies developing more appropriate work rules (Josei Union 2003). Josei Union also provides support for a number of cases included a wage discrimination case and an unfair dismissal case each being fought by a founding member of Onna Kumiai the outcomes of which will have wider ramifications, a sexual harassment case and an unfair dismissal case fought by two of its members.

**KOREA:** KWTU and SWTU are registered unions but only KWTU regularly engages in collective bargaining. Both women-only unions in Korea allow individual membership, but KWTU is successfully encouraging the formation of branches for example amongst golf caddies and cooks employed at schools. As a result it is expanding its ability to collective bargain. The focus of its bargaining agenda for the majority of its workers has been on wages, conditions and forms of insurance. (interviews October 2003; June 2004) Both the KWTU and SWTU draw the majority of their membership from women employed in the non full-time workforce. In Korea a growing number of workers are being excluded from coverage of industrial relations legislation due to a series of reforms. Women workers such as those employed as golf caddies and private tutors are not covered by industrial relations legislation but categorised as ‘special employment workers’ because they are not considered to have a ‘direct’ employment relationship, but are considered to be like contractors or independent employees, and as non full-time workers they do not have the three basic rights – to organise, collective bargain and strike. (interview with Maria Rhie Chol Soon, President of KWTU, June 2004) In the case of the golf caddies KWTU negotiated a collective bargaining agreement for the first time in 2001, but in 2003 the Korean High court changed its original decision arguing that the golf caddies were not ‘legal’ employees of the golf club. Consequently KWTU and the caddies had no-one to engage in collective bargaining with and the employer refused to sign the agreement. On 15 October 2003, 110 golf caddies were dismissed from employment at one golf course, five of whom were KWTU union members. At five am the following day, the caddies and union organisers held a rally at the golf course, but the golf course manager denied any responsibility because the caddies were legally not his employees, the struggle continues.

**LOBBYING - JAPAN:** Josei Union and Onna Kumiai are involved in broader campaigns supporting part-time workers and benefits for temporary workers. (interview October 2003) Kinto taigu (Equal treatment for temporary workers) action 2003. The women-only unions are not affiliated with any peak national union organisation but they do consult and co-operate with Rengō’s Gender Equity Department. It also works to establish connections with international organisations an example of which is the case involving a sexual harassment claim against Mitsubishi in the US where Josei Union met with representatives from the National Organisation of Women during a visit to Japan (Josei Union Tokyo 1999:25).
Both Josei Union and Onna Kumiai are working to bring about a women-only union network. The seven women-only unions in Japan form a loose coalition largely because many of the members are known to each other through their unions and other venues for activism. A stated future goal of the unions is to expand their membership and create a national and ultimately international network (interviews August 2002).

KOREA: From 2000 in Korea, KWTU and SWTU have campaigned with Korean Congress of Trade Unions (KCTU) and Federation of Korean Trade Unions (FKTU) to change the labour legislation in order to provide security for ‘special employed workers’ such as insurance sales workers and private tutors. There has also been broad union support to increase the minimum wage which increased from 420,000 won per month in 2001 to 560,000 per month in 2003 and campaigning continues to increase it to 770,000 won per month. (June 2004 AUD$1 = W737). (interviews October 2003; June 2004) The KWTU lobbied the government to adopt measures for non-full-time workers by providing an example and so the Department of Education has converted some non-full-time workers to full-time with plans to increase this number each year. (interview June 2004)

SWTU conducted a five-year struggle for recognition which had at its core the broader struggle of union rights to organise unemployed workers. SWTU’s success through the three levels of Korea’s judicial system culminated in its recognition as a union in February 2004. Their success has significant ramifications for Korea’s broader union movement given the extent of layoffs under the IMF’s reforms.

KWTU and SWTU belong to a committee formed in 2000 which comprises representatives from the KCTU, FKTU, KWWAU, SWTU, KWTU and Women’s Link (an NGO). This committee recently formed a specialist committee, the Committee Concerning the Promotion of Labour Law Rights for Women (Yosong nodong bab gaejeong yeonidae), (interview SWTU June 2004).

Similarities with existing women-only unions

The existence of women-only unions, newly establishing and pre-existing, raise awareness of conditions for women workers and in particular because the women they organise are not usually organised by existing unions. For those they organise, and who retain membership, membership in the union provides and educates members about for example union and labour rights (Josei Union 2003; interviews KWTU June 2004). In the case of KAD and 9 to 5 the focus is on women in the female dominated service sector. SEWA organises women employed in the informal economy, who comprise 94 percent of the female workforce in India. (SEWA 2002:4) Josei Union’s membership is predominantly full-time workers, the majority of whom are employed in small companies where enterprise unions have not formed but despite the growing number of women employed in non-full-time jobs in Japan, the memberships of Josei Union and Onna Kumiai are not rapidly expanding. Josei Union, although small is affecting some changes through the few cases of collective bargaining. Korea’s KWTU is experiencing growth in membership, and while still small is organising the growing number of temporary workers in Korea. SWTU’s future is uncertain due to membership decline, but its core role at present is conducting research into the needs of unemployed women workers. A further similarity is their lobbying function. Onna Kumiai functions primarily as a lobby group and counselling centre for women workers, a role which Josei Union, KWTU and SWTU also perform.

Differences from existing women-only unions

A major distinction between women-only unions in Japan and Korea and the early women-only unions is their status as ‘second’ unions in some workplaces. Their ‘minority’ status restricts their ability to collective bargain. In Japan management and enterprise unions regularly reach closed shop agreements, although ‘second’ unions continue to exist. Josei Union draws its full-time worker members from non-unionised workplaces and its non-full-time worker members are ineligible or excluded from joining the enterprise union at their workplace. In the case of non-full-time workers in unionised workplaces, Josei Union is unable to bargain collectively on behalf of these workers, although they can represent them in individual grievances (interviews October 2003). Onna Kumiai also has a mixed membership of non-full-time workers and full-time...
workers, all but one of whom has dual union membership. The member without dual membership withdrew because the enterprise union at her workplace refuses to support her struggle over the company’s gendered wage payment practices. (interview October 2003) Korean industrial legislation does not at present recognise multi-union workplaces which restricts the ability of KWTU (and in some cases KCTU) to collective bargain, but it is anticipated this long-awaited amendment to the legislation will be introduced in 2005 (interviews June 2004). Both KWTU and SWTU attempt to overcome this constraint by picketing and rallying at workplaces.

**What can be said about women-only unions in Japan and Korea?**

Women-only unions in Japan and Korea are a recent phenomenon compared with their sister organisations in Denmark and the US, yet there are similarities despite different cultural contexts. Women-only unions were created because many of the existing unions excluded or were not interested or able to unionise women workers. Women-only unions in Japan and Korea however differ in that they are considered ‘second’ unions. For this reason the significance of women-only unions in Japan and Korea lies not in their union membership which is relatively small, nor their ability to collective bargain which is not widespread. Their significance lies in their organisation of non full-time workers, unemployed workers and workers not organised by existing mixed unions. As their membership comprises women, the majority of whom are non full-time workers, they are organising workers which cannot be organised by existing unions in both Japan and Korea. Women-only unions in Japan and Korea address issues of importance to women workers which are often ignored or overlooked by mixed unions. The impact of women-only unions is in increasing the number of unionised workers and in raising awareness of the conditions experienced by women workers, educating both their members but the broader community. In doing so they are contributing to the continued politicisation of women workers and their co-operation in campaigns with the broader union movement provides these disenfranchised workers with a voice in fora from which they have previously been excluded. Interactions with mixed unions may challenge and encourage mixed unions to rethink their strategies.

**References**


9 to 5 www.9to5.org accessed August 2004


An investigation into the effects of job latitude and acquisitiveness on employee well being

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ABSTRACT
This paper examines the consequences for employee well being when employees have latitude in their jobs and seek to maximise the financial rewards of work. Using data from 418 finance industry employees, the results of the hierarchical regression analysis indicated that employees with higher levels of job latitude report lower levels of health problems. Further, employees that are highly acquisitive are more likely to report work overload and health problems. The paper then examines the interaction effects between job latitude and acquisitiveness on employee well being and finds a stronger relationship between work overload and job latitude for those with high levels of acquisitiveness than for those with low acquisitiveness. The findings of the paper suggest that using economic incentives to promote employee work efforts come at a cost to the employee and subsequently to their employing organisation.

Introduction
One of the primary tasks of a manager is maximise the performance of their employees (Ambrose & Kulik, 1999), however, employment contracts are typically ‘open ended’ meaning that the amount of work effort purchased is not fixed (Braverman, 1974). As a result organisations develop and apply employment practices to encourage employees to work at a high level. The focus of this paper is on the consequences of two contemporary employment practices for employee well-being.

In recent years we have seen a shift towards a greater use of extrinsic rewards, principally pay, through the implementation of performance pay schemes (Shields, 2002). This trend has been driven by at least two factors: first, there is a belief that performance pay schemes result in better employee productivity. In many organisations, the pay budget represents a sizeable cost to the organisation, which can affect the overall financial performance (Shaw, Gupta, & Delery, 2002). There is an extensive body of research that has examined the connection between economic incentives and performance and according to Benabou & Tirole (2003, 489) there is ‘a lot of evidence’ that they do promote employee effort and performance. The second factor relates to employee pay preferences. As Shaw & Gupta (2001, 301) point out, ‘pay is a central feature in the work lives of many individuals and obviously nearly all individuals would rather receive more than less pay.’ Organisations have taken this to mean that employees want to maximise their pay through a performance-related pay system (LeBlanc & Mulvey, 1998). At the same time we have witnessed significant changes in the nature of work. Driven by a desire for greater flexibility, organisations have broadened job definitions. This change in the nature of work means the scope of work activities undertaken is within the control of the employees, providing an opportunity to ‘decide on how much time to devote to work and how much work is too much’ (Peiperl, 2001, 372).

While there is a sizeable body of research that has focused on the upside of these trends, much less work has investigated the potentially negative effects on employee well being. This paper investigates the direct effects of job latitude and pay acquisitiveness on two indicators of employee well being, namely work overload perceptions and work related health problems. The paper further examines the combined effect of job latitude and acquisitiveness on these two measures of employee well being. The next section provides a brief review of the theoretical debates about job latitude and extrinsic rewards. The discussion then moves on to identify specific and testable relationships between employee well being, job latitude and the acquisitiveness. The data, its analysis and interpretation conclude the paper.
Historical and theoretical review

The design of many jobs has changed significantly in Australia, a change that has resulted in greater job latitude for many employees. Up till the 1980's many jobs were narrowly defined. Employees were expected to perform a small number of tasks in a highly repetitive way, often under high levels of supervision. Employees were generally selected for jobs on the basis of their ability to perform effectively in the job for which they were applying. This system of job design was reinforced by federal and state industrial awards: awards typically contained a very large number of job classifications and getting employees to do other tasks on a short-term basis (eg to meet production deadlines) would involve consulting the award to determine the effect on pay and other working conditions (Deery, Plowman, Walsh, & Brown, 2001).

A major impetus for change was globalisation. As the Australian economy was opened up via reductions in tariffs and the floating of the Australian dollar, workplaces had to become more internationally competitive and the key was seen to be greater workplace flexibility. This need to change was made more urgent through a series of national wage case decisions in the Australian Industrial Relations Commission (‘the commission’). The Commission provided a direct inducement for change by making some or all of a pay increase contingent on locally negotiated productivity improvements. The Commission also encouraged ‘broad banding’ of job classifications so that employees could be applied to a range of tasks without creating problems with entitlements (MacDonald, Campbell, & Burgess, 2001). The opportunity to move employees around the workplace as circumstances dictated meant that the employers and employees had to find ways to expand the range of skills possessed by employees. It also meant that the size of the workforce could be reduced, as each employee was able to perform a greater range of tasks.

The flexibility debate not only promoted a review of job design but also about the role and method of pay (van Barneveld & Arsovska, 2001). The role of pay in the employment relationship is contested. On the one hand, industrial relations developed as a field of study as a reaction against the views of classical economists, who considered labour markets to be populated by rational utility or profit maximising individual economic actors (Kaufman, 1993). The labour market was regarded as a relationship of economic exchange in which the services of labour were purchased and sold in a market like any other commodity. In fact, some writers have characterised the greater organisational emphasis on current performance and extrinsic rewards as evidence of a shift back to a transactional approach to employment (Kabanoff, Jimmieson, & Lewis, 2000) On the other hand, motivation theories explicitly provide a role for extrinsic rewards as a means of influencing employee behaviours. For example, reinforcement theory posits that rewards reinforce (that is motivate and sustain) performance, and are best applied directly after the behaviours the organisation seeks to reinforce. Goal setting theory suggests that challenging performance goals promote greater intensity and duration of employee efforts, especially when combined with the receipt of valued extrinsic rewards. HRM professionals should therefore ensure that the reward matches the level of goal difficulty (Milkovich & Newman, 2002). Finally agency theory, states that ‘pay directs and motivates employee performance’ (Milkovich & Newman, 2002, 286), particularly for complex jobs where the monitoring of employee performance is problematic.

A further permutation in the debate about extrinsic rewards was provided by Deci who argued that extrinsic rewards have a determinantal effect on intrinsic motivation (Deci, 1975). There have been numerous experiments and other studies, which have subsequently been used in meta analyses (Cameron & Pierce, 1994; Deci, Koestner & Ryan, 1999). These meta analyses were intended to provide a definitive position on the relationship between intrinsic and extrinsic rewards, though the results are inconsistent. More recently a distinction has been made between interest in extrinsic rewards as a consequence of financial need and acquisitiveness. Financial need is typically operationalised by a combination of measures such as martial status, number of children in the household, alternative sources of income, percent of household income derived from the principal income earner and the number of individuals living in a household (Shaw & Gupta, 2001). Acquisitiveness, on the other hand, has been defined as ‘motivation based on the reinforcing properties of material reward’ (Cassidy & Lynn, 1989, 303). The importance of this distinction is that highly acquisitive employees will react differently from an employee with a lower level of acquisitiveness.
Hypotheses and rationale

The foregoing discussion suggests demonstrates that many organisations have altered the nature of work and the way in which employees are rewarded. This section will put forward a series of hypotheses about the impact of these changes for employee well being. Two aspects of employee well-being are considered in this paper: work overload and work related ill health. Work overload has been defined as the extent to which the ‘job performance required in a job is excessive or overload due to performance required on a job’ (Iverson & Maguire, 2000). Work overload is a chief factor in studies of stress (Taylor, Repetti, & Seeman, 1997, 434; DeFrank and Ivancevich 1998; Sparks and Cooper 1999). For organisations, work overload has been shown to have a significant negative impact on job commitment among public sector managers (Stevens, Beyer, & Trice, 1978), job satisfaction (Iverson & Maguire, 2000) and on employee perceptions of an innovative organisational culture (Chandler, Keller, & Lyon, 2000). Work overload has a significant positive effect on voluntary turnover (Mueller, Boyer, Price and Iverson, 1994). The second measure of employee well being examined in the present study is work related ill health. This refers to both psychological (eg depression, anxiety attacks) and physiological (eg headaches, muscular cramps, ulcers) effects on employees. Employee health is a concern to employees but also to their organisations and society. Ill health can affect both organisational performance through absenteeism, turnover and lower performance and government costs through the effect on the health system (Johnston, 2004).

Job latitude is generally regarded as being good for employees. Jobs with a higher level of latitude can be more interesting and fulfilling for the employee, as they are able to impact aspects of their work process. These employees are often more valuable to their employing organisation and in the labour market as they have demonstrated decision making skills and are able to applied to a range of tasks within the organisation. Further, opportunities to make job related decisions can promote employees feelings of self worth (Korsgaard & Roberson, 1995) and an enhanced ability to cope with the work environment. Karasek (1979) reported that high job latitude was associated with lower mental strain at all levels of job demands. This discussion suggests the following two hypotheses:

H1: Employees with greater job latitude will report a lower level of work overload than will employees with high levels of job latitude.

H2: Employees with greater job latitude will report fewer work related ill health than will employees with a high level of job latitude.

Both theory and empirical research provide support for a link between extrinsic rewards and employee well being. Identity theory examines the factors that make stressors more or less salient for individuals: ‘…[in] the logic of identity theory, work related factors that are central to an individuals life should have a greater impact on his/her attitudes and behaviours than those that are more peripheral’ (Shaw & Gupta, 2001, 302). Therefore, when the acquisition of money is central to an employee attitudes are likely to be stronger identity relevant stressors. The acquisition of money is now be higher on an employees agenda as a consequence of shorter job horizons (as demonstrated by rising levels of job insecurity (Kelley, Evans, & Dawkins, 1998)). Both Kelley et al (1998) and Lazear (1998) have demonstrated that as perceptions of job security fall, employees seek higher current pay in return for the uncertainty about accessing long term financial benefits such as superannuation.

Empirically, Chang (2003) has demonstrated that employees who are place a high value on extrinsic rewards tend to be motivated to exert more effort. Moreover, extrinsically motivated employees will expect that each time a task is performed it will be rewarded, ‘perhaps in ever increasing amounts’ (Benabou & Tirole, 2003, 503), leading the employee to work at a high level in order to access the extrinsic rewards on offer. This effect may be furthered by the acquiescent employees adoption of a life style and spending pattern that requires this extra income to be sustained, so they need to continue to work at a high level. Not only will highly acquiescent employees work harder they are also more sensitive to work load issues. Lu (1999, 63) has argued that people who have strong extrinsic work motivations such as pay will care more about the demands of their jobs, while Zenger & Marshall (2000) have suggested that imposing high levels of incentive intensity imposes substantial uncertainty and risk on employees, resulting in a range of health related problems.
Use of extrinsic rewards can also impact on the nature of the employment relationship. Benabou & Tirole (2003, 492) have argued that by offering extrinsic rewards the employer is signally a lack of trust in the employee, which can be a source of concern and subsequent ill health to the employee. More directly, Lu (1999, 68) reports a significant and positive relationship between extrinsic motivation and depression. There were also positive but not significant findings with anxiety and somatic symptoms. She observes that people who are seeking high pay ’will be more sensitive to discrepancies between reality and ideals or expectations hence more easily distressed’ (Lu, 1999, 70). In combination, both theory and research suggest the following hypotheses:

**H3:** Employees who are highly acquisitive will report a higher level of work overload than will employees who are less acquisitive.

**H4:** Employees who are highly acquisitive will report more work related ill health than will employees who are less acquisitive.

The interaction of high job latitude with high acquisitiveness is expected to result in a high level of work overload and ill health as employees have both the opportunities and the inclination to work to excess. As Shaw et al. (2002, 494) have noted, when individuals do not have to rely on one another to accomplish work and individual financial incentives are especially attractive, employees have an incentive to increase effort, potentially to excessive levels or to experience health problems. In other words, acquisitiveness will exaggerate the relationship between job latitude and employee well being.

**H5:** Acquisitiveness will moderate the relationship between job latitude and measures of employee well being

**Method**

**SAMPLE:** The data for the study comes from a self-report survey of employees engaged as call centre workers, financial planners and insurance administrators in the finance industry. There have been significant changes in the nature of finance industry work and pay systems since the 1980’s (Kitay & Rimmer, 1997). There have been large-scale job losses and there has been a growth in the number of contingent employees. The industry has also sought to promote employee performance through the use of performance pay. AWIRS 1995 reported that 77% of workplaces with 2000 or more employees had a performance pay scheme for their non managerial employees, the highest level of any industry group (Morehead, Steele, Alexander, Stephen, & Duffin, 1997). Surveys were distributed by internal mail though returned to the researcher directly through the post: 1573 were distributed and 456 were returned generating an overall response rate of 29%. After accounting for missing data, the effective sample size is 418. A comparison of the respondents on the basis of their employer and their union status using t-tests demonstrated no significant differences. Table 1 provides the definitions, items and descriptive statistics for the variables used in the analysis. For all multi-item scales a reliability analysis was undertaken and the Cronbach alphas are also reported in Table 1. In all cases the reliability coefficients were within the recommended range (Nunnally, 1978).

**MEASURES:** There are two dependent variables: work overload and employee ill health. Work overload was measured using a scale developed by Price & Mueller (1981) and subsequently modified by Iverson (1992). A representative item in the scale is ‘my job requires me to work very hard (physically or mentally)’. A five on this scale represents a high level of work overload. The second dependent variable was work related employee ill health and it is composed of fourteen work related health problems. Employees were asked to indicate, on a three-point scale (never, sometimes, frequently) the extent to which they had experience of a list of health problems as a consequence of their work. Higher values on this measure therefore represent more extensive ill health.

There are two independent variables (job latitude and acquisitiveness) and one interaction term (job latitude x acquisitiveness). Job latitude was measured using a scale developed by Smith, Tisak, & Schmieder (1997). The scale has five items (a representative item on this scale is ‘my job allows me to make decisions on my own’) and a five on this scale represents a high level of job latitude. The variable acquisitiveness has four items that measure (Cassidy & Lynn, 1989) the level of employee interest in the acquisition of money. A representative item on this scale is ‘it is important
to me to make lots of money’. It is a five-point scale and a five on this scale represents a high level of acquisitiveness. There are also eleven control variables: to control for the possibility that demographic differences or the work context might affect the predictor and outcome variables. The demographic variables are: the age of the respondent in years, gender, presence of dependents, highest education attained, union membership and income level. The situational variables are: the nature of the performance pay scheme in which the respondent was employed, total hours of work, the level of resource inadequacy, co-worker support and job security perceptions.

**METHOD OF ANALYSIS:** The survey data was analysed using hierarchical regression (Tabachnick and Fidell, 1989). Control variables were entered in step 1. Job latitude was entered at step 2, acquisitiveness at Step 3 and the two-way interaction of job latitude and acquisitiveness in step 4. A likelihood ratio test was used to test whether the explanatory power of the model had significantly improved with the addition of each stage (Tabachnick and Fidell, 1989). The results of these analyses are reported in Table 2.

**TABLE 1**

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Mean (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee ill health</td>
<td>Fourteen items that measure the extent of work related ill health, including headaches, indigestion, feeling depressed, anxiety attacks, muscular cramps, sleeplessness, high blood pressure and ulcers, alpha = .87. Higher values represent a greater experience of work related ill health.</td>
<td>21.93 (5.81)</td>
</tr>
<tr>
<td>Work overload</td>
<td>Extent to which performance in a job is excessive, as measured by four items from Iverson (1992), alpha = .74. Five point scale where 5 = high level of work overload.</td>
<td>3.53 (.85)</td>
</tr>
</tbody>
</table>

**Demographic variables**

<table>
<thead>
<tr>
<th>Age</th>
<th>Continuous variable measured in years</th>
<th>35.96 (11.00)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Highest level of education is a masters degree = 1, 0 otherwise</td>
<td>.05 (.21)</td>
</tr>
<tr>
<td>Gender</td>
<td>Dichotomous variable where female = 1, male = 0</td>
<td>.54 (.50)</td>
</tr>
<tr>
<td>Income</td>
<td>Continuous variable measured in dollars per year divided by 1000</td>
<td>$62,082 ($59,674)</td>
</tr>
<tr>
<td>Dependents</td>
<td>Dependent = 1, no dependents = 0</td>
<td>.43 (.50)</td>
</tr>
<tr>
<td>Union</td>
<td>Member of union = 1, non members = 0</td>
<td>.51 (.50)</td>
</tr>
</tbody>
</table>

**Situational variables**

| Co worker support           | Co-worker support as measured by three items from House (1981), alpha = .87: Five point scale where 5 = high level of co-worker support. | 3.75 (.89)    |
| Pay method                  | Method of performance pay where 1 = commission and 0 = merit pay            | .25 (.43)     |
| Resource inadequacy         | The level of resource inadequacy as measured by two item measure derived from (Iverson, 1992), alpha = .87. Five point scale where 5 = high level of resource inadequacy | 3.29 (1.13)   |
| Secure                      | Three item measure from (Oldham, Kulik, Stepina, & Ambrose, 1986), alpha = .76. Five point scale where 5 = high level of job security | 3.32 (.88)    |
| Total hours                 | Continuous variable that measures the total number of hours of work each week | 43.93 (11.91) |

**Independent variables**

| Acquisitiveness             | Motivation based on the acquisition of material rewards using a four item measure derived from (Cassidy & Lynn, 1989), alpha = .70. Five point scale where 5 = highly acquisitive. | 3.43 (.83)    |
| Job latitude                | Six item measure of the level of job latitude an employee has in their job from (Smith * et al.*, 1997), alpha = .89. Five point scale where 5 = high level of job latitude | 3.35 (.87)    |

**Interaction variables**

| Acquisitiveness *job latitude | Interaction of acquisitiveness and job latitude (items above) | .14 (.75)     |
Results

Table 1 provides an overview of the respondent characteristics. The average age of all respondents was just under 36 years and 54% of the respondents were female. The average salary for respondents was just over $62,082 per year and 51% of respondents were union members. The average level of work overload was 3.53, which was higher than in a number of comparable studies. Lower levels were reported by Chandler et al. (2000) who reports a mean of 2.80 in a study of operational level employees, by Iverson & Maguire (2000) for miners working in a remote location and by Iverson & Pullman (2000) for hospital workers; hospitality workers (mean = 3.25) and for bank employees (mean = 3.26) (Deery & Iverson, 1996). The mean for employee ill health was 21.93. The highest potential score was 42, suggesting that work related ill health was not a widespread problem.

The top half of Table 2 shows that entering the demographic and situational control variables in an equation in which work overload is the dependent variable yielded a significant equation and an overall explained variance of .3021. In step 2, job latitude was entered into the model, which was a significant positive predictor ($\beta = .0952$, $p<.10$) of work overload, but only at the 10% level. Hypothesis H1 stated that there would be a negative relationship between job latitude and work overload, so is therefore rejected. In Step 3 acquisitiveness was entered and was significant in a positive direction. As predicted (hypothesis H3) acquisitiveness was associated with higher levels of work overload ($\beta = .1051$, $p<.05$). The last step (step 4) in the regressions was the inclusion of the interaction term. Table 2 shows that acquisitiveness moderates the effect of job latitude on work overload perceptions ($\beta = .1042$, $p<.05$). Therefore hypothesis 5 is also supported. The addition of each step improved the explanatory power of the model (as shown by the results of the log likelihood test) and the overall explained variance was 31.84%.

In order to better understand the significant interaction effect between acquisitiveness and job latitude for work overload, split group regression analysis was undertaken (Aiken & West, 1991). First the sample was split into low (minus one standard deviation) and high acquisitiveness (plus one standard deviation). Then regression equations of work overload on job latitude for low acquisitiveness and high acquisitiveness were generated. Regression coefficients indicated that the work overload – job latitude relationship was positive and significant for high acquisitiveness ($\beta = .1821$, $p<.001$) but not for low acquisitiveness ($\beta = .0089$, ns). In other words, the results indicate that acquisitiveness had both a direct and significant effect on work overload but also moderated the relationship between job latitude and work overload such that the relationship was stronger at higher levels of acquisitiveness.

The bottom half of Table 2 shows that entering the demographic and situational control variables in an equation in which work related health issues is the dependent variable yielded an overall explained variance of .2443. In step 2 job latitude was entered into the model which was a significant negative predictor of health issues ($\beta = -1.464$, $p<.001$). Hypothesis H2 stated that higher levels of job latitude would result in fewer work related health issues and is therefore supported. In Step 3 acquisitiveness was entered and was found to be a significant and positive correlate of work related health issues ($\beta = .6423$, $p<.05$). As predicted acquisitiveness was associated with higher levels of health issues and therefore hypothesis H4 was supported. The last step in the regressions was the inclusion of the interaction term, which was not significant, therefore hypothesis 5 is not supported in relation to work related ill health.
### TABLE 2
Results of hierarchical regression analyses

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>Entry β</th>
<th>Final β</th>
<th>Overall vit</th>
<th>Adj R²</th>
<th>Δ Adj R²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Work overload (n= 418)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>-.0085**</td>
<td>-.0071*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>.0830</td>
<td>.0932</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependents</td>
<td>.0571</td>
<td>.0707</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>.1544</td>
<td>.1904</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union</td>
<td>.0642</td>
<td>.0729</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>-.0000</td>
<td>-.0005</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total hours</td>
<td>.0191***</td>
<td>.0185***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource inadequacy</td>
<td>.2593***</td>
<td>.2716***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co worker support</td>
<td>-.0306</td>
<td>-.0347</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay system</td>
<td>.0191</td>
<td>-.1317</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job security</td>
<td>-.1634**</td>
<td>-.1843***</td>
<td>1.39</td>
<td>.3021</td>
<td></td>
</tr>
<tr>
<td><strong>Step 2: Job latitude</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job latitude</td>
<td>.0889*</td>
<td>.0952*</td>
<td>1.45</td>
<td>.3056</td>
<td>.0035*</td>
</tr>
<tr>
<td><strong>Step 3: Acquisitiveness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitiveness</td>
<td>.0957**</td>
<td>.1051**</td>
<td>1.43</td>
<td>.3120</td>
<td>.0064**</td>
</tr>
<tr>
<td><strong>Step 4: Job latitude x Acquisitiveness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job latitude x Acquisitiveness</td>
<td>.1042**</td>
<td>.1042**</td>
<td>1.41</td>
<td>.3184</td>
<td>.0064**</td>
</tr>
</tbody>
</table>

| **Health issues (n= 421)** | | | | | |
| Step 1: | | | | | |
| Age | -.0251 | -.0208 | | | |
| Gender | 1.549*** | 1.319** | | | |
| Dependents | .9243* | .8335 | | | |
| Education | .4142 | .6706 | | | |
| Union | .7094 | .6817 | | | |
| Income | .0004 | .0029 | | | |
| Total hours of work | .0501** | .0689*** | | | |
| Resource inadequacy | 1.783*** | 1.593*** | | | |
| Co worker support | .0956 | .2401 | | | |
| Pay system | -.4375*** | -.3414** | 1.39 | .2443 | | |
| Job security | -.2002*** | -.1672*** | | | |
| **Step 2: Job latitude** | | | | | |
| Job latitude | -.1464*** | -.14925*** | 1.45 | .2734 | .0291*** |
| **Step 3: Acquisitiveness** | | | | | |
| Acquisitiveness | .5524* | .6425** | 1.43 | .2793 | .0059** |
| **Step 4: Job latitude x Acquisitiveness** | | | | | |
| Job latitude x Acquisitiveness | .1381 | .1381 | 1.41 | .2779 | -.0014 |

# Standardised regression coefficients shown are from the equation at the step entered ('entry β') and from the final equation ('final β'); *** p<.001; ** p<.05, * p<.10

### Discussion and conclusions

It has been almost 20 years over which workplaces and their participants have been encouraged to raise the level of efficiency and productivity. Two mechanisms through which organisations have sought improvements have been to increase job latitude and to shift to a more extrinsically based, principally pay, reward system. Overall, the paper demonstrates that higher levels of job latitude can result, contrary to expectations, in work overload but not to the extent of higher levels of work related ill health. This may be because the workload expectations of an employee with a high level of job latitude can be ambiguous. The tasks to be performed can change regularly as the circumstances of the organisation dictate. While the employee may have received training for all these tasks, the limited amount of time spent actually performing each task may be limited, reducing the overall level of proficiency. In order to compensate for lower level of proficiency, the employee has to work at a higher level and, as Taylor et al. (1997) report, employees who work at too many tasks tend to report more stress, practice poorer health habits and report more health complaints.
Organisations are attracted to the use of financial rewards as a means of affecting employee behaviours. What this study demonstrates is that employees who are particularly interested in the acquisition of money do respond to the incentive but at the cost of higher levels of work overload and ill health. Or as Slater (1980, 127) notes ‘getting people to chase money…produces nothing but people chasing money’ and the chase is resulting in a reduction in employee well being. Diminished employee well-being can be a problem for organisations. Higher levels of work overload have been associated with lower job satisfaction, organisational commitment and higher levels of voluntary turnover. Ill health is associated with higher absenteeism and lower productivity. Organisations should therefore consider the role of pay relative to other extrinsic and intrinsic rewards. Finally, employees with both a high level of job latitude and acquisitiveness were more likely to report work overload than employees with a low level of job latitude and acquisitiveness. The present study therefore suggests that it is important to examine the interplay between aspects of an organisation’s employment system in order to understand the implications for employee well being.

References


Managing the intensity of teaching: A research agenda

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La Trobe University

ABSTRACT
This paper looks at work intensification in the Australian public education sector, an industry where the intensification of work has not been fully investigated. Beginning with a review of the literature on work intensification in general, the paper proceeds to examine the literature on the intensification of work in the education sectors in the UK, the US and Australia, in order to identify areas that require further research. While there is some evidence suggesting that teacher’s working hours have increased and that their roles have expanded, there is nonetheless, a paucity of research on work intensification in this sector. In particular, the causes and effects of work intensification for teachers and school principals are not well understood. Moreover, there is little evidence on the roles of key industry stakeholders, such as unions, in developing supportive systemic responses to the issue of work intensification. The paper concludes by proposing three key areas for further study in Australia: research focusing separately on causes and effects of work intensification on individual teachers and principals, and research to examine strategic responses to work intensification from teacher unions.

Introduction
“What is the point of a superbly efficient organisation that does not know what it is meant to be using its efficiency for?” (Crouch, 1982)

Work intensification is an area of increasing interest in the management and industrial relations literatures, as it has far reaching effects for individuals and implications for communities and organisations. This paper analyses the concept of work intensification in the context of the Australian public education sector. This sector is both interesting and complex. On the one hand, education is touted as underpinning current, national, economic and social goals. It has undergone profound change philosophically and structurally in recent decades in order to be properly aligned with these goals. Teaching, as an occupation, has changed substantially, and it is reported that teachers are victims of work intensification. Simultaneously, the education sector is one which displays numerous structural and image problems: there are shortfalls in new recruits, high levels of stress among current workers, and there are a multitude of micro-issues relating to this occupation, such as lack of career options and professional standards. Thus, the question arises as to the relationship between work intensification and the problems plaguing the sector. At the same time, recent research calls for further investigation into specific instances of work intensification, in order to clearly target the contributing factors in the attempts at developing solutions. This paper responds to the call for further research. Our aims are firstly, to examine the manifestations, causes and effects of work intensification in this sector, and secondly to discuss areas requiring further research. The paper begins with a general definition of the concept of work intensification drawn from international literature based on various industries. Following from this, the paper proceeds to the analysis of specific UK, US and Australian literature on work intensification in their respective education sectors in order to identify gaps in the literature and to outline areas of potential for further study.

Work intensification
As a concept, work intensification relates to employees working more than they have before. Work intensification typically refers to the time and effort that employees put into their jobs; it appears to have reached epidemic proportions worldwide for many professionals, craft workers and other occupations (Burchell, Ladipo, & Wilkinson, 2002). It characterised European labour markets during much of the 1990s (Green, 2002), and is increasingly prominent in Australia. Evidence of work intensification is being documented in multiple sectors and contexts, including health (Allan, 1998; Bray & White, 2002; Willis, 2002); aged care (Allan & Lovell, 2003); finance (Probert, Ewer, & Whiting, 2000), and education (Bartlett, 2004; Burchielli & Bartram, 2003; Kyriacou, 2001; Pocock, Wanrooy, Strazzari, & Bridge, 2001; Probert et al., 2000; Troman, 2000).
O’Donnell, Peetz and Allan (1998) propose two main dimensions of work intensification. The first dimension refers to employees “doing more”, or having extra roles, increased tasks and bigger workloads. The second dimension refers to “coping with less staff” in workplaces, either due to downsizing (lay-offs), staff attrition (whereby staff that leave are not replaced) or not hiring new staff. Clearly, the two dimensions are inter-related since ‘doing more’ implies the allocation of a greater number of tasks to a fixed (no growth) or reduced number of employees. Similarly, a frequent outcome reported for the “survivors” of downsizing, or for the remaining employees in workplaces shrinking in size due to attrition, is an increased workload (O’Donnell, Peetz, & Allan, 1998). Existing literature suggests there is support for these two dimensions. Examples from the health sector indicate a link between downsizing, cost reduction and increased workloads for employees, whereby nurses are treating significantly more patients, at a lower cost. In other words, nurses report doing more, with less staff (Bray & White, 2002).

The literature identifies numerous antecedents for work intensification, in particular, changes to work, and Human Resource Management (HRM) practices, especially the emergence of ‘high performance systems’ (Godard & Delaney, 2000) which exert pressure for greater flexibility, productivity and efficiency (Allan, 1998; Willis, 2002). This has resulted in different manifestations of work intensification, such as changed work design and skills requirements (Appelbaum, Bailey, Berg, & Kalleberg, 2000); technological and organisational change (Green, 2002); the reduction in trade union powers, job insecurity, and more highly trained managers (Burchell et al., 2002). Both positive outcomes (Appelbaum et al., 2000), and negative outcomes (Green, 2002) have been reported.

Work intensification is frequently discussed in terms of longer working hours, and in recent years, a lot has been written about the long and extended hours worked by the labour forces in both the UK (Green, 2002) and the USA (Godard & Delaney, 2000). In Australia too, there is mounting evidence of a general trend towards longer working hours for full time employees (Watson, Buchanan, Campbell, & Briggs, 2003) and there appears to be a general movement away from the long-term trend of reducing working hours (Peetz, Townsend, Russell, & Houghton, 2003). Given the prevalence of employee flexibility, job expansion or job broadening (Allan, O’Donnell, & Peetz, 1999), employees are being given more tasks to undertake with inadequate time resources and so extended working hours are resulting in work overload.

The reported negative effects of work intensification include the decline of workers’ health and well-being (Allan, 1998; Willis, 2002), job stress (Watson et al., 2003) and burnout (Guglielmi & Tatrow, 1998; Pocock et al., 2001), as well as low staff morale. In turn, this has corresponding costs to organisations due to increases in staff counselling, incident reports, workers’ compensation claims and quit rates (Allan, 1998). The literature also suggests there are negative flow-on effects for the community, including high medical costs, social fragmentation, and work-family imbalance (Burchell et al., 2002; Pocock et al., 2001; Watson et al., 2003).

The literature on work and family issues suggests that achieving a balance is still very difficult (Boyar, Maertz Jr, Pearson, & Keough, 2003; Carlson, Derr, & Wadsworth, 2003; Kinnunen & Mauno, 1998). Work and family balance has been defined as being the extent to which a person can at the same time ‘balance the temporal, emotional and behavioural demands of both paid work and family responsibilities’ (Hill, Hawkins, Ferris, & Weitzman, 2001). Certain studies have indicated that good work-life balance practices are meant to benefit both employers and employees (Churchill, Williamson, & Grady, 1997; Drago et al., 2001; Stegwarth, Mukerjee, & Sestero, 2001) and to have a direct impact on the financial benefits of the company, including increased productivity and performance (Grover & Crooker, 1995). However, it is also suggested that work and family benefits will only be helpful to employees if organisational culture is supportive for employees to use these benefits (Thompson, Beauvais, & Lyness, 1999).

Work intensification is associated with negative effects on individuals, relationships, family life, parenting, leisure, and the extended family (Pocock et al., 2001). Some researchers like (Pleck, Staines, & Lang, 1980) and (Voydanoff, 1988) consider work overload to be among the most important factor leading to work-family conflict. According to the Scarcity Theory (Goode, 1960), since individuals have a limited amount of energy to perform the various roles (work and family), it is expected that work intensification will lead to role stress. Moreover, work intensification will lead to work spillover on family roles, which not only creates emotional, physical, and mental problems, but also negatively affects the family roles. Both time-based
and strain-based conflicts would make it difficult for employees to fulfil family responsibilities (Greenhaus & Beutell, 1985). Generally speaking, since women are more involved in their work and family roles, they are more prone to suffer from health problems (Smith-Major, Klein, & Ehrhart, 2002). Many women find themselves in a position where they are solely responsible for coordinating childcare and housework responsibilities, making it harder for them to adjust their work schedules, in comparison to their partners.

Given the different roles and responsibilities that workers have to perform, being involved in multiple roles is a very common thing. Multiple roles mean a variety of roles outside of an occupation to which an individual is strongly committed (Ruderman, Ohlott, Panzer, & King, 2002). Holding multiple roles can be rewarding as it may increase self-esteem and levels of satisfaction (Danes, 1998). On the other hand, it can deplete individuals of their energy by increasing their burden. This is expected to result in stress, conflict, health problems, moods swing and lower levels of satisfaction (Voydanoff, 1988; Williams & Suls, 1991). Therefore, this trend tends to bring more conflict for women in balancing work and family roles (Wiley, 1987). Despite workplace arrangements, such as the provision of family leave, presumably designed to support work-family balance, balancing work and family responsibilities is still difficult.

Australian research into the finance and education sectors suggests that, despite ‘relatively good entitlements’ in these sectors, ‘employees face continuing difficulties in gaining access to these provisions’ (Probert, Ewer, & Whiting, 2000). This research clearly questions the authenticity of ‘provisions’ which cannot be accessed.

There is some evidence suggesting that innovations to work and HRM practices can result in positive outcomes. The literature puts forward that in the instances where innovative practices lead to greater worker participation, greater responsibility and autonomy, and better remuneration, such as in high commitment and high performance work systems, there are positive outcomes for both workers and the business (Appelbaum et al., 2000). The cases reported indicate that workers in these systems are better paid, have greater trust in their managers, feel greater motivation and satisfaction at work, and report no impact on stress levels. For the firm, the benefits are better performance. However, it seems that these results are highly contextual, and contingent upon numerous, co-existent factors. Firstly, it is noted that the evidence relates to specific manufacturing industries, and thus it may not apply to other industries, and occupations. It is equally important to note that the best reported outcomes relate to workplaces where a total constellation of new practices has been adopted, and where the core of these relates to very high worker control, including high involvement of the union (Appelbaum et al., 2000). Critics of these systems, however, are sceptical about any positive results. Some argue that ‘only a minority of firms have comprehensively adopted these practices’ and that a principal cause is the ‘failure of managers to alter their values and beliefs’ (Godard & Delaney, 2000). Others propose that autonomy is a myth (Harley, 2000) and that the likely effect of functional flexibility is work intensification (Allan et al., 1999; Godard & Delaney, 2000). In fact, it is suggested that work intensification can actually reverse the benefits of any autonomy, increased motivation or satisfaction, and lead to lower levels of productivity, efficiency, and effectiveness for organisations, as demonstrated in studies on the survivors of downsizing (Davis, Savage, & Stewart, 2003).

From a cost/benefit perspective, it would seem that work intensification has a greater amount of negative consequences. However, recent literature calls for further research on the issue at the micro level (Bray & White, 2002). More specifically, it is suggested that research should focus on the ‘causes and consequences of it, including its relationship to workplace culture and the regulatory framework’ (Peetz, Townsend, Russell, & Allan, 2002).

**Work intensification in education**

Increased working hours, increases in face-to-face teaching, increased responsibilities or ‘expanded job roles’ have been noted to characterise the intensification of work experienced by teachers in the USA (Bartlett, 2004), the UK (Kyriacou, 2001; Troman, 2000) and in Australia (Burchielli & Bartram, 2003; Pocock et al., 2001; Probert et al., 2000). US and UK data indicate that teacher workloads have increased and that the role of the teacher has changed markedly in the past two decades (Bartlett, 2004), so that “classroom teaching now constitutes only part of the teachers’ work” (Troman, 2000). The concept of the “expanded role” for teachers is based on teachers’ numerous responsibilities outside the classroom, including the following:
Bartlett (2004) dismisses the popular, but superficial notions of the teaching occupation as “easy and congenial work”, or work that is “attractive to women”. Instead, she suggests that these are urban myths, too narrowly based on certain, widely known award conditions (such as teachers’ holidays), which ignore the harsher realities depicted in ‘virtually all in-depth portraits of teachers’ work [which] show it to be difficult, complex and emotionally draining work entailing long out-of-classroom hours’ (Bartlett, 2004). Work intensification for teachers in the US and UK is attributed to the pressures of ‘managerialism’ (Troman, 2000) and a bureaucratic/government impetus to increase reporting mechanisms (Bartlett, 2004). It is reported to have a range of negative effects including loss of collegiality and staff fragmentation (Bartlett, 2004, forthcoming; Troman, 2000); personal stress, burn-out, negative self-image and decreased levels of satisfaction (Kyriacou, 2001) and flow-on effects for teachers’ families and communities. Bartlett (2004) questions why women, as the over-represented gender in this occupation, continue to tolerate the excessive demands of their profession and the punishing effects of their workloads.

With the exception of Bartlett (2004), which analyses specific causes and effects of work intensification, the international literature on work intensification in the education sector is based on generalisations and does little to throw light on this issue.

**Intensification in the Australian education sector and areas for further research**

There is very little literature that examines work intensification in the Australian educational context. For example, a review of the *Australian Education Journal* since the year 2000 renders no titles on this topic. In the most part, it is noted that the issue of work intensification in Australia is discussed within a number of related contexts; among these, teacher stress (Burchielli & Bartram, 2003) and work-family balance (Probert *et al.*, 2000; Thomas, Clarke, & Lavery, 2003). This in itself suggests that further research is required. A notable exception to this is the work of Pocock, *et al.* (2001). In spite of the paucity of evidence, it is possible to draw some general conclusions from the research areas identified above. These suggest that Australian teachers’ workloads have increased due to task expansion, the introduction of new responsibilities and new, time-consuming activities. A central concern for teachers relates to long working hours which are not reflected in contractual (award) arrangements. One study reports that full-time teachers are working over 48 hours a week, with secondary school teachers averaging an hour a week more than primary school teachers (Probert *et al.*, 2000). According to the State of our Schools Survey (ACTU, 2003) the average teacher hours per week is 56.4 hrs per week.

Teachers report that they spend far longer hours at work, as well as bringing work home, and they attribute their longer working hours to increased workloads and responsibilities (Burchielli & Bartram, 2003; Pocock *et al.*, 2001; Probert *et al.*, 2000). The literature suggests that the increased workloads are evidenced by numerous factors. Firstly, increased teaching related activities, such as preparation, marking, larger class numbers, increased face-to-face teaching and behaviour management (Burchielli & Bartram, 2003; Pocock *et al.*, 2001; Probert *et al.*, 2000). Secondly, changes to curriculum (Probert *et al.*, 2000) requiring changes in daily practices and increasing the need for training. Thirdly, increases in demands relating to reporting and accountability, such as preparing student and whole-school reports of outcomes (Burchielli & Bartram, 2003; Pocock *et al.*, 2001; Probert *et al.*, 2000). Fourthly, management and communication tasks such as parent/teacher nights, on-going training, various meetings with staff, parents and students (Burchielli & Bartram, 2003; Pocock *et al.*, 2001). Fifthly, broader education related tasks that fall outside the classroom, and teachers’ usual job description, such as activities linking schools with the wider community, fostering a school community outside the classroom environment, providing extra activities for students, improving quality of teaching programs, and extending assistance to students with special needs (Burchielli & Bartram, 2003; Pocock *et al.*, 2001). Sixthly, increases in needs for on-going professional development training (Burchielli & Bartram, 2003; Pocock *et al.*, 2001).
There is mounting evidence suggesting that the role of school teachers has changed from essentially a teaching/educational role to encompass a much wider range of responsibilities, including counselling, welfare, social work, procurement of funding, reporting, government lobbying and community liaison. In other words, it appears that workloads have increased. However, since most of this evidence comes from the literature related to stress, which represents work intensification as a cause of stress, it does little to elucidate the causes of work intensification. While work intensification may share some of the antecedents of stress, we suggest that currently, there is only a partial picture of the causes of work intensification for teachers, which requires analysis. Numerous questions arise with regards to expanded teacher workloads; in particular, it seems important to identify the major sources of pressure for workload expansion and reasons for teachers’ acceptance of these, and to explore ways of providing support to teachers. Anecdotal evidence implicates the profound ideological and bureaucratic changes which have affected education in the past two decades (Townsend, 1998). In any case, understanding the major causes of work intensification for teachers has important ramifications for policy development at all levels.

A similarly partial picture emerges in relation to the effects of work intensification for Australian teachers. Available evidence suggests that the effects of work intensification are far reaching and multi-layered. On a personal level, teachers are absorbing their increased responsibilities, and increasing their own work expectations (Probert et al., 2000). This suggests that teacher behaviours are contributing to work intensification. In addition, it is suggested that the expectation of completing an excessive range of tasks may result in reduced quality of teaching as teachers report not having the time to prepare and develop engaging material (Probert et al, 2000). Internalised pressure from overwork is also manifesting in self-questioning and crises of professional confidence (Burchielli & Bartram, 2003), as well as stress, physical illness and pressure on families (Pocock et al., 2001). According to a study carried out among Australian teachers, the old ways of working are not suitable to meet the current demands due to work intensity, long working hours, adopting new work methods and pressures to complete the tasks on time (Churchill et al., 1997). Therefore balancing work and family roles becomes very difficult for teachers. There is the additional danger that teachers may experience a degree of work overload that exhausts their enthusiasm and erodes their commitment. Management literature clearly links work satisfaction, employee motivation and commitment with both turnover and recruitment of employees. Currently, there is evidence to suggest an undersupply of teachers into schools (ACTU, 2003). However, the relationship of work intensification to teacher satisfaction, motivation and commitment, and to turnover and recruitment can only be guessed at. This leads us to conclude that an important area requiring the attention of researchers relates to the causes and effects of work intensification for teachers.

A second area for further research relates to school principals. The burden of increased responsibilities and workloads does not only affect teachers, as school principals are reporting similar issues (ACTU, 2003). School principals share parallels with “middle managers” in industry, since they supervise a group of workers, but have limited authority, and are answerable to a higher form of governance. In addition, a common problem among “middle managers”, who have an interface with both workers and (governing) executives, but are alienated from both, is that they often bear the brunt of much organisational change (McConville & Holden, 1999). It may be argued that principals are the proverbial ‘meat in the sandwich’ in education, bearing the burden of increased pressure from overworked teachers, on the one hand, and a demanding bureaucracy, on the other. Since school principals are a key form of social support for teachers (Sarros & Sarros, 1992), this raises questions around the issue of support and alienation for all staff in the school context. Given their own increased workloads, are principals really in a position to support their staff? Who supports the principal? Moreover, local and overseas evidence suggests ‘a widespread problem with principal recruitment’ and points to ‘reform policies’ as the major culprit (Gronn & Rawlings-Sanaci, 2003). Limited research evidence clearly suggests that Australian teachers and principals are certainly “doing more” and with fewer resources. At the same time, it is clear that further research must focus on work intensification and its effects on principals, so that specific strategies can be developed to address the limitations in their crucial role in the education system.
A third area which requires greater understanding relates to the development of systemic responses to the issue of work intensification. While the discussion above suggests a need for developing a (supportive) response at a bureaucratic level, there is some evidence to suggest that teacher unions, and union strategy, may contribute both to overwork and its solutions. For example, Probert, et al (2000) hold teacher unions partly responsible for work intensification because of their role in bringing about award restructuring and enterprise bargaining. These authors challenge the unions to ‘rethink’ their strategies. Additionally, if there is indeed any truth to the claim that Enterprise Agreement provisions are not being accessed (Probert et al, 2000), then one would expect that teacher unions would have an interest in identifying and eliminating the barriers to access. Thus, agreements in this sector lend themselves to being critically analysed.

Recent industrial action undertaken by the Australian Education Union (AEU) has focused on workloads, reflecting the currency of these issues in the school sector, and also suggesting that this is a strategic policy area for teacher unions. Anecdotal evidence suggests that this occupation requires attention to issues such as greater career pathing, training and remuneration, and that these factors may alleviate the intensification of work in this sector. Clearly, further research is required to analyse union responses and strategies with regards to work intensification in education. Although the industrial climate is generally hostile, especially after the re-election of the conservative Howard government in 2004, with its aggressive industrial relations reform agenda, the current under-supply of teachers provides a favourable environment for teacher unions to make some gains.

**Conclusion**

This paper concludes that work intensification in the Australian public education sector results in many negative consequences for which there are as yet, no clearly articulated, systemic solutions. The review of the literature however, strongly suggests the need for further research. Three specific areas are highlighted. Firstly, we call for further research focusing on the individual teacher, in particular to examine the causes and consequences of work intensification but also to examine the relationship between work intensification and teacher compliance. Secondly, within a management context, further research is indicated analysing the causes and effects of work intensification on school principals, as middle managers. Finally, within an industrial relations context, there is scope for analysing teaching agreements, and union strategies to address work intensification. We suggest that research in these three areas can result in positive practical implications for teachers.

**References**


Reworking work: What are the issues for Australia?

John Burgess and Julia Connell
University of Newcastle

ABSTRACT

Australia has experienced two decades of dynamic economic reform that has included deregulation, privatisation, labour market and tax reforms. These policies have resulted in various societal inequalities with almost half of the workforce now employed in jobs that are casual, part-time and/or on fixed contracts. Consequently, the contemporary workforce is divided into two groups: those in high skilled, stressful jobs who would like to work less hours, and those who have to support themselves and their families with insecure incomes. The rewards from economic growth are also very unevenly distributed. As a result, there is a need to rethink and re-conceptualise work in Australia, which has been given a narrow meaning, largely connected to market activity for the purposes of welfare policy design. Outside of the market there is much work that is neither recognised nor rewarded. Hence, this paper discusses factors relating to the reworking of work in Australia making a number of suggestions as to how this could be approached.

Introduction

This paper outlines what has happened to work in Australia over the past two decades. It reviews recent developments concerning the workforce and the changing conditions and rewards from work, before considering the implications of these developments for the future of work in Australia.

Over the past decade or so Australia’s workforce has undergone enormous change. Both large and small organisations in the profit and not for profit sectors have been subjected to enormous environmental pressures and forces of change that have led to major transformations in organisational work structures and contracts. In turn, the responses to these influences have led to change within the industries in which Australians work, the occupations they undertake and the employment contracts they hold. Consequently, this topic underpins a number of important theoretical and policy questions such as:

• the nature and availability of employment for current and future generations
• the characteristics of future jobs and workplaces, and
• the impact of the current trajectories regarding globalisation and technology on the sustainability of work

It is worthwhile defining what is meant by sustainable development in the context of employment, as so many different definitions exist. A widely used international definition is ‘development which meets the needs of the present without compromising the ability of future generations to meet their own needs’ (SWRA, 2003). Some choose to describe these principles as ‘people, pounds and planet’, reflecting that sustainable development is all about achieving a balance between social, economic and environmental considerations in any decision.

Australia and the world of work – what has happened over the past 25 years?

Australia has experienced some twenty years of dynamic economic reform that has included deregulation, privatisation, labour market and tax reforms. Many economic reforms have been focused on increasing shareholder value - translated into workplace actions such as downsizing, increased work intensity and unpaid overtime. The aim of creating an internationally competitive economy has worked well for business in terms of opening up markets, increasing productivity and the creation of a more ‘flexible’ workforce. For workers, however, there is evidence that such policies have resulted in greater societal inequalities, as almost half of the workforce is now employed in jobs that are casual, part-time and/or on fixed contracts. Statistics also indicate that over one million people are unemployed, underemployed or in ‘hidden’ unemployment, while others find that work itself has intensified in relation to working hours and unpaid overtime (Watson et al. 2003). So, this poses the question is economic progress and sustainable work a contradictory goal?
What we have seen is that growing richer, especially in an information era, is possible for companies without growing bigger. This means that increased national wealth does not guarantee more jobs. In fact, it can mean that a nation’s corporations could grow smaller in combination with strategies such as downsizing and the drive for efficiency. Thus, changing market forces and work requirements present a new set of working conditions. Although speed and change are vital for the knowledge-based economy and work redesign is an essential component of the improvement to work processes, work has to be re-conceived and rebuilt to express human values and the kind of productive effort required by the knowledge economy (Spring, 2002; Taylor, 2000).

A seven-year study undertaken by Pusey (2003) investigated what ‘middle Australia’ (people who are neither rich nor poor) have experienced as a result of recent economic reforms and found that the vast majority believed that big business has too much power and should be more closely regulated. Corporations were perceived as the only winners from economic reform, especially their CEOs who have been rewarded with increasingly larger salary packages. Pusey concluded that Australia needs to consider international evidence showing that societies that seek to make the economy serve the people tend to be more effective (measured in terms of conventional economic indicators) than those that try to make the people serve the economy.

So in broad terms there have been both positive and negative perspectives on the future of work. Pessimists predict a divided society where jobs as such have disappeared for good (Bridges 1995) and there is mass unemployment, growing insecurity and widening social divisions. Capelli (1999) argues that the ‘end of the career’ will occur due to factors such as competitive pressures, volatile markets, more demanding shareholders, the ongoing need for flexibility (cost reductions), weaker trade unions and changing skill requirements. Conversely, Jacoby (1999) argues that this thesis is not supported by labour market evidence and the continuing experience of long term employment in many public and private sector industries indicates that the long-term career is far from over. On the positive side, it has also been claimed that the ‘new’ economy will liberate many employees from dull, dreary and degrading jobs. In general, there is a lack of systematic evidence to support many of the claims on either side although much of the data presented in this paper does tend to confirm the more pessimistic viewpoint concerning the future of work.

Recent developments relating to the Australian workforce

Although this paper primarily focuses on the future of paid work, unpaid work is recognised as an important contributor to the economy and will be referred to again later. In relation to paid work in Australia, it is suggested that the following factors are the most significant:

increased female participation in the workforce: There has been a significant rise in female participation in paid work. Conversely, the proportion of adult men in the paid workforce is slowly declining, in common with most OECD countries. In the 1960s almost all men of working age were employed. This proportion fell to approximately 76 percent in 2001 (OECD 2002) while the employment of women in OECD countries moved in the opposite direction. The employment rate in Australia for prime-age women (25–54 years) is now slightly higher than the OECD average for the total OECD, with women accounting for 45% of the Australian workforce (OECD, 2002: 313-315).

persistently high rates of unemployment and underemployment: Many thousands of service workers work short hours because their industry is organised through short shifts. This frequently leads to the undertaking of multiple jobs in order to survive. Currently, one in seven workers in Australia are underemployed. Moreover, Australia has one of the highest rates of underemployment and precarious employment in the OECD, in addition to significant numbers of long term unemployed (Watson et al., 2003).

work intensity and work life balance: All occupations and industries report that workloads have increased and that work has become more intense, with 21 percent of people in the workforce working 50 or more hours per week. Fifty percent of those who work overtime do not get paid for it - understaffing and work intensity have become workplace fixtures in the early 21st century. Increased workloads make it increasingly difficult to achieve work/life balance with a large number of people in high-skilled, stressful jobs who would like to work less (Watson et al., 2003).
the dominance of the services sector in job creation: In common with most developed countries the service sector accounts for more than three-quarters of the economy’s output and for four out of every five jobs in Australia. Many of these jobs, however, are part time or casual and are of low quality in terms of pay, working conditions, job security and a lack of any career path (see last point). Table 1 illustrates the rise in service sector employment and the decline in manufacturing employment over the period 1996 – 2002.

<table>
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<tr>
<th>Industry</th>
<th>1966</th>
<th>1986</th>
<th>2002</th>
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<tbody>
<tr>
<td>Manufacturing</td>
<td>26</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>Services</td>
<td>65</td>
<td>76</td>
<td>83</td>
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Source: Adapted from Watson, I., Buchanan, J., Campbell, I., & Briggs, C. (2003), Fragmented Futures, New Challenges in Working Life, Sydney: The Federation Press & ABS (6203.0)

the growth in non-standard employment arrangements: This growth is particularly high in relation to part-time and casual work. New jobs created between 1985 and 2001 numbered 2.5 million but most were in industries that are characterised by low paid, part time and casual work – for example in the service sectors (such as the hospitality and caring professions). Figure one illustrates that the number of full time permanent jobs in Australia fell by 51,000 between 1990 and 2000. Three quarters of all additional jobs created in the 1990s were part time jobs and nearly one half were part time, casual jobs (Borland, Gregory and Sheehan, 2001). Predictions are that by 2010 one in three workers will be casually employed – we are coming close to that in 2003. Yet 68 percent of casual workers said in a recent survey that they would prefer permanent to casual work (Watson et al., 2003).

Consequently, we suggest that the increase in casual work is the major threat to equality in the workforce and a sustainable future for Australia. These changes to employment contracts are important, as the average part time casual job attracted earnings that were only 30 percent of the average full time permanent job in 2000 (and this does not include the difference in employee benefits). Casual workers are not only ineligible for holiday and sick pay benefits, they are also more vulnerable with regard to irregular income, may have to work unpredictable hours, have a lack of access to education and training opportunities in the workplace and experience job insecurity among other things (Standing, 2002).

Source: Borland, J, Gregory B, & Sheehan B Eds. Work Rich, Work Poor: Inequality and Economic Change in Australia, Centre for Strategic Economic Studies, Victoria University, Melbourne, based on cat no 6310.0
earning inequities: There has been a huge increase in earnings at the top end of the labour market (53 percent real income growth for those in the top decile) and no real income growth for the 60 percent of workers who are on middle and low incomes. The working poor are no longer confined to young or part time workers as 70 percent of low wage workers are of prime working age (25–54 years) and the majority of low waged women work full time (Watson et al., 2003).

So what can we make of these changes? Structural change has always been present as the patterns of demand and trade change, new products emerge, consumer tastes alter and technology develops. What appears to be new about the current developments is the growing perception of employment insecurity, the collapse of large organisations (e.g. HIH Insurance, Ansett, OneTel), the disappearance of a job for life, the increasing ambiguity surrounding the legal status of many employment arrangements and the expectation that job content and hours are less predictable or controllable than in the past. Also, there are now many more workers who have to integrate work into other activities, especially education and caring activities. Workers appear to be confronted with uncertainty over jobs (tenure, content, control, hours etc), have less recourse to collective representation and collective action, and are under relentless pressure to adapt and be more productive (ACTU, 2003). Despite sustained growth in the economy over the past decade, unemployment and underemployment persist and the rewards from growth are very unevenly distributed across the workforce. Table 2 outlines some of the changes to the institutions associated with work and the rewards and conditions of work that have occurred over the past decade.

<table>
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<tr>
<th>Changes to the institutions associated with work</th>
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<tr>
<td>Shift away from centralised and industry wage determination towards enterprise and workplace wage determination</td>
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<tr>
<td>Diminished role of industrial tribunals in the Australian industrial relations system</td>
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<td>Declining proportion of employees who belong to trade unions</td>
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<tr>
<td>Decline in direct industrial activity</td>
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<tr>
<td>Growth in ambiguous and unprotected forms of employment</td>
</tr>
<tr>
<td>Restructuring of employment/conditions across the public sector through privatisation &amp; outsourcing</td>
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<table>
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<tr>
<th>Changes to the rewards/conditions of work</th>
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<tbody>
<tr>
<td>Growth in real average full-time earnings (i.e. earnings adjusted for inflation and therefore reflecting “real” purchasing power)</td>
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<tr>
<td>Narrowing of the earnings differential between women and men</td>
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<tr>
<td>Expansion after 1990 in contributions to employment linked superannuation funds</td>
</tr>
<tr>
<td>Growth in number of employees who do not receive standard employment benefits</td>
</tr>
<tr>
<td>Systematic shift in functional income distribution from labour to capital (leading to growth in profits share from national income)</td>
</tr>
<tr>
<td>Ongoing effects of income tax bracket creep on take home pay</td>
</tr>
<tr>
<td>Growing inequality in the distribution of earnings across the workforce</td>
</tr>
<tr>
<td>Restructuring of the normal working week, especially since the early 1990s</td>
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Employers, institutional shareholders and government are clearly retreating from taking responsibility for work-related issues, resulting in the risks and costs associated with employment falling on the weakest party in a work situation (Watson et al. 2003). Gonos (1997) suggests that with regard to casual work, its advantage is that it offers user firms access to labour without obligation, allowing them to utilise labour while avoiding many of the specific social, legal and contractual obligations that are generally attached to employer status.
Will these trajectories continue?

Governments cannot and should not try to ‘wind the clock back’ on the economic change that has driven the transformation of the workforce. However, they can ensure that government policies and workplace laws provide employees with the rights, protection, information and opportunities required to succeed in the 21st century (ACTU, 2003). This requires employing organisations to focus on long term goals and on giving something back to the community. Ware (cited in Kistner, 2004) argues that this requires investment in educational, social and public service institutions in addition to renegotiated employee contracts that focus on work/life balance and co-investment in the future such as the development of ‘talent pools’. Such initiatives are not overly evident in today’s workforce in Australia. Indeed, the focus at the corporate level appears to be on short-term profitability forecasts and short-term returns from investments. Longer term perspectives and policies need to be developed to address (for example) the issues of skill acquisition, the changing population demographics and the changing nature of work. We predict that key trajectories in the workforce will be as follows:

**gender composition:** the gender composition of the workforce is likely to continue to change in the face of growing female labour force participation and the expectation of many women to combine career and family responsibilities

**service sector jobs:** the majority of new jobs will be located in the service sector. Jobs will remain in the mining, rural, manufacturing, utility and construction sectors, but overall, their share will continue to decline. The post industrial economy will continue to expand where a range of caring, routine, professional, supporting and leisure based services will dominate employment. Job growth will remain strong in retailing, accommodation, community services, health, education, business services and personal services. These changes contribute to the expectation that employees use their ‘brains rather than their brawn’ and possess superior ‘soft/interpersonal skills’

**non-standard work contracts:** working arrangements will continue to be fragmented, ambiguous and in many cases not regulated (consider, for example, the position of contractors and temporary agency workers). Pressures for shareholder profit and improved corporate performance will continue to lead to more innovative and flexible employment arrangements and the rewards from work will continue to be unevenly distributed. It follows that contingent or non-standard employment arrangements will become the norm. These arrangements offer flexibility for employers and choice for those who wish to combine work with study or caring responsibilities. The numbers of people holding more than one job is likely to expand. Careers will no longer mean one job with one employer in one location. Over the course of a working life, individuals can expect a career to involve many jobs, many employers, many locations and a range of occupations and skills – portfolio working on a contract basis to a range of employing organisations will become more widespread (Handy, 1989).

**location of workplace setting:** work will continue to spread outside of the traditional boundaries imposed by time and space, such as a fixed location and set working hours. Advancing technology (such as cell phones, modems and laptop computers) support homeworking, telecommuting and 24 hour employment contact. As is already occurring in some instances, the workplace will shift from city centres and head offices to homes and into cyber space. Some work will be continuous and linked across countries and time zones. The notion of a standard working day and working week will be increasingly challenged.

**unemployment and underemployment:** unemployment and underemployment are unlikely to disappear for the fundamental reasons that full employment is no longer an outcome expected from our economic system. Curiously, in the present electoral climate, politicians are not prepared to tolerate inflation but they will tolerate unemployment. Economic management is no longer assigned the responsibility for reducing unemployment since unemployment is no longer presented as a collective responsibility but as an individual responsibility. Individuals are unemployed since they do not possess the ‘right’ skills, the ‘right’ employment record, the ‘right’ personal characteristics or the ‘right’ attitude. In addition, while work remains conceptualised and constructed around the market, then there will always be those who for various reasons will be excluded from the market sector.
**pay inequities/work-life balance**: as Watson et al. (2003) comment the current system does not fairly reward effort; instead it unfairly rewards market power. This has been evident with the unrestrained earnings growth at the top end of the labour market. Unless the widening inequalities in wages are curtailed, social solidarity is unlikely to be achieved and, therefore, for those who are underemployed, receive low pay, or who have casual contracts it is implausible that they will achieve a reasonable work/life balance. This may be because they are trying to hold down two jobs to achieve a reasonable working wage or working very long hours in one job to try and retain their jobs.

**Implications for the future of work?**

Polarisation and workplace inequality is likely to intensify as employment regulations become more difficult to enforce and the diversity in rewards for highly skilled and low skilled workers increase. Those who are mobile, highly skilled and adaptable can take advantage of the opportunities offered by the global labour market. Those who are not will be tied to the limited opportunities offered by local labour markets. Table 2 illustrated that trade union activity is declining while unprotected forms of employment are growing. Accordingly trade unions will have to rethink their organising, mobilising and servicing strategies in the face of more fragmented and insecure work arrangements. As a British trade union official commented recently, unions need to represent the small groups, all the independents who are outside the organisation and who desperately need an association to provide a range of ancillary services, such as education, legal help, protection, and advice. In addition, businesses will have to consider how to arrange their operations and labour in the context of global production, extensive outsourcing and sub-contracting possibilities and the restructuring of work through time and space.

What are the fundamental challenges facing policy makers and the community regarding the future of work? We believe there is a need to re-think and re-conceptualise work. In Australia work has been given a narrow meaning, largely connected to market activity for the purposes of welfare policy design. Consequently, worth and status have been accorded too much weight while outside of the market there is an ongoing and significant amount of work occurring that is frequently not officially recognised nor rewarded. This needs to change, as without this type of work our communities and economy would not be able to function. Moreover, Broom (2003) argues that although these are supposedly post-feminist times, gender is still inadequately addressed in considerations of work. She contends that in the absence of gender, there is little interrogation of the relevance of market and non-market work on each other, the salience of unpaid work to men, or of the economic significance of market work to women.

For many people work gives meaning to their life. The social importance of charitable and household work reaches far beyond its economic importance as this type of work enriches family and community life, conserves cultural traditions and fosters human development (Greenwatch, 1997).

Careers of the future are likely to be fragmented, disjointed, unpredictable and associated with life long learning and training. Work will be increasingly global and take place across borders. In addition, governments have to think about taxation and welfare systems. Where employment status is ambiguous and more workers are located outside of traditional workplaces (even outside of the country), the sustainability of the traditional tax base becomes questionable. Moreover, if employment arrangements are fragmented and discontinuous, then it is difficult to develop any sustainable retirement income arrangements. One major problem for current superannuation arrangements, even without equity market bubbles, is that they are premised on a regular and sustainable full-time employment arrangement - something that is not universal in the current economy.

**Towards a sustainable future of work?**

Much of the economic change of the past 25 years has been driven by increased market competition. Whereas previously the quality of a firm’s product or service, price and customer service were major factors influencing a firm’s competitiveness in the national and international marketplace, contemporary firms are finding that their reputation for social responsibility may also influence investment decisions. The former Federal Minister for the Environment and Heritage, Hon Dr David Kemp (2002) gave an address to the Asia Society Forum where he stated that:
...the pursuit of sustainability is not about ending economic growth or returning to the practices of smaller and simpler societies. It is about mobilising our intellectual and technological resources to better understand the consequences of our actions, so that we can replace unsustainable practices with sustainable ones.

Strategies to support sustainable work practices are, however, unlikely to evolve at the individual firm level. Instead, we argue that co-ordinated government regulation is required to address the current inadequacies that are evident within the contemporary working population. Watson et al. (2003) argue that governments have over recent years promoted market regulation rather than institutional regulation and that it is this focus that has created many of the problems within the current labour market.

The Sustainable Europe Research Institute (SERI 2002) proposes that in order to influence political debate, principles and recommendations are needed explaining how environment and employment policies can be integrated so that they can lead to positive synergies. The emphasis on employment policies that are an integral part of sustainable development (and vice versa) works towards the achievement of joint employment and environment policy goals.

Commitment to sustainability is in the interests of not only current but also future generations. In order to look forward to a future where some form of work is an option for all, the government does have choices concerning the type of work being performed and how it is performed. Accordingly, we suggest that:

- funding and taxation arrangements affect the allocation of resources and the composition of jobs and should, therefore, be reconsidered in the light of how they can support more sustainable and equitable work provision than currently exists
- jobs can be generated in the non-market sector (such as volunteer work) to support the unemployed and the under-employed, particularly as service sector jobs are generally labour intensive and are not as resource or energy intensive
- more creative policies be explored for ways of supporting jobs through linking them to environmental sustainability. For example, taxes on polluting activities could generate revenue to assist in the financing of non-polluting activities
- long-term investments in education, training, research and public infrastructure (e.g. transport, health) be seen as capital, not current, expenditure
- qualifications in the ‘eco-efficient’ technologies could be encouraged
- employers be encouraged to investigate job-share arrangements and shorter working weeks
- the Australian Government look to directives such as the recently published directive from the European Union on Working Conditions for Temporary Workers (Storrie, 2002) to improve working conditions for casual workers in Australia. This directive intends that temporary workers will no longer be subject to discrimination due to their employment contract. Consequently temporary workers in EU member states will have the right not to be treated less favourably than comparable permanent employees.

These suggestions are just some of the ways that it may be possible to support both the economy and the labour force in relation to the multiple challenges of globalisation and sustainability. In summary, of course it is impossible to predict the future. However, as the UK study on the future of work suggests (TUC Congress 2000), if something has not happened over the past twenty years, either in the UK or overseas, then we need to ask why it should happen over the next twenty years. Although it is evident that we live in a post-industrial age where the nature of work and careers is rapidly changing, we argue that long term strategising is required because the social and economic consequences of changes in the world of work require careful, ongoing scrutiny by academics, employers and governments if more equitable and shared work options are to be available for the Australian majority of the future. While Australia may never see a situation where full employment is a prospect, the current state of affairs where there is growing inequality in the workplace is not sustainable either, and urgent attention is required to redress the issues discussed throughout this paper in relation to fairness, equity and choice. In other words, we need to epitomise the culture that Australia is famous for – giving a fair go to all.
References


‘The glue that binds’: Workplace climate, human resource systems and performance

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Peter Gahan, Deakin University

ABSTRACT
There is now a substantial body of research examining the relationship between human resources (HR) and organisational performance. During the last decade, this research has focused on the impacts of ‘bundles’ of HR practices. While researchers have consistently found a significant relationship between HR systems and performance, the mechanisms that give rise to this relationship remain poorly conceptualised. Building on the work of Barney (1998), Ferris et al. (1998) and Bowen and Ostroff (2004) we suggest the social context in which such practices are implemented provide the basis for specifying these transmission mechanisms. Workplace climate provides a key social context that induces high levels of effort and dynamic efficiency. Using a large sample we find workplace climate significantly influences the relationship between HR systems and performance.

Introduction
Over the last decade there have been numerous studies focused on empirically testing the impact of high performance work systems (HPWS) on performance outcomes, such as turnover, absenteeism, employee commitment, productivity, sales, customer satisfaction and profitability (Becker and Gerhart, 1996; Ichniowski et al., 1996; Capelli and Neumark, 2001; Gerhart, 2000; Wright, Dunford and Snell 2001). Whilst the empirical evidence suggests that there is, indeed a link between HPWS and performance, the theoretical underpinnings of this research remain underdeveloped (Ferris, Hochwater, Buckley, Harrell-Cook and Frink, 1999). Indeed, a recent paper by Bowen and Ostroff (2004: 204) argues that the question ‘still left unanswered is the process through which this (HRM systems impact on performance) occurs.’ They argue that a key mediating factor in the HRM-performance relationship is climate. Where the HR system is high in characteristics such as distinctiveness, consistency and consensus, this improves shared meanings or collective responses that are consistent with organisational goals (climate). The shared understanding of appropriate behaviours related to strategic goals, in turn, has a positive impact on organisational outcomes (Bowen and Ostroff, 2004).

This paper attempts to test the proposition that workplace climate mediates the relationship between HPWS and several performance outcomes (quality, customer satisfaction and growth). Using survey data from drawn form a large sample of manufacturing and high technology establishments, we find that while HPWS have some direct effects on productivity, the relationship is significantly influenced by workplace climate.

The high performance workplace model
Much of the early work examining the impact of HR practices implicitly assumed a universalistic, rational model of work organisation yielded significant performance dividends. More recent research, however, has argued that the extent to which an HR system achieves both vertical and horizontal fit or congruence (Schuler and Jackson, 1997; Wright and Snell, 1991) determines positive performance outcomes. ‘Vertical fit’ refers to the extent to which HR strategy is aligned to broader management and business level strategies within the organisation, while ‘horizontal fit’ concerns the alignment among various HR practices and policies that are deployed (Wright and Snell 1998).

This approach has been increasingly complemented by the resource based theory of the firm (RBT) (Capelli and Singh 1992, Wright and McMahan, 1992; Bozoll, 1996; Wright, Dunford and Snell, 2001). The standard RBT posited by Barney (1991) and others hypothesise that a firm’s competitive success will be determined by the extent to which they are able to develop internal resources that are inimitable, valuable, non-substitutable or rare. Human resources could represent a strategic resource on which sustainable competitive is built in any of these senses.
Ferris et al. (1998) and Bowen and Ostroff (2004) argue that the empirical literature examining the impact of HPWS on performance outcomes ignore the process through which these occur. In both models, a key mediating variable is organisational climate. In a model that explores the social context of how HR impacts on organisational effectiveness, Ferris et al. (1998) argue that climate, along with attitudes and behaviour, mediate the effects of HR systems because employees interpret systems as a collective through work climate.

In this paper, we posit that climate mediates the relationship between HR systems and performance because of two reasons. The first is that HPWS are not of themselves inimitable resources, but can be readily created in a diverse set of organisational settings. In this sense they are unlikely to be found empirically to have lasting performance effects. Second, and more importantly, the discretionary role that HPWS provide workers in defining their own roles and work effort suggests that something in addition to the presence of these practices is required for them to have performance effects. RBT suggests that the quality of relations between management and employees – or workplace climate – may represent an inimitable asset that does provide the basis for such practices to have lasting performance effects. Workplace climate can be viewed as the means by which HPWS induce high levels of effort and improved performance.

**Hypothesis**

This provides us with our core hypotheses:

- **H1: Workplace climate mediates the relationship between HPWS and productivity**
- **H2: Workplace climate mediates the relationship between HPWS and growth**
- **H3: Workplace climate mediates the relationship between HPWS and customer satisfaction**
- **H4: Workplace climate mediates the relationship between HPWS and quality**

**Data and procedures**

The data used in this study combines data drawn from two companion surveys of workplaces manufacturing and ‘the high technology sector’. The surveys were administered in January 2002 and July 2002, respectively. The manufacturing study consisted of a postal survey of human resource managers in a random sample of 1759 manufacturing workplaces in Victoria, Australia. The survey yielded a final sample of 286, representing a response rate of 16 percent. The high technology sector data was collected through a market research company that approached 3456 human resource managers from high technology workplaces with more than 5 employees. Of the 3456 workplaces approached, 438 workplaces participated, resulting in a 12 percent response rate.

**MEASURES:** Table 1 shows the number of items, definition, operationalisation and source of the questions used in the study. Exploratory factor analysis confirmed that all multiple item measures showed discriminant and convergent validity. Cronbach’s alpha for final variables used ranged from .66 or above, indicating that most measures were reliable. The measurement of the variables will be discussed in turn.

Four separate measures of performance were included in the study: productivity, growth, customer satisfaction and quality. Productivity, customer satisfaction and quality were self-report single items, measured on a five point likert scale. Growth was measured as the mean of a three item scale ($\alpha = .73$). Youndt et al. (1996) argues that self-report measures are appropriate where the research is conducted in workplaces (as opposed to profit centres) where objective performance measures may not be available. HPWS was measured using an additive index of $Z$ scores for scales used to measure 6 HR practices: contingency pay, communication, internal labour market, training, performance appraisals and percentage of workers in teams. Exploratory factor analysis determined that this factor displayed convergent and discriminant validity. Cronbach’s alpha for this measure also indicated that the scale was reliable ($\alpha = .66$). Youndt, et al. (1996) suggest that an additive approach is conceptually and empirically superior to a multiplicative approach because the index is not reduced to zero where a single practice is not used in an organisation. Furthermore, this procedure has been commonly used in the literature (Arthur, 1994; Youndt,
Snell, Dean and Lepak, 1996). Workplace Climate is a single item measure that compares employee management relations at the workplace in the last 12 months with other organisations that do the same kind of work.

The study contained a number of single item control variables, which have been well established in the literature. Controls included the size of the workplace, ownership, age of the workplace, unionisation, export sales, multi site, competition, cost reduction strategy and industry. Larger, foreign owned and older workplaces are argued to have a positive relationship with performance as they have a greater capacity in terms of resources and organisational learning, to introduce work practices associated with HPWS (Guthrie et al., 2002). Unionisation is expected to improve performance by facilitating better work practices and greater harmony in workplace climate (Guthrie et al., 2002). Performance is also expected to vary with the level of export sales, competition, industry and business strategy (Huselid, 1995; Youndt, et al., 1996; Guthrie, 2001).

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of items</th>
<th>Definition/Operationalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Productivity</td>
<td>1</td>
<td>Comparison of productivity at workplace in the last 12 months with other organisations that do the same kind of work. Adapted from Delaney and Huselid (1996).</td>
</tr>
<tr>
<td>2. Growth</td>
<td>3</td>
<td>Mean score of items comparing growth in sales, profitability and market share at workplace in the last 12 months with other organisations that do the same kind of work. Adapted from Delaney and Huselid (1996).</td>
</tr>
<tr>
<td>3. Customer satisfaction</td>
<td>1</td>
<td>Comparison of customer satisfaction at workplace in the last 12 months with other organisations that do the same kind of work. Adapted from Delaney and Huselid (1996).</td>
</tr>
<tr>
<td>4. Quality</td>
<td>1</td>
<td>Comparison of quality at workplace in the last 12 months with other organisations that do the same kind of work. Adapted from Delaney and Huselid (1996).</td>
</tr>
<tr>
<td>5. HPWS</td>
<td>6</td>
<td>Additive index of Z scores for contingency pay, communication, internal labour market, training, appraisals and percentage of teams. Questions adapted from Huselid and Becker (2000); WERS; Delery and Doty, 1996 and AWIR95.</td>
</tr>
<tr>
<td>6. Workplace climate</td>
<td>1</td>
<td>Comparison of employee/management relations at workplace in the last 12 months with other organisations that do the same kind of work. Adapted from Delaney and Huselid (1996).</td>
</tr>
<tr>
<td>7. Size (log)</td>
<td>1</td>
<td>Size of workplace (logged)</td>
</tr>
<tr>
<td>8. Ownership</td>
<td>1</td>
<td>1=greater than 50% foreign owned, 0=less than 50% foreign owned.</td>
</tr>
<tr>
<td>9. Age</td>
<td>1</td>
<td>Age of workplace (years)</td>
</tr>
<tr>
<td>10. % union</td>
<td>1</td>
<td>Percentage of non managerial employees that are members of a union.</td>
</tr>
<tr>
<td>11. % export</td>
<td>1</td>
<td>Percentage export of total sales in previous year</td>
</tr>
<tr>
<td>12. Multi</td>
<td>1</td>
<td>1=multi site organisation, 0=single site</td>
</tr>
<tr>
<td>13. Competition</td>
<td>1</td>
<td>Degree to which there are many competitors in the market for main product. Adapted from WERS.</td>
</tr>
<tr>
<td>14. Cost reduction</td>
<td>1</td>
<td>1=price is ranked as the most critical factor to determine market share, 0=otherwise</td>
</tr>
<tr>
<td>15. Manufacturing</td>
<td>1</td>
<td>1=manufacturing, 0=new economy sector</td>
</tr>
</tbody>
</table>

‘The glue that binds’: Workplace climate, human resource systems and performance 113
STATISTICAL ANALYSIS: The statistical technique used in the analysis was hierarchical multiple regression, testing for mediating effects. Whilst Baron and Kenny (1986) recommend structural equation modelling where there are multiple constructs, this methodology is less appropriate where there are single indicator measures. The procedure for testing mediation effects is to conduct the following three regressions: first, regress the mediator on the independent variable; second, regress the dependent variable on the independent variable and third, regress the dependent variable on the mediator and the independent variable (Baron and Kenny, 1986). Steps 2 and 3 are conducted in this study as part of a hierarchical regression. Baron and Kenny (1986) propose that for mediation to occur the independent variable should significantly impact on the mediating variable, the independent variable should significantly impact on the dependent variable (excluding the mediating variable) and the effect of the independent variable should be reduced when the mediator is included in the model. Sobel (1982) tests provide significance tests for the indirect effect of the independent variable on the dependent variable (via mediation).

Results

Table 2 to 6 show the results of the multiple regressions. These will be discussed in turn.

Our first hypothesis was that workplace climate would mediate the relationship between HPWS and productivity. Table 2 reports the results of regressing workplace climate on HPWS shows that HPWS had a positive and significant relationship with workplace climate (p<.01).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Adj R²</th>
<th>F</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPWS</td>
<td>.32**</td>
<td>4.01**</td>
<td>200</td>
</tr>
<tr>
<td>Size of workplace (log)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Ownership</td>
<td>.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age of workplace</td>
<td>.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% unionised workers</td>
<td>-.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% export of total sales</td>
<td>-.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple workplace</td>
<td>-.13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competition</td>
<td>.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost reduction strategy</td>
<td>.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-.02</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Support was also found for Hypothesis 2. Step 3 in the growth regressions reported in Table 3 shows that by adding workplace climate to the equation, the $R^2$ significantly increased by .05 compared with an equation where HPWS and the controls were regressed. Furthermore, workplace climate was positive and significantly associated with growth (p<.01). The mediated effects of HPWS through workplace climate was significant (Sobel, 1982). Support was also found for hypotheses 3 and 4 where the inclusion of workplace climate in an equation controlling for HPWS increased the $R^2$ by .15 and .06, respectively (see Table’s 5 and 6). Workplace climate had a positive and significant impact on the variables of customer satisfaction (p<.01) and quality (p<.01). Whilst HPWS drops out as a predictor of customer satisfaction when workplace climate is entered into the equation, it remains a significant determinant of quality, suggesting that HPWS has direct and indirect significant effects on quality.
**TABLE 3**  
Determinants of productivity and growth

<table>
<thead>
<tr>
<th>Variable</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Controls</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size of workplace (log)</td>
<td>.08</td>
<td>.02</td>
<td>.13</td>
<td>.20**</td>
<td>.14</td>
<td>.22**</td>
</tr>
<tr>
<td>Ownership</td>
<td>-.04</td>
<td>-.04</td>
<td>-.04</td>
<td>-.07</td>
<td>-.07</td>
<td>-.07</td>
</tr>
<tr>
<td>Age of workplace</td>
<td>-.03</td>
<td>-.02</td>
<td>-.03</td>
<td>-.02</td>
<td>-.03</td>
<td>-.02</td>
</tr>
<tr>
<td>% unionised workers</td>
<td>-.05</td>
<td>-.01</td>
<td>-.00</td>
<td>-.15</td>
<td>-.11</td>
<td>-.11</td>
</tr>
<tr>
<td>% export of total sales</td>
<td>-.08</td>
<td>-.09</td>
<td>-.09</td>
<td>-.20**</td>
<td>-.21**</td>
<td>-.21**</td>
</tr>
<tr>
<td><strong>Multiple workplace</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Competition</td>
<td>-.18**</td>
<td>-.18**</td>
<td>-.20**</td>
<td>-.15*</td>
<td>-.16*</td>
<td>-.17**</td>
</tr>
<tr>
<td>Cost reduction strategy</td>
<td>.09</td>
<td>.10</td>
<td>.08</td>
<td>.08</td>
<td>.10</td>
<td>.08</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-.24**</td>
<td>-.18*</td>
<td>-.17*</td>
<td>-.06</td>
<td>-.00</td>
<td>-.00*</td>
</tr>
<tr>
<td>Step 2 HPWS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 3 Workplace climate</td>
<td>.19**</td>
<td>.08</td>
<td>.18**</td>
<td>.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td>.10</td>
<td>.13</td>
<td>.22</td>
<td>.10</td>
<td>.10</td>
<td>.15</td>
</tr>
<tr>
<td>$\Delta F$</td>
<td>4.25*</td>
<td>18.00**</td>
<td>3.87*</td>
<td>8.22**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$F$</td>
<td>1.93*</td>
<td>2.20*</td>
<td>3.86**</td>
<td>1.93*</td>
<td>1.73*</td>
<td>2.39**</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
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</tbody>
</table>

*p<.05  **p<.01

---

**TABLE 4**  
Determinants of customer satisfaction and quality

<table>
<thead>
<tr>
<th>Variable</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
</tr>
</thead>
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<tr>
<td><strong>Controls</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size of workplace (log)</td>
<td>-.17*</td>
<td>-.25**</td>
<td>-.10</td>
<td>.04</td>
<td>-.04</td>
<td>.04</td>
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<tr>
<td>Ownership</td>
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<td>-.12</td>
<td>-.12*</td>
<td>-.02</td>
<td>-.03</td>
<td>-.03</td>
</tr>
<tr>
<td>Age of workplace</td>
<td>.05</td>
<td>.07</td>
<td>.06</td>
<td>.04</td>
<td>.05</td>
<td>.05</td>
</tr>
<tr>
<td>% unionised workers</td>
<td>.08</td>
<td>.13</td>
<td>.14</td>
<td>-.10</td>
<td>-.05</td>
<td>-.05</td>
</tr>
<tr>
<td>% export of total sales</td>
<td>-.15*</td>
<td>-.16**</td>
<td>-.16**</td>
<td>-.00</td>
<td>-.02</td>
<td>-.02</td>
</tr>
<tr>
<td><strong>Multiple workplace</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competition</td>
<td>-.09</td>
<td>-.12</td>
<td>-.07</td>
<td>-.07</td>
<td>-.11</td>
<td>-.07</td>
</tr>
<tr>
<td>Cost reduction strategy</td>
<td>-.03</td>
<td>-.03</td>
<td>-.05</td>
<td>-.10</td>
<td>-.10</td>
<td>-.12</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-.20**</td>
<td>-.12</td>
<td>-.12</td>
<td>-.16</td>
<td>-.08</td>
<td>-.08</td>
</tr>
<tr>
<td>Step 2 HPWS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 3 Workplace climate</td>
<td>.24**</td>
<td>.10</td>
<td>.24**</td>
<td>.16*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td>.12</td>
<td>.16</td>
<td>.32</td>
<td>.06</td>
<td>.10</td>
<td>.16</td>
</tr>
<tr>
<td>$\Delta F$</td>
<td>7.37**</td>
<td>34.33**</td>
<td>6.93*</td>
<td>9.83**</td>
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<td></td>
</tr>
<tr>
<td>$F$</td>
<td>2.40*</td>
<td>2.99**</td>
<td>6.42**</td>
<td>1.11</td>
<td>1.73*</td>
<td>2.56**</td>
</tr>
<tr>
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<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>

*p<.05  **p<.01

---

i Most of the questions were identical between the surveys. There were, however, minor variations in some of the questions because of the different methodologies used to collect the data.

ii Direct and indirect effects were calculated for these regressions. Tables can be requested from the authors.
Discussion and conclusion

Our starting point was that the empirical work on the HR system-performance linkage assumed direct effects, but the mechanism by which HPWS translated into better performance were not adequately specified. We suggest that this mechanism is provided through climate in creating the basis on which practices are institutionalised into an inimitable asset for the organisation. This proposition is supported by other theoretical analysis in which the inherent political nature of work organisation are incorporated into the analysis.

By examining direct and indirect effects, our empirical analysis supported this proposition. With the exception of quality, HPWS were not found to have strong direct effects on performance outcomes. Rather workplace climate appears to act as a significant mediator between HR systems and performance.

Whilst a small number of studies have been conducted examining different forms of organisational climate as mediating constructs for the relationship between HPWS and various performance outcomes (Rogg, et al., 2001; Stetzer and Morgeson, 1997; Gelade and Ivery, 2003), this is the only known study examining organisational climate in the form of workplace climate (as opposed to industrial relations climate). It should also be noted that there are few studies which empirical test for HPWS outside manufacturing, and even fewer Australian studies more generally. This paper adds this research both as a Australian test of the general proposition, and an extension of work to test the proposition outside of the manufacturing sector.

Our findings suggest that future research examining HR systems and performance linkages needs to further explore these intra-organisational climate linkages both conceptually and empirically.

References


Abstract
The Australian policy approach has relied on a narrow version of the ‘business case’ to encourage workplace provision of paid maternity leave and other work-family benefits within a substantially deregulated labour market. The paper draws on case study research investigating organisational rationales for taking on equal employment opportunity and diversity initiatives. The findings suggest that the business case is only one of the reasons paid maternity leave is introduced or increased. Equally important were beliefs about the ‘right thing to do’, both in terms of meeting community expectations and social justice or gender equity goals, a desire to enhance the stature and reputation of the organisation, and increase organisational commitment and cohesion. Given Australia is likely to remain without any statutory provision of paid maternity leave, the paper argues for a recasting of the policy approach, beyond the ‘business case’, to encourage more widespread workplace provision.

Introduction
There has been considerable policy debate around paid maternity leave (PML) over the last two years in Australia. Much of this debate has focused around the 2002 proposal by the Human Rights and Equal Opportunity Commission (HREOC) for a federally funded scheme (HREOC 2002b), which followed a HREOC discussion paper (HREOC 2002a) and exhaustive consultation with employers, unions and the community. The proposal provided for payment at the rate of the federal minimum wage or the woman’s previous weekly earnings, whichever is the lesser, for all working women (including casual, part-time and self-employed) who have worked 40 weeks of the past 52 weeks with any number of employers, and/or in any number of positions (HREOC 2000b). Despite broad community support for a government-funded PML scheme (HREOC 2002b, 5-7), the proposal was taken up by neither the federal Coalition government nor the Labor Opposition. Instead a $3000 ‘maternity payment’, paid as a universal lump sum for each new born child, was introduced in July 2004. Rising to $5000 by 2005, this payment incorporates the former means tested ‘maternity allowance’ and the much contested ‘baby bonus’. The new maternity payment is a welfare payment, no doubt of great assistance to families in meeting the costs of a new baby. It is not, however, paid maternity leave intended to encourage women’s on-going attachment to the paid workforce, nor is it intended to compensate working women for income forgone as a result of childbirth (Baird 2004, 265).

So what is the extent of PML provision in Australia? Many permanent public sector workers have access to paid leave of some kind. In the private sector some provision for PML has been introduced into a limited number of workplaces, in either single employer collective agreements (union and non union) as a result of enterprise bargaining, through registered individual agreements or through voluntary management initiatives. Estimates of the spread of paid maternity leave vary (HREOC 2002a, 2002b; Baird 2003, Baird, Brennan and Cutcher 2002, Baird and Litwin 2004; Baird 2004), however it is clear that the majority of women in paid work do not have access to paid maternity leave. Recent ABS data suggests that only 36 percent of female employees (65 percent in the public sector and 28 percent in the private sector) have any entitlement to PML (ABS 2003). Further, even where paid leave is provided, the available data show a strong pattern of differential access according to occupation, with higher skilled professional employees more likely to have such access than those in less skilled, lower paid or casual work (Baird and Litwin 2004, 5-6; HREOC 2002a, 105). There is also significant variation across workplaces in the quantum of any paid maternity leave provided, the basis on which it can be accessed, and the conditions that adhere to it (HREOC 2002b, 34-36; Baird 2003).
So given the poor spread of PML why was there such political resistance to the relatively modest HREOC scheme that was directed to women in paid work? The history and politics of the effort to secure a national PML scheme have been comprehensively documented elsewhere (Baird, Brennan & Cutcher 2002; Baird 2003; Baird 2004). However it is worth pointing out that at least some of the political opposition to such a scheme is underpinned by the contradictory views many Australians continue to have about working mothers. While most now strongly endorse the notion of mothers working, there is also a contradictory discourse which constructs any government support for working women as marginalising and discriminating against ‘stay-at-home’ mothers (see Probert 2002, 15-16). The political resistance to the HREOC proposal draws on this ambivalence about working mothers, an ambivalence which is also reflected in contradictory family policies and distinctions made between women in couple families and in sole parent families who do not have the same right to be supported as stay-at-home mothers (Probert 2002, 15).

In this context the government has taken a largely passive approach to the provision of family friendly benefits such as PML. Committed to a decentralised and deregulated industrial relations system, responsibility for initiatives such as PML is seen as falling to individual workplaces that can afford to provide them, either through management decision-making or perhaps through some form of single-employer bargaining with employees (Reith 1999; Abbott 2003). The government has consistently opposed trade union initiatives aimed at generalising family-friendly benefits, on the grounds this may impose unreasonable burden on employers, particularly small business (Howard 2003, 6). Instead government activity relies on promoting the voluntary initiatives of larger employers, appealing to a narrow version of the ‘business case’, focused on the (potential) attraction of policies like PML, in realising ‘bottom line’ cost-benefits through attracting and retaining staff, reduction of absenteeism and turnover and improved morale and productivity (DFACS 2002, 50). A frequently cited example is that of the Westpac Banking Corporation, which has reported that its retention rate has increased from 54 percent in 1995 to 93 percent in 2000 as a result of introducing six weeks paid maternity leave, which reportedly saved the company $6 million. (EOWA 2004; HREOC 2000a, 57).

Yet despite this focus on the business case as a key incentive to encourage individual enterprises to introduce PML, we know relatively little about why and how organisations introduce PML (Baird, Brennan and Cutcher 2002, 15) and in particular the extent to which the business case provides the rationale for introducing PML in practice. This paper aims to shed light on these questions by drawing on experiences in seven Australian organisations, which have introduced or increased the quantum of PML or paid parental leave (PPL) over the last decade.

**The case study research**

This research reported here was undertaken as part of a larger study of equal employment opportunity (EEO) and diversity initiatives in Australia. Case study research in nine ‘best practice’ organisations, identified as such by the Equal Opportunity for Women in the Workplace Agency and the National Diversity Think Tank, was carried out in 2002 and 2003 investigating a range of initiatives nominated by the organisations. In each organisation in-depth interviews were undertaken with key personnel including the Chief Executive Officer (CEO), human resource (HR) and other managers, employee members of the group the particular EEO/diversity action was designed to benefit, as well as union officials where relevant. Internal documentation in relation to the implementation and evaluation of the specific initiatives researched was provided by the case study organisations. Given the community debate at the time, decisions around PML were examined in each of the seven organisations that had introduced it in the last decade. (For the sake of simplicity, PML is used to cover both PML and PPL, except where the specific provision by individual case studies is discussed.) Details of specific PML provided in each organisation are set out in Table 1. The organisations include:

- **Busico**, an Australian professional services partnership
- **Carco**, a large multinational vehicle manufacturer
- **Funco**, an Australian cultural and recreational services company
- **Healthco**, a state-based private teaching hospital
- **Manuco**, an Australian-based operation of a multinational automotive parts manufacturer
- **Socialco**, a state-based family welfare charitable organisation
- **Unico**, a multi-campus tertiary institution
### Case Studies

<table>
<thead>
<tr>
<th>Organisation</th>
<th>PML/PPL years in place</th>
<th>Eligibility</th>
<th>Quantum of leave</th>
<th>Basis</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Busico PPL</td>
<td>6 years</td>
<td>Continuous service of 2 years for perm staff</td>
<td>6 weeks</td>
<td>In company policy</td>
<td></td>
</tr>
<tr>
<td>Carco PML</td>
<td>6 years</td>
<td>Continuous service of 2 years for perm staff</td>
<td>6 weeks</td>
<td>In company policy</td>
<td></td>
</tr>
<tr>
<td>Healthco PML</td>
<td>2 years</td>
<td>Continuous service of 2 years for perm staff</td>
<td>6 weeks</td>
<td>In company policy</td>
<td></td>
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<td>Manucc PML</td>
<td>2 years</td>
<td>Continuous service of 2 years for perm staff</td>
<td>6 weeks</td>
<td>In company policy</td>
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</tr>
<tr>
<td>Socialco PML</td>
<td>8 years</td>
<td>Continuous service of 2 years for perm staff</td>
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<tr>
<td>Uni PML</td>
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<td>Continuous service of 2 years for perm staff</td>
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*PML = paid maternity leave; PPL = paid parental leave; RTW = return to work*

### Why some organisations take on family-friendly policies: The case of paid maternity leave

**Table 1:** Quantum, conditions and basis of PML/PPL provision in case study organisations
In identifying the main drivers of change we have concentrated on the views of those involved in or very close to the decision-making process which led to the action being taken around PML. The limitations of relying on company-selected interviewees are balanced by the benefits of multiple in-depth interviews with individuals in a range of organisational roles, and with varied perspectives, in each of the case study organisations.

**Rationales for PML: More than the business case?**

How effective has the business case been in organisational decision making around PML? Our research suggests that a narrow business case rationale was not the sole or even the main reason for introducing or increasing PML. In each of the case study companies several key factors were identified behind the introduction and/or increase in the quantum of PML. Factors such as ‘the right thing to do’, improving the stature and reputation of the organisation and improving organisational commitment and cohesion were just as important and in some organisations much more important than a business case. These findings are consistent with both UK and Australian survey data that suggests that the motivation to take on family friendly, diversity and EEO initiative include the social justice case, legal pressures, political pressure and personal leadership commitment (Rutherford and Ollereanshaw 2002, 7; EEOA 2003).

While most of those interviewed in the case study organisations argued that there were sound business reasons for introducing or increasing PML, few pointed to any financially quantifiable cost benefits as a driver for action. The most frequent use of the business case driver was where retention and attraction of employees generally and/or in key (mainly female) occupations was seen as an issue. In most cases this formed part of a broader business case rationale, less concerned with immediate cost savings that with the medium to long term interests of the organisation. For Unico, with an aging academic and administrative workforce, a decision to increase PML from 12 weeks to 52 weeks was seen as a means to attract and retain younger staff. For Healthco, faced with the critical shortage of qualified nursing staff, paid parental leave (PPL), along with other flexible work arrangements, was seen as a way of becoming employer of choice in a tight labour market.

In a number of instances the interpretation of the business case extended to a rationale for ‘looking after people’ to ensure the longer term survival of the organisation. At Manuco for example, a decision to introduce six weeks PML was driven by the need to retain staff who understand their work and can meet increasingly higher productivity targets in a competitive market.

> There’s a competition out there and globally. So we had to find a way of being able to embrace continuous improvement, in other words year on year cost reductions in a way that wouldn’t alienate our people. So the value in [looking after] our people is that we want to have people that understood and were not fearful of the fact that we could embrace continuous improvement…

CEO Manuco

The business case was more frequently used to secure internal agreement for a PML proposal, as a persuader as or a post-facto legitimiser to justify, both externally and internally, the decision taken. Whatever the reasons for a decision to introduce or increase PML, those pushing for it within the organisation would in many instances use a business case to win support or to account for its introduction. The assertion of the business case rationale for PML was also frequently used in applications for best practice awards, in best practice case studies and in applications by organisations seeking to be waived from the annual reporting requirements of the Equal Opportunity for Women in the Workplace Act 1999 (Cth).

Given the emphasis on cost/benefit analysis in the traditional business case, one might expect that detailed estimates of the costs and savings associated with the PML initiative would be prepared in the organisational negotiating process. However, in many cases this analysis was undertaken in a fairly ritualistic way. For example, assertions were made about the financial savings from improved retention of key female staff that would follow the introduction of PML even where, as at Manuco and Funco, retention after childbirth was already high. Further, clear benchmarks that would facilitate monitoring the costs and benefits of a specific initiative were rarely established before or with its introduction.
The emphasis in many of the case study organisations was on a rough estimate of the ‘cost-effectiveness’ of a specific action, rather than the preparation of a sophisticated cost/benefit analysis. At Manuco for example, while specific initiatives such as PML were seen as having a tangible cost, this was seen as irrelevant in terms of the real, but unquantified, value gained from ‘looking after’ employees. Concern with cost-effectiveness was reduced in several instances to the senior management team being satisfied that PML would not incur unacceptably high additional costs. For example at Unico, the age profile of the organisation, and at Carco the small proportion of women working in the company, meant that relatively few women would access PML and that the cost to the organisations would be relatively small. At Healthco the CEO and the HR Director reported that the internal discussion about the PPL proposal was more about ‘what would be the costs if we didn’t do it [PPL]’, than weighing up the costs of providing such leave.

Business case arguments were, nonetheless, frequently used to structure the form of the PML provided. At Busico the differential amount of PPL paid to managers (4 months) and to employees (2 months), reflected the organisation’s view of the different potential costs and benefits flowing from any increased retention of the two groups of staff. In other case study organisations, eligibility criteria that restricted PML to those with two or more years of service and/or the payment of a proportion of the PML on return to work, were viewed as ensuring that any investment in PML was realised. However, it is noteworthy that any close monitoring of the returns on this investment was rare, which is another indication that the business case can be largely rhetorical.

Perhaps surprisingly, given the silences around gender equity as a goal of PML both in the political sphere and within organisations, we identified a broad social justice case that was used to argue for the introduction of PML. This was frequently described by interviewees as ‘the right thing to do’. The right thing to do covered two different but often linked rationales. The first of these related to reflecting perceived community standards/expectations and meeting expectations of a modern company operating in the 21st century. Overseas head offices or subsidiaries as well as key individuals were important influences in linking the provision of PML with a vision of the organisation within the broader community and society. At Manuco, which has its head office in Sweden, and a CEO and an HR Director who both express views publicly on corporate social responsibility, responding to perceived community values was an important impetus that went beyond any employee or union pressure:

We listen to our people but we’ve also listened to the community values and what society is saying to us about the sort of workplace that our broader community wants to see.

CEO Manuco

The second strand of ‘the right thing to do’ was more clearly a social justice/gender equity case for PML. For Socialco, which introduced nine weeks PML, social justice and women’s equality is central to the organisation’s mission to provide services to families, and particularly mothers, in crisis. The organisation draws a direct link between its clients and its employees.

Women’s issues are really terribly central to our thinking in the programs… valuing women as carers then draws you in then to look at women who are in paid work, [and] supporting women as carers.

Senior Manager Socialco

Busico’s commitment to improving the gender culture in their male-dominated organisation was also an important motivation for action around PPL:

There’s a little bit about levelling the plain here so that if you want someone to come in and be able to have a family as well, you’ve got to try and have as level a plain as you can, and I think that’s how [PPL] contributes strongly to it.

CEO Busico
**Improving the stature and reputation of the organisation** was another value involved in decisions to introduce or increase PML. At Carco, one of the drivers to increase PML from 6 to 14 weeks was the desire to position the company and the management as both industry and community leaders and good corporate citizens. Taking action to increase PML well beyond the industry standard was also seen as a way of enhancing the company’s reputation as a player in the development of broad national/international trade policy:

Senior management] are trying to create Carco as a business and a business leader. So we don’t want to be seen just as a car manufacturer. Part of that strategy… is to get [the CEO’s] face and to get his opinion on the business pages so that [Carco] is seen as a business leader…

HR Manager Carco

In some cases positive publicity around the introduction of PML was seen as a way of mitigating negative publicity. At Busico the introduction of PPL of between two and four months provided some positive publicity in the face of audit scandals in the international professional business industry. For Funco too, one of the secondary drivers to the introduction of six weeks PML was its potential to neutralise negative publicity about problem gambling associated with the company.

Several case study organisations reported that they decided to introduce or increase PML in order to *enhance organisational commitment and cohesion*. For Unico, the desire to restore employee morale and commitment, after what was described as ‘a bruising encounter’ between management and employees in a prior enterprise bargaining round, was a major impetus behind a management proposal to increase the quantum of paid maternity leave well above industry standards in the next bargaining round. At Manuco the desire to ensure continued employee trust and commitment was an important driver in the decision to introduce a package of family friendly entitlements, including PML. Providing PML was seen not only as a way to enhance morale, but also as a visible sign of ‘looking after’ the company’s employees.

**Who pushed for paid maternity leave?**

In Australia the influence of employee pressure has been an important driver in the introduction of PML, particularly where it has been introduced through enterprise bargaining negotiations. (Baird 2003, 10; McGrath-Champ 2003, 50-51). So what role did unions play in our case study companies? There was significant union membership at four of the case study organisations. Quite unexpectedly we found that even where PML was included in the relevant enterprise agreement the relevant unions had played a negligible role in the introduction or extension of PML in these enterprises. It could be argued that our finding is hardly surprising given that management rarely acknowledges unions or employees as a driving force behind policy innovation (Zetlin and Whitehouse 1998, 10). However interviews with the relevant unions at Manuco and Unico openly acknowledged the introduction and extension of PML was a management initiative, and at Carco placing the increased PML in company policy sidelined any union involvement in its negotiation.

On the other hand, the desire of management to contain union influence through introducing or increasing PML was a theme in number of organisations where there was significant union membership. At Manuco, taking the initiative around PML and other proposals was seen to allow the company to better meet the needs of its employees by consulting directly with them, without getting caught up in industry wide union negotiations:

Whilst we don’t exclude [the union], we make it very clear that our interest here is in progressing the well-being of our employees and not in meeting the political needs or the industry needs [of the union] as such. So we’ve tried to have a focus on making sure not so much that we’re ahead of the game, although I think we probably are, but making sure that the sorts of benefits that we’re able to pass on to our employees are those that are important to them.

CEO Manuco

At Carco, Healthco and Unico the desire to contain union influence contributed to decisions by management to put forward offers of PML that were well in excess of relevant industry standards.
While the unions at both Carco and Unico had negotiated the initial PML provision of six and twelve weeks respectively, they were not involved in the decision to increase the quantum of that leave. At Unico, the decision to increase PML caught the union by surprise:

I sort of jaw dropped when we saw it because there’s no question about the fact that it was a very generous initiative. We couldn’t quibble with that, and you know, we weren’t going to turn around and say, ‘No, no, no, we’re not going to accept it.’

Union organiser Unico

Nonetheless, once in place, the relevant unions have used the benchmarks established in the case study organisations in enterprise bargaining negotiations within their respective industries. This is particularly evident in the case of the National Tertiary Education Union, which has used the increased quantum of PML introduced at Unico to win increases in PML across the university sector.

So if the unions in several of our case study organisations were not pushing for PML, was there any role for direct employee pressure? While many of those managers interviewed spoke of responding to employee need, there was little evidence that there was a strong push for PML by employees. Where employee pressure was reported it was more in response to individual cases or in respect to specific groups of employees. At Busico it was only when the company’s first female partner negotiated paid leave after the birth of her child that PML began to be discussed within the organisation. At Funco a concern to retain female managers who went on leave led to some senior management support for the introduction of PML and some other flexible work arrangements:

What had happened in the organisation [was] there’s a lot of women who were pivotal in various areas [who] were going on mat leave, and all of a sudden the managers initially started to jump up and down and say, almost like ‘This is your problem…Don’t you see what a problem this is?’ It hadn’t arisen before because the women hadn’t been in those positions, but now all of a sudden they were going on mat leave, and then there was this subtle change from it is somehow ‘my fault’ to ‘Well, how are we going to deal with it because we want them to come back’, and then all of a sudden it got a little bit of a life of its own…

Senior Manager Funco

Overwhelmingly it was the personal leadership and commitment of a number of executive and senior managers which appeared to provide an impetus to action around PML, with previous work and personal experiences in particular being an important influence. At Manuco, most interviewees agreed that the idea of introducing PML came initially from the HR Director. In her previous job she had been responsible for the introduction of PML in a local government authority and prior to that worked as a teacher, where she had been able to access PML for the birth of her own children.

I pushed it. That would be the one thing that I’d say that that wouldn’t have happened if I hadn’t been here. Because even at that stage, that’s three years ago, the [Union] you know, they might have had it down the bottom of their wish list; they didn’t even mention it; the women who were delegates weren’t pushing it…At [local authority] I got paid maternity leave into their EBA and they have that there. Coming from a teaching background you know, three months paid maternity leave has been in several years, and I had both of my children on paid maternity leave. So I just believe that it’s one of the industrial rights of working women as your basic [right], and I had a lot of trouble getting it into the [local authority] EBA more trouble than I had getting it in here.

The actual decision to introduce PML had significant support from the CEO, who sees action around EEO and diversity action more broadly as consistent with both his business experience and his personal values. At Healthco too the decision to introduce PPL, according to both the CEO and other managers interviewed, was initiated by the HR Director, who had had significant HR experience in the UK:

When I came to Australia … I was really staggered that Australia was so far behind the world in terms of paid maternity leave. I mean I keep joking with [the CEO] that I have two kids and I should make our paid parental leave retrospective; that I missed out!
The organisational context

What drives or motivates organisations to take action around PML at a particular time or in a particular way is influenced by a number of factors, both internal and external to that organisation. Internal factors include organisational values and culture, work and workforce organisation, organisational change and industrial/employee relations. In Manuco and Healthco, for example, there is a commitment to, and practice of, people-centred management, and this appeared to provide a positive and dynamic environment in which these organisations approach both EEO and work and family issues more generally. This creates the ‘space’ for a focus on ‘the right thing to do’ or for undertaking ongoing action to improve organisational commitment.

External factors include industry/global pressures and demands, which place particular business pressures on organisations, legislative requirements, government policy and perceptions of social and community responsibility. Business pressures and demands create the context in which PML policy is developed and they can work to facilitate or frustrate any action. The recent community and political debates around paid maternity leave and work and family provisions more generally created an environment in which a number of organisations decided to take specific action to introduce or to extend PML. The debate influenced both the timing and also the structure of PML in several of the case study organisations. For example at Funco, the debate around PML provided a profile for the issue that had not been present when earlier attempts were made to introduce it.

I guess my honest opinion about paid maternity [leave] is more that it became and has become quite a hot issue. I’m not sure the organisation would have done it for any other reason.

Operations Manager Funco

During the course of the community debate round PML, much was made of the fact that Australia lagged behind almost every OECD country in not having a national scheme. Providing PML became, for several larger companies, the hallmark of a modern 21st century company. This was the context in which Unico increased its PML provision to one year, Carco and Manuco increased the quantum of PML they provided to 14 weeks, the ILO minimum recommended by HREOC (HREOC 2000b), and Healthco increased the quantum of PPL leave provided to eight weeks.

Concluding comments

The seven ‘best practice’ case studies of PML provision are exceptional enterprises in the Australian context. They have won public EEO and work/family awards and the PML provided in all of the case study organisations would fall in the ‘good’ category of Marian Baird’s ‘good, bad and ugly’ typology (Baird 2003, 101). While most of the PML provision exceeds relevant industry standards, the differential quantum of and criteria for access to PML, set out in Table 1, underscore the limits of individual enterprise initiatives in substituting for a national PML scheme. Given such a national scheme is now unlikely, our research suggests that the narrow business case needs to be recast to reflect the wider range of beliefs and interests than can be mobilised in support of enterprise based PML provision. We suggest that there are three main elements to this recasting.

First, the promotion of voluntary employer PML provision, either through enterprise bargaining or company policy, needs to be based on understanding of why and how organisations take up PML initiatives. While a business case rationale can be harnessed to push for the introduction of PML and other family friendly benefits, the way it was used in our case study organisations suggests that it is more about organisational effectiveness than a narrow cost/benefit analysis. The promotion of enterprise based PML also needs to harness other rationales such as a concern with ‘the right thing to do’ and with organisational commitment and cohesion. While other case study research has also identified a range of arguments that were used to introduce EEO or work/family benefits such as PML (Zetlin and Whitehouse 1998; Dex and Scheibl 2001; but cf Wynd and Brown 2001), little practical use has been made of these insights, with a continued reliance on a narrowly conceived and largely rhetorical business case argument.
Second, emphasising such drivers as the ‘the right thing to do’ can work to reinstate social justice and gender equity as goals of PML, goals which have slipped out of sight with the recent emphasis on the business case and the bottom line. Despite the lack of any overt public policy support for an ‘equity orientation’ around PML (Baird 2004, 270-271), our study found that within the case study companies, even in the face of weak and contradictory attitudes to equality generally, there is support for PML on gender equity grounds. Perhaps one way of harnessing and promoting this rationale for PML would be to couch gender equity goals in terms of ‘equal citizenship’, based on the principles of social justice and fairness (Zetlin and Whitehouse 2003), not only within society but within organisations. This is important because where gender equity is not an explicit consideration in organisational initiatives such as PML it is difficult to manage for gender equitable conditions and outcomes.

Third, the conception of the business case needs to be broadened. One way of conceptualising a broader business case to see it as a pyramid where the narrow cost/benefit business case is only the ‘tip of the iceberg’. The next layers are about both specific and general organisational effectiveness and cohesion; such as attraction and retention, and organisational well-being. These layers are in turn underpinned by layers drawing on the wider external organisational context, including the industry and global economy and the community and social environment in which the organisation is located. A broad business case draws on all these layers and incorporates the medium to long-term interests of the organisation and its employees within the context of the medium to long-term interests of the economy and the community. Focusing on all of these layers opens up the potential for a number of different social, economic, industry and organisational contexts to be mobilised in support of equity measures such as PML.

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References


Lean, but is it Mean? Union members’ views on a high performance workplace system

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ABSTRACT
The growing literature on high performance workplace systems suggests that in a unionised environment such systems can be advantageous for workers. This paper reports on a study of New Zealand dairy workers’ views on the introduction of a hpws. It reports little evidence to support the more optimistic claims in the literature. But it also reports that union members still support hpws, primarily for reasons of job security. Thus notwithstanding many of the findings, the paper concludes that there are limited grounds for a degree of optimism about the potential of union involvement in hpws to enhance worker voice.

Introduction
For some considerable time we have had an interest in the ways in which on-the-job union activity, the redesign of work, workers’ education and training, and employee involvement at the workplace can come together in order to provide workers with a ‘voice,’ both in their work and in the wider society (eg., Law & Piercy, 1999, 2000a, 2000b, 2000c; Piercy, 1999, 2000). Union commissions, especially contracts from the New Zealand Dairy Workers’ Union (DWU), have been quite influential in shaping the focus of our work (eg., Law, 1994, 1998, 2002; Law & Cochrane, 2004; Law & Piercy, 2001). Over the last couple of years, the DWU has encouraged us to explore how high performance (manufacturing) workplace systems (hpws) weave into the mix. This paper has arisen out of that new line of inquiry. It seeks to provide a New Zealand contribution to a growing academic literature in the reorientation of workplace organisation in the direction of greater worker involvement and participation, especially through the introduction of various forms of hpws (Handel & Levine, 2004). Specifically, the paper’s purpose is to report and analyse, in the context of that literature, selected findings from a DWU-commissioned study of members’ view on the introduction of ‘Manufacturing Excellence,’ a hpws, at Fonterra’s Whareroa (Hawera) complex, the world’s largest dairy manufacturing site.

The paper begins with a discussion of the literature. It then introduces, again very briefly, TRACC (Manufacturing Excellence), the specific hpws that has been implemented at Whareroa. This is followed by an overview of the study that includes an outline of the research approach. The presentation and discussion of a selection of findings constitutes the main body of this paper; in this paper we focus primarily on indicators of worker satisfaction and union-related issues. In the conclusion we offer some formative views on the extent to which our study adds to the academic literature.

It should be noted that in this paper we do not consider ‘skilling’ in the context of the hpws we studied, even though it is obviously an important element, as that particular topic has been discussed recently elsewhere (Cochrane et al., 2004) and will be elaborated on further in future publications.

High performance workplace systems and workers’ responses: An overview
There is now quite a broad body of work that holds that hpws could pay dividends for both workers, in terms of higher levels of job satisfaction, employment security, remuneration and better quality employment, and employers, through high productivity, better quality production and ultimately enhanced profitability and competitiveness (Applebaum et al., 2000). There is also some evidence that union involvement can be positive for both workers employers. Black and Lynch (2001, 2004), for example, point to the productivity enhancing effects of production systems that emphasise stronger worker voice, especially when that voice is articulated through unions. Similarly, Small and Yasin (2000) report that in the implementation of advanced manufacturing technology the human aspect of technology adoption, principally worker involvement, is critical and that unions can have a significant positive effect.
In a study of 146 Veterans Health Administration centres, Harmon and Scotti et al. (2003) found while management systems that encouraged worker involvement increased costs per worker, it also resulted in more satisfied employees, less organisational turmoil and lower service delivery costs thus achieving substantial savings overall.

Along with the optimists there are, of course, no shortage of sceptics (Lloyd & Payne, 2002). As Cabrera et al. (2003) observe, the debate surrounding the accuracy of these claims has spawned a “plethora of studies” that probe the extent of the actual diffusion of these practices and the impact of such workplace innovation on firms, workers and unions. In a broad review of a substantial number of these studies Handel and Levine (2004, p.36) consider, amongst other things, one of the central claims of the proponents of hpws: that the heightened levels of worker involvement leads to higher levels of worker job satisfaction. They find that these claims have generally been supported by recent research (Appelbaum et al., 2000; Freeman & Rogers, 1999; Hodson, 2001; Hunter et al., 2002).

However, as Graham (1993) noted in an earlier study, significant levels of dissatisfaction can be associated with hpws when employers use worker involvement as a control mechanism to increase the pace of work. And sceptics can take some comfort from Godard’s (2004, p.360) wide ranging critical assessment of the hpws literature. That study suggests the quite pessimistic finding that the impact on worker job satisfaction of hpws practices such as autonomous teams may in fact be negative while the overall effect on social-psychological variables was more complex than assumed by the proponents of hpws.

In an attempt to move beyond the increasing polarisation of the hpws debate between those who are unqualifiedly enthusiastic and those who where equally strongly critical, Anderson-Connolly et al. (2002) decompose the process of workplace transformation into distinct components: intensity, autonomy, team-work, skilling and computing. They then analyse the impact of these factors on the psychological and physical wellbeing of workers in a large US manufacturing corporation. These authors found a complex pattern where some aspects of workplace transformation proved harmful to worker well-being and decreased job satisfaction while other aspects were beneficial and contributed to increased levels of satisfaction. They also found that the effects were conditioned by the status of the individual within the corporation. For example, while some components of workplace transformation, such as autonomy, contributed to the satisfaction and well-being of non-managers they were a stressor to management level employees.

In her study of a large, unionised, telecommunications company, Batt (2004) also found that status within an organisation was related to satisfaction with aspects of hpws. Workers participating in self-managed teams reported significantly higher levels of perceived discretion, employment security, and satisfaction while supervisors reported the opposite. Middle managers who had initiated the implementation of these innovations also reported higher levels of employment security than their non-innovating counterparts.

In their conclusion, Anderson-Connolly et al. (2002, p.409) argue that such productivity enhancing changes as the implementation of hpws are more or less inevitable but that this process is contested and offers workers the opportunity to pursue those changes that enhance this psychological and physical well-being while opposing those aspects that do not. Farris and Toyama (2002) would concur with this assessment of the possibility of mitigating the impact of the ‘mean side of lean’ by focusing on the importance of ‘worker voice’, a key aspect of the hpws paradigm. Their comparative study of US and Japanese lean production systems also points to the tensions within production systems, such as hpws, between those elements that improve productivity and product quality through increased worker effort and stress, and reduced worker health and safety, and those that promote workers’ job satisfaction through increased autonomy, interaction with co-workers and upskilling (Bauer, 2004).

Closer to home, sceptics of unions’ strategic capacity to take advantage of such opportunities can derive some support from Buchanan and Hall’s (2002) analysis of 19 case studies of best practice in the Australian metal and engineering sector. Buchanan and Hall acknowledge that team-working has the potential to provide workers with opportunities for greater autonomy and control at work. However, they doubt the ability of workers to press their claims for increased autonomy against the firm’s desire for increased labour flexibility, reduced waste and ‘slack’ in the labour process and strengthened monitoring and surveillance of worker and process
performance. Furthermore, they report that this was not a product of a lack of worker voice, as, by and large, trade unions were present and active. Rather they suggest that is was, at least in part, a consequence of a union strategy that legitimated the workplace change process, albeit in pursuit of higher levels of worker job satisfaction empowerment and control over change, and ultimately marginalised rather than empowered unions.

**TRACC/Manufacturing excellence**

**BACKGROUND:** In the late 1980s and early 1990s, many New Zealand unions bought into the workplace reform campaign that was very actively promoted by the Engineers’ Union (EPMU), the CTU, and the Trade Union Education Authority (TUEA). Although in one sense momentum peaked with the holding of the Workplace New Zealand Conference in September 1992, the enactment of the Employment Contracts Act in 1991 and the disestablishment by way of statutory repeal of TUEA a year or so later were fairly ominous signs that this particular initiative was unlikely to survive the neoliberal onslaught. However, throughout the 1990s, the DWU retained quite a strong commitment to the general principles of workplace reform. As reported in Perry et al. (1995), in the late 1980s the DWU and the industry, with the help of the CTU, sought to follow a more cooperative path following a major industrial confrontation that led to spilt milk. Under a Memorandum of Understanding (MoU), an industry approach to skill development and job redesign was introduced. Union and industry employer representatives visited all sites to promote the strategy.

The MoU experiment received only lukewarm endorsement from union members. When Gibson (1994) interviewed workers on four sites and key officials from both sides in late 1992 and 1993, she found mounting evidence that there was insufficient trust within the industry to make the strategy work. About the same time, Law (1994, 1998) undertook a postal survey of the union’s membership. It included a series of questions about the MoU and its implementation. The findings were not encouraging. Fewer than half the union members on the MoU sites supported the strategy, although only a very small minority (3.9%) were hostile to it. Further, while members were very supportive of efforts to introduce skill-based pay, negative comments about the MoU were often linked to doubts about employers’ motives and intentions. Law's study also unearthed considerable reservations about the effectiveness of the worksite consultative process that had been established under the MoU.

Eventually, the MoU initiative fell over, but that did not dull the DWU's interest in workplace systems that might offer members new opportunities. In 1999 the union's then National Secretary, Ray Potroz, approached Kiwi Dairies (now part of Fonterra) with a proposal to adopt a shop floor based, improvement methodology called ‘TRACC.’ The union's aim was to increase the scope of worker discretion, up-skill its membership, and enhance the viability of the co-operative's operations and hence protect the jobs of union members. In 2000, Kiwi purchased a license for the TRACC (later re-named Manufacturing Excellence) from Competitive Capacities International (CCI) and began to introduce the programme as a joint exercise with the DWU and the EPMU (Parkin, 2004). The programme is now being run out through all of Fonterra's core manufacturing plants and could well migrate to its Bonlac factories in Australia.

The TRACC methodology developed by CCI is a variant of lean production (Landman, 1999, p. 39). But although it shares many of the standard features of such production systems--team working, SS housekeeping, and continuous improvement--it differs from other variants in the extent to which it seeks to involve the workforce in the workplace transformation process. Unlike, for instance, Womack and Jones’s (1996) emphasis on the use of external agents to effect radical improvement paths in organisations, CCI focus on training members of the workforce to assume the key roles necessary for sustaining transformation in the workplace. Indeed the whole TRACC approach is a people centred one aimed at securing productivity and quality improvement through worker participation and empowerment.
The membership survey

The study comprised a postal survey of a sample of union members in departments/sections in which ME had been introduced. Because of the nature of work in the industry, especially shift work and the substantially off-site dimension of milk collection, the postal survey has been found in the past to be a productive way of gathering data from NZDWU members (Law, 1994, 2002). The questionnaire, which was piloted, contained a mix of 'tick box' questions and those that invited respondents to make written comments. Questions were based on a combination of suggestions in the literature and focus group discussions. The study was conducted in three stages:

- a comprehensive literature search,
- a mix of focus groups on the Hawera site and educational seminars – on-site and off-site-conducted mainly in late 2002/early 2003, and
- a questionnaire survey mailed in October 2003 to a systematic sample of union members selected from a random base. A follow-up letter was sent in November.

A total of 283 names were selected, approximately 50% of the DWU members involved in ME at that time. (The total DWU membership on site was over 700, about 98% of eligible workers). After ‘gone no address’ returns were deleted, the refined sample was 273. There were 111 responses of which 5 were not useable. This response (41%) is lower than previous DWU postal surveys, but still sufficient to draw meaningful conclusions. The 106 useable responses were from 81 males, 24 females, and one person who did not indicate his/her gender. The response met ‘good fit’ criteria in terms of the sample’s known demographic characteristics and departmental distribution.

Selected findings

IMPLEMENTATION: A number of questions probed how well ME had been implemented, the extent to which workers were involved, the quality of training and consultancy, and recommendations for improvement. Respondents were divided on how well ME had been introduced; of 94 valid responses, 52.1% reported ‘well/very well’ while 31.9% indicated ‘poor/very poor.’ The responses to several questions indicated a strong sense of frustration that ME was not realising its full potential. From written comments it was clear that many union members thought that implementation, at least in some departments, had been too rushed, poorly planned, undemocratically imposed, or dominated by senior workers. Ninety people made additional comments.

Generally positive comments included:

- Guys taking it were very enthusiastic.
- Intro was well done and very thought provoking. Allowed all to be involved rather than having no say at all.

Generally negative comments included:

- Manufacturing excellence, just turn up and we were told ‘it’s here’ and it’s not going away.
- Not enough of the staff knew anything about it and they tried to run before they could crawl.
- We were unsure what resources and workload were needed (cheese was first). Change in culture needed. The speed of change slowed. Going from dictatorial to democratic leadership style.
- We are never asked if we want to do ME. We are told ‘you are doing it.’
- Levels seven & eight where selected initially then they realised no monitors so got 1 female and 1 non Pakeha and tried to run it the same way as they already ran the factory. After that it was selected groups until finally it had shop floor reps, because they needed somebody to do the work.

Most interestingly, just on 70 respondents made substantive suggestions. By and large, these responses reflected a desire to see ME work better.
FELLOW WORKERS AS TRAINERS: As noted above, the active involvement of on-site workers as co-ordinators, trainers, and leaders is central to the TRACC methodology. Respondents were generally satisfied with the overall quality of teaching/training they had received: 49% ‘very good/good;’ 21% ‘poor/very poor.’ The survey confirmed the impressions gained from focus groups that the contribution made by workforce coordinators and trainers is a good feature of ME: 74% ‘agreed/strongly agreed;’ 10% ‘disagreed/strongly disagreed.’

IN-DEPTH VIEWS OF ME: A number of questions, especially later in the survey, tried to explore in more depth respondents’ views about ME. Very clear views included:

**TABLE 1**

<table>
<thead>
<tr>
<th>Questions</th>
<th>Agree/strongly agree %</th>
</tr>
</thead>
<tbody>
<tr>
<td>The principles of ME aren’t much different from other programmes, its the way they are brought together, implemented, and backed up that makes it work</td>
<td>81.2</td>
</tr>
<tr>
<td>The idea of ME is good but implementation has been frustrated by a lack of resources</td>
<td>78.7</td>
</tr>
<tr>
<td>Before any section/department implements ME as many people as possible should do the five-day course</td>
<td>81.0</td>
</tr>
<tr>
<td>For ME to really work in my section/department we need to be able to cut and paste the programme so that it fits our particular requirements</td>
<td>85.2</td>
</tr>
<tr>
<td>A problem with ME has been the lack of follow-up. Workers make good decisions about equipment, cabinets and the like, but it takes months for them to be implemented</td>
<td>78.8</td>
</tr>
</tbody>
</table>

More mixed views included:

**TABLE 2**

<table>
<thead>
<tr>
<th>Questions</th>
<th>Agree/strongly agree %</th>
<th>Disagree/strongly disagree %</th>
</tr>
</thead>
<tbody>
<tr>
<td>The people in my section/department thought the games that we played on the courses were a lot of nonsense</td>
<td>46.8</td>
<td>24.5</td>
</tr>
<tr>
<td>Sometimes ME is applied too rigidly with a consultant or a coordinator or a trainer saying that there is only one way to do something</td>
<td>44.6</td>
<td>33.3</td>
</tr>
<tr>
<td>Some of the ME modules, like leadership, cover stuff that’s done in other programmes. There should be recognition of prior learning</td>
<td>61.2</td>
<td>14.4</td>
</tr>
<tr>
<td>One of the problems with ME is the seasonal nature of the industry. There is too much stop/go and we can’t follow through on decisions</td>
<td>39.4</td>
<td>26.1</td>
</tr>
<tr>
<td>One of the problems with ME has been the lack of staff. People go off on courses and there aren’t enough other workers to pick up the load</td>
<td>65.7</td>
<td>24.2</td>
</tr>
</tbody>
</table>

VIEWS ON MANAGEMENT’S INTENTIONS AND COMMITMENT: Overall, the responses to questions about management fell into the ‘mixed’ category. Taken together, the responses indicate that around 50% of respondents were reasonably positive about management’s commitment and ME’s longer-term prospects:
There have been lots of high performance schemes tried at Hawera and they usually fade out after a couple of years. I expect ME to fall over within a couple of years. There isn’t enough ‘trust’ at Hawera for ME to work in the longer term. Once management has picked the workers brains, they won’t be interested in keeping us involved. Management has supported the implementation of the manufacturing excellence program by providing adequate training.

Nevertheless, respondents were less confident about middle management buy-in:

<table>
<thead>
<tr>
<th>Questions</th>
<th>Agree/strongly agree %</th>
<th>Disagree/strongly disagree %</th>
</tr>
</thead>
<tbody>
<tr>
<td>ME is a good idea, but there isn’t enough supervisor/management buy-in to make it work in the longer term</td>
<td>38.6</td>
<td>27.9</td>
</tr>
<tr>
<td>The biggest problem with ME is the threat to middle management. Most middle managers will eventually try to undermine ME</td>
<td>44.7</td>
<td>24.6</td>
</tr>
<tr>
<td>Most people in my section/department go along with ME but we are pretty cynical about the long-term prospect</td>
<td>51.4</td>
<td>24.6</td>
</tr>
</tbody>
</table>

**COMPANY IDENTIFICATION/ATTITUDE TO FONTERRA:** Trust is critical to the success of hpws. The responses summarised above reveal a measure of caution or even suspicion, at least among a solid minority of respondents. However, notwithstanding some suspicion, the focus groups suggested that most workers involved in ME accepted that their interests and those of Fonterra were entwined. The survey found strong support for the view that What’s good for Fonterra is good for me: 64% of respondents ‘agreed/strongly agreed,’ just under 20% ‘disagreed/strongly disagreed.’ However respondents were a little less confident in Fonterra’s willingness to consult with the DWU: 58.4% rated Fonterra’s willingness to consult the union as ‘good/very good’ while 12.3% rated it ‘poor/very poor’. Respondents were less confident about Fonterra’s willingness to consult with employees: 43.3% rated it as ‘good/very good,’ 28.8% rated it ‘poor/very poor.’

**AUTONOMY:** One very important claim made in the literature is that hpws provide opportunities for workers to exercise a degree of control over their workplace. This study’s findings suggest that most respondents believe that they have limited involvement in key decision making.

There is not as much real worker involvement as everyone claims. When you look closely, most ME teams are dominated by people on the higher levels. Lower level workers aren’t really involved.

<table>
<thead>
<tr>
<th>Questions</th>
<th>Agree/strongly agree</th>
<th>No feelings either way</th>
<th>Disagree/strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Worker involvement’ through programme like ME is really a myth. In the end management drives through what it wants.</td>
<td>Agree/strongly agree</td>
<td>54.7%</td>
<td>30.9%</td>
</tr>
</tbody>
</table>

Valid responses = 99
Other responses on aspects of autonomy and control included:

### TABLE 5

<table>
<thead>
<tr>
<th>Questions</th>
<th>Team picks its own %</th>
<th>Some/a lot of involvement %</th>
<th>No involvement %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involvement in selecting team members?</td>
<td>13.8</td>
<td>48.9</td>
<td>37.2</td>
</tr>
<tr>
<td>Involvement in selecting team leaders?</td>
<td>13.7</td>
<td>30.5</td>
<td>55.8</td>
</tr>
<tr>
<td>Setting production targets?</td>
<td>6.5</td>
<td>40.9</td>
<td>52.7</td>
</tr>
<tr>
<td>Setting budgets?</td>
<td>3.2</td>
<td>10.6</td>
<td>86.2</td>
</tr>
<tr>
<td>Flatter management?</td>
<td>30.2</td>
<td>61.6</td>
<td>8.1</td>
</tr>
</tbody>
</table>

**A SAFER, MORE SATISFYING WORKPLACE?** Notwithstanding the lack of autonomy and control, 52.8% of respondents ‘agreed/strongly agreed’ that the work environment was safer; 32.0% ‘disagreed/strongly disagreed;’ 15.5% had no feelings either way. There was not the same level of agreement about improvement in the safety of their own job: 43% reported it was ‘safer/a lot safer;’ 54% believed it had ‘stayed the same;’ 3.0% indicated that it was ‘less safe/a lot less safer.’

About a quarter (24.4%) indicated that there was ‘more pressure/a lot more pressure’ from team-mates to come to work when sick or injured; 69% reported it had ‘stayed the same;’ 6.4% reported ‘less pressure/a lot less pressure.’ But there was some evidence of increased pressure from management to come to work if sick or injured: 36.1% ‘more pressure/a lot more pressure;’ 58.8% ‘stayed the same;’ 5.1% ‘less pressure/a lot less pressure.’

There was also some evidence that the nature and pace of work had changed. 66.3% reported that the number of tasks had ‘increased/greatly increased;’ 33.7% indicated that they had ‘remained the same;’ none indicated that they had reduced. A smaller percentage (42%) reported that the pace of work had ‘increased/increased greatly;’ 55% reported that it had ‘remained the same;’ 3.0% indicated that it had ‘fallen/fallen greatly.’ Opinion was divided over the adequate staffing of their team to meet management expectations; 42% ‘agreed/strongly agreed’ but 41% ‘disagreed/strongly disagreed;’ 17% had ‘no feelings either way.’ There was little support for the suggestion that the ME programme had reduced employment in their team; 12.7% ‘agreed/strongly agreed;’ 55.8% ‘disagreed/strongly disagreed.’ Nor was there much support (11.2%) that ‘as a result of ME absenteeism had been reduced;’ 61.7% ‘disagreed/strongly disagreed.’

A majority (58.2%) indicated that the skill required in their job had ‘increased/increased greatly;’ 41% reported that it had ‘stayed the same;’ none thought it had reduced. However very few respondents (5.3%) ‘agreed/strongly agreed’ that changes to their job were reflected in their wages; 65.2% ‘disagreed/strongly disagree;’ 29.5% had no feelings either way.

A substantial majority (66.3%) ‘agreed/strongly agreed’ that there had been a lot of gains in other sections/departments since ME was introduced; 6.7% ‘disagreed/strongly disagree;’ Opinion was divided (37.9%; 33.7%) on whether or not morale on site had ‘improved a lot since ME was introduced.’

There was agreement from 46% of respondents that ‘ME has opened up opportunities for workers to advance in their jobs;’ but 25.0% ‘disagreed/strongly disagreed.’ However, 63.3% ‘agreed/strongly agreed’ that it had provided new training opportunities; 22.5% ‘disagreed/strongly disagree;’

Finally under this heading, there was no substantial evidence that individual’s ‘job satisfaction had improved quite a lot’ because of ME; 19% ‘agreed/strongly agreed;’ 38.5% ‘disagreed/strongly disagreed;’ 24% reported ‘no feelings either way.’ Having said that, it should be noted that, as we report elsewhere, about 25% of respondents did identify off-the-job (home and community) benefits that had flowed from their involvement with ME (Cochrane, Law, and Piercy, 2004).
UNION INVOLVEMENT: Previous DWU studies (Law, 1994; 2002) have revealed the value placed on union involvement in industry training. Although, again, the next tables do not tell the whole story, in general they confirm that for a significant proportion of the workforce, union involvement in HPWS is important.

I wouldn’t be too keen on ME if the Dairy Workers’ Union wasn’t actively involved.

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree/strongly agree</td>
<td>31.9%</td>
</tr>
<tr>
<td>No feelings either way</td>
<td>33.0%</td>
</tr>
<tr>
<td>Disagree/strongly disagree</td>
<td>35.1%</td>
</tr>
</tbody>
</table>

Valid responses = 94

In general, do you agree that unions should be involved in promoting HPWS such as ME?

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree/strongly agree</td>
<td>70.7%</td>
</tr>
<tr>
<td>No feelings either way</td>
<td>17.2%</td>
</tr>
<tr>
<td>Disagree/strongly disagree</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

Valid responses = 99

There was only limited agreement (24.4%) that ME was undermining the delegate structure; 55.5% disagreed.

JOB SECURITY: In the light of the above, it may well be asked why workers or the union should continue to support a HPWS such as ME. The single answer appears to be job security: the reason why the DWU proposed the programme to Kiwi Dairies in 1999.

We (workers and union) need to support programmes like ME because unless we continue to improve performance our jobs won’t be secure.

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree/strongly agree</td>
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</tr>
<tr>
<td>No feelings either way</td>
<td>10.1%</td>
</tr>
<tr>
<td>Disagree/strongly disagree</td>
<td>24.3%</td>
</tr>
</tbody>
</table>

Valid responses = 99

Having said that, just on 70% of respondents agreed that ‘If ME is going to work it’s got to benefit the workers. The Union has to make sure that we see the benefits in our pay packet’ 15.2% disagreed.

Discussion

The selection of findings reported in this paper enable some useful comparisons with the international literature. First, from the workers’ perspective, there is not a lot of evidence in these findings to support the more optimistic claims of authors such as Appelbaum et al. (2000).

ME does not seem to have a very significant impact on job satisfaction; this finding is at odds with Hendel and Levine’s (2004) review. Further analysis may support Batt’s (2004) finding that satisfaction with HPWS varies according to status. If, following Anderson-Connolly et al. (2002), the notion of ‘satisfaction’ is unpacked, we find that workers are not yet seeing any benefits in the pay packet. Nor do they regard their own jobs as being safer, although most respondents agree that the work environment in general is safer. But on a more positive note, the majority of workers agree that ME offers them new opportunities, especially when linked to skills development. Another indicator of satisfaction that is not discussed in the literature is off-site (home or community) benefits. Although we do not report the findings here because of space, it is appropriate to note that around 25% of respondents reported some such benefits as a result of their participation in ME (Cochrane et al., 2004).

Second, while respondents appear to be reasonably confident that ME will last where other programmes have fallen over, the commitment and role of middle management appears to remain a problem. We suspect, based on the focus group sessions, that further analysis may reveal that this assessment varies from department to department.

Third, although the focus groups had been more positive, the survey found little evidence of enhanced worker voice at the micro level. This suggests that little has changed since Gibson’s (1994) and Law’s (1994) earlier work. Many respondents felt that implementation had been imposed on them; a finding that accords in some respects with Graham’s (1993) study. There also were few positive responses overall to different questions about autonomy and control. That impression is also reflected in written comments. However, there was some implicit if not explicit
recognition that union involvement was a positive. Thus it is a little too early to say whether or not our findings support Buchanan and Hall’s (2002) doubts about the ability of workers and unions to take advantage of hpws to press their claims for a greater say.

Fourth, the study shows quite convincingly that union members support ME for reasons related to job security and, for the same reasons, believe that the DWU should be involved. Union members accept that in dairy manufacturing, quality and hygiene are cornerstones of job security. The temporary closure in October 2004 of Fonterra’s Hautapu plant because of a bacterial problem was another reminder. The challenge for the DWU—and this relates primarily to capacity as well as to the issues raised by Buchana and Hall (2002)—is to try to enhance worker voice as the ME programme is rolled out on other sites.

Conclusion

Notwithstanding all of the above, we do have some optimism. Elsewhere (Cochrane et al., 2004) we have noted that there is some support in this study for the claims made by Black and Lynch (2001, 2004). Looking at the positives, in the wider context of the union’s involvement in the industry and its strong level of workplace organisation, we are of the formative opinion that, within limitations, the interconnection between skills development, hpws, and worker voice can be positive from a democratic/labour studies perspective.

References


Landman, R. 1999, *Comparing the TRACC World Class Manufacturing Model to the Lean Thinking World Class Manufacturing Model*, University of Cape Town, Cape Town, SA.


Reworking merit: Changes in approaches to merit in Queensland public service employment 1988 to 2000

Linda Colley
Griffith University

ABSTRACT
The image of public servants is often poor, and many are perceived as having little real merit, despite merit being the ostensible cornerstone of public employment. This paper demonstrates that the merit principle was not implemented as originally intended. It waxes and wanes according to social circumstances. In recent decades, the merit principle has been subject to extensive redefinition and has been subordinated to the desire for greater political control of public services, and pursuit of “responsiveness”.

Introduction
Public services play an essential role in society, and every citizen uses them. Public servants have traditionally been the principal means of implementing the political will, through policy development and implementation. They enjoyed a unique set of employment relations, designed for the political environment. Yet their image is often poor, fed by television programmes such as Yes Minister. It is often assumed that they have little real merit, despite merit being the ostensible cornerstone of the public employment model. In recent decades, dissatisfaction with public services led to the reform of public employment in all Australian jurisdictions, with far-reaching consequences for concepts such as the merit principle.

This paper explores how the merit principle has been reworked. It begins by setting the context, with identification of the original intention of the merit principle, and this serves as a benchmark from which to consider subsequent developments. The paper then briefly describes the general pressures for reform of public employment. The main body of the paper analyses the Queensland public service employment framework since 1988 in regard to merit in recruitment. The paper argues that although merit was intended to be the cornerstone of public service employment, it waxed and waned and was often resisted in practice. In the earlier period, it was subordinated to social values and circumstances (such as preference for male employment and war veterans). In more recent times, it was redefined and subordinated to a desire for greater political control of public services, and pursuit of “responsiveness”.

The evolution of the merit principle in public employment
In the 1850s, Britain developed a career service system of employment to address problems of inefficiency and politicisation. The landmark Northcote-Trevelyan Report (1853:1) noted that government could not be carried on without the aid:

of an efficient body of permanent officers, occupying a position duly subordinate to that of the Ministers who are directly responsible to the Crown and to Parliament, yet possessing sufficient independence, character, ability, and experience to be able to advise, assist, and to some extent, influence, those who are from time to time set over them.

Notwithstanding this important role, the civil service was found deficient. Department heads often made appointments to junior posts in order to repay personal or political claims, without considering merit. When senior vacancies arose, this internal pool of clerks was often considered unsuitable and a “stranger” would be appointed. The Report accepted that external appointments might be required in some instances, but that in practice many external appointees had no greater merit than internal candidates (Northcote and Trevelyan 1853).
Northcote and Trevelyan (1853) recommended careful selection of young people according to their capacity and education. Examinations were to be run by an independent board, open to all people, and secure candidates of general ability who could work anywhere. Only those who passed the examination could be appointed, except where warranted by a person's pre-eminence in the field. Under the career service model, a politically neutral public service was recruited on merit, and given tenure to encourage frank and fearless advice and protect it from electoral whims. This enabled it to serve a government of any political persuasion. Australia adopted and adapted the British career service model into its state and federal public services.

An earlier paper outlined how these admirable intentions were poorly implemented. While the early legislation supported open competitive merit, it was undermined by regulations and practices. Rather than identify the most meritorious candidates, these recruitment processes first identified a socially acceptable group that met gender, age, health, class and character restrictions, and then set comparatively low benchmarks for merit amongst that group. Various restrictions were placed on women entering the service, and as a result, there were lower entrance standards for men than women. There was a strong preparedness to moderate merit to meet other circumstances including social values (such as preference for male employees and male breadwinner notions), geographic considerations (such as preference for Queensland school-leavers), or social requirements (such as preference to returned soldiers).

Strict legislative processes were not only undermined by policies and practices, but also by large loopholes that provided exemptions to merit. The issue of special certificates, to bypass entry through examination, was generally in excess of one-tenth and sometimes as high as one-third of all new entrants. The extent to which these loopholes were used depended on the strength of the central personnel agency and the preparedness of the government to use them. Merit processes were also circumvented through temporary employment, which did not require the same stringent merit selection processes as permanent employment. Temporary employment was undertaken at departmental rather than central level, and used so extensively at various times that schemes were enacted to convert these temporary employees to permanent status. This contradicted the convention of open competitive merit in order to gain the most efficient workforce, and had consequences for the quality of employees and services.

Historical factors (of corruption and politicisation) had led to the development of civil services based on negative protections rather than positive duties and systems (Heck 1977). Public services often had insular, internal labour markets (Gardner 1993:137), and conventions such as merit had been “re-interpreted” in inflexible and inefficient ways. It is perhaps little wonder that, by the 1960s and 1970s, politicians sought reform.

Since the 1980s, governments have responded to economic pressures, as well as ideological pressures regarding the size and role of government. Competitive markets were seen as the answer to curbing the provider power and unresponsiveness of certain public servants. The first wave of reform was managerialism, which pursued increased productivity through better management. The second wave, “contractualism”, went beyond importing private sector business practices, to suggest that governments should set policy direction, and allow all services to be delivered by the private sector through competitive contracting. This allowed the public sector to become a purchaser rather than a supplier, with no assumption of public ownership or permanent public employment, and no requirement for large government agencies (Considine 1988; Considine and Painter 1997:5; Davis 1997:215; Davis 1998:24; Pollitt 1990; Weller 1996). Queensland focused largely on managerial principles.

These reforms exacerbated tensions in the broader Westminster system, and the traditional accountability of the public service, through the Minister to Parliament. The importance of Parliament had been declining, due to executive dominance of Parliament, the increasing authority of Cabinet, and party discipline (Coaldrake 1989:55-57). Executive dominance of Parliament resulted in an inherent tension, where the government was dependent upon the public service for implementation of the political will, but the public service retained a degree of independence from government. The traditional model of responsible government displaced administrative accountability, which could lead to an unresponsive bureaucracy (Wanna 1992). This longstanding tension came into sharper focus in the 1960s and 1970s. The challenge was to find the balance between legitimate political leadership of the public service and unwarranted intrusion into its management (Smith and Corbett 1999).
The reform of public administration was accompanied by extensive changes to traditional public sector employment relations. Ironically, although the career service model had been introduced in the 19th century to enhance efficiency and flexibility and remove patronage, by the late 20th century it was perceived as being a barrier to efficiency and flexibility in public administration. The institutions that governed public sector employment were weakened through the abolition of strong central personnel agencies and transfer of personnel decisions to potentially more partisan hands (Alford 1993:1-5). There were also changes to most procedural and substantive aspects of public sector employment relations. Public employment is now an uncomfortable hybrid of old and new practices (Gardner 1993).

Traditionally, public servants were to be subordinate to Ministers, loyally implement the policies of the party in power, and only impose their views to the extent of providing full and frank advice (Williams 1985:47). This served the long-term national interest and counter-balanced the political masters’ tendency to base decisions on short-term gains (Smith and Corbett 1999). The central determination of merit was intended to insulate public servants from political pressure and ensure their independence to do this. Reforms led to devolution of the creation of jobs and recruitment to departments (Alford 1993:1), reducing public servants to employees of the chief executive or Minister, and providing opportunities for more partisan definition of merit. This reduces the potential quality of advice. Ultimately the public service has a responsibility that is institutional and enduring no matter who is in charge, and is available for use by, but not at the absolute disposal of, any political group (Heclo 1977:42).

By the 1990s, many public services were beset with problems of politicisation, fragmentation, employee turnover, excessive non-tenured employment, loss of corporate memory, and a lack of strategic oversight of employment (see sources in Colley 2001). There are distinct similarities between the current problems and those that occurred in the early 19th century prior to the introduction of the career service model. Given the important place of public services in Australian society, it is worth examining the changes to the cornerstone of public service employment – the merit principle – in more detail."

**The Queensland case study**

The paper now considers how Queensland reformed the merit principle. It focuses on the employment framework in regard to merit in recruitment for administrative officers (ie. clerical rather than professional staff). This employment framework applied to public service departments and in some cases also applied to broader public sector agencies. Data is drawn from primary legislation and subordinate legislation (regulations), as well as parliamentary debates, annual reports, Commissions and Inquiries, and secondary sources. Table 1 provides a brief outline of changes in government, personnel institution and legislation, to assist understand this period of rapid change. While earlier public service personnel institutions had often survived changes of government, in this period each new government implemented new institutional arrangements.

<table>
<thead>
<tr>
<th>Period</th>
<th>Institution</th>
<th>Legislation</th>
<th>Govt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-1998</td>
<td>Office of the Public Service</td>
<td></td>
<td>Coalition</td>
</tr>
<tr>
<td>1998-2000</td>
<td>Office of the Public Service Commissioner</td>
<td></td>
<td>Labor</td>
</tr>
</tbody>
</table>

A major review of the Queensland public service was undertaken in 1987, in the latter stages of the long reign of the National Party Government, and the resulting Savage Report led to new institutional and legislative arrangements that weakened the career service conventions. The new Public Service Management and Employment Act 1988 (PSME Act) diverted power from the central personnel agency to departments, in accordance with the Savage recommendations (Savage 1987:46). The PSME Act sought to provide “greater autonomy and responsibility to Ministers and chief executives” and achieve a public service that was “more flexible and more responsive to community demands” (QPD 19 April 1988:5983).

The legislation appeared to create 27 private-enterprise style departments (QPD 21 April 1988:6280), which fragmented the service. The new personnel institution, the Office of Public Service Personnel Management (OPSPM) established a minimalist framework, within which departments could make their own decisions, and one union official noted “departments were doing whatever they wanted to” (Merrell 2004). The transfer of the OPSPM to Treasury in December 1987 (Premier Ahern 1988:6) replaced the career focus with an economic focus. The OPSPM continued to assess merit for base grade positions, through continued central examinations (PSME Act 1988, s.36(1)(a)), but with a changed process. The OPSPM would identify three applicants from the order of merit list for a department to interview, and if none were suitable the department could obtain further lists until an appointment was made (Premier Ahern 1988:10; Savage 1987:Rec 51). This allowed departments to go beyond the accepted objective definition of merit for base-grade positions, being examination results, and make appointments on other considerations including discrimination or patronage.

Other merit decisions were placed directly under political control. The Governor-in-Council could confer the power of appointment on the Minister of the department involved (PSME Act 1998 ss.16,17). Senior appointments were to be recommended by department heads and approved by the Minister of the department (Premier Ahern 1988:8; Savage 1987:Rec 46). While Ministers were undoubtedly consulted upon such decisions in the past, this gave politicians formal authority to make the final decision.

The OPSPM reforms were not consistent with the traditional conventions. The period from 1987 to 1989 was over-shadowed by a major corruption Inquiry into the police force. The Inquiry was heavily critical of the existing recruitment process, which allowed merit to be ignored and personal or political loyalties rewarded. There was little or no advertising of vacancies, subjective judging of merit, and an over-emphasis on base-grade recruitment with little lateral recruitment to other levels (Fitzgerald 1989:130-132,246-248).

Public Sector Management Commission 1990-1996

The Goss Labor Government was elected in 1989, on a platform of administrative, electoral and Parliamentary reform (Goss 1989), consistent with the Fitzgerald Inquiry recommendations. In contrast to the OPSPM, the Public Sector Management Commission (PSMC) was a strong central agency, committed to principles of merit and political neutrality.

Merit was an important focus for the Goss Government. Labor had promised public servants that ‘talent and performance, not cronyism or seniority, will determine their career’ (Goss 1989). The PSMC sought to break down the “closed shop” which had been subject to little external recruitment, given there was no advertising of vacancies (Coaldrake 1991:50). The new Standard for Recruitment and Selection clarified that merit was to be the basis of all phases of the process. Merit selection processes were to be fairer and more transparent and give everyone the opportunity to demonstrate their merit – all vacancies were to be advertised to ensure that all interested candidates could apply, position descriptions would specify the selection criteria against which merit would be judged, and structured interviews would ensure equal opportunity to respond to those criteria (PSMC 1991a). Merit and equity were strongly linked, and the Equal Opportunity in Public Employment (EOPE) Act 1992 was part of the broader trend toward reducing political and administrative patronage. Merit was to be operationalised in a way that removed considerations of irrelevant qualifications or prejudicial attitudes that favoured traditional incumbents. Merit was broadly defined as the skills, knowledge, abilities and qualifications, or the potential to develop these (Burton 1993).
The assessment of merit in base-grade positions was changed. The traditional “definition” of merit as educational qualifications was replaced with a new system that emphasised clerical aptitude and vocational skills. Statewide entrance testing was retained (DEVETIR 1990:19), but with a more practical than academic focus.

The opening of all positions to external recruitment meant that merit was also being assessed in new ways at higher levels. Queenslanders were accustomed to seniority and length of service being the indicators of merit, on the assumption that experience equated to knowledge and skills. Therefore there was a great deal of suspicion that merit was a code for other agendas, such as a focus on qualifications. PSMC representatives were staggered by the resistance to external recruitment and the entrenched nature of seniority. Some employees suspected that merit was a cover to legitimise a preference for external appointments (Coaldrake 1992, Davis 2004), and public service unions criticised the perceived influx of academics and interstate employees as cronyism and “jobs for the boys” (QSSU Mar 1991:4; Apr 1991:3; Aug 1991:9; Nov 1991:6; Dec 1991:3). The PSMC Chair suggested that, while “some very good people who had come through the system”, Queensland needed an injection of outside ideas, and about one-quarter of senior jobs going to outsiders “seemed to be about right at that time” (Coaldrake 2004). It was not surprising that a public sector so unused to change would be suspicious of re-examining what merit meant (Coaldrake 1991).

A review of recruitment after 12 months revealed that the PSMC had over-estimated the base from which it started, and the lack of understanding about open, transparent merit processes. Some departments sought refuge behind the words, at the cost of common sense, and the PSMC had to emphasise that merit was about fair treatment and outcomes rather than adherence to a process (Coaldrake 1992:214-215; Hede 1993:96, PSMC 1991b:7,11).

In the traditional period before 1988, temporary employment provided an opportunity for departments to dispense patronage and find jobs for “friends”. The PSMC recruitment process changed this. All temporary positions in excess of twelve months were subject to full merit selection processes, including advertising. For shorter term temporary positions, merit was balanced with expediency: medium-term temporary positions for 3-12 months were subject to internal competition; while positions of less than three months could be filled to meet operational convenience (PSMC 1991a). Departments did not embrace this change, and medium-term temporary employment was centralised in 1992 (DEVETIR 1992:96). This closed one of the loopholes that had existed for 130 years and reduced opportunities to dispense patronage – perhaps not surprisingly it was heavily resented by agencies.

The Goss Government merit processes differed in some respects from the Northcote-Trevelyan model of primarily base-grade recruitment of school-leavers through objective examination results, but the principles underpinning the Goss reforms were similar. Base-grade processes remained subject to some form of competitive testing and order of merit. Other selection processes accommodated lateral recruitment through more subjective processes, but were designed to improve transparency, provide more open competition, and identify the most efficient officer for the job. The Goss merit reforms were one of the most significant culture changes in the history of Queensland public employment.

From 1990, a Senior Executive Service (SES) was created, and subject to separate recruitment and selection processes, but still with a strong emphasis on principles of merit and equity (Public Sector Legislation Amendment Act 1991). Merit was arguably redefined for senior executives. SES schemes stem from assumptions that management functions in the public sector are similar (Conroy and Blackmur 1991:235), which shifted the focus from merit for a particular job to the more subjective merit in generic management skills. Many people claimed politicisation, although the PSMC was generally satisfied with the quality of appointments (Coaldrake 2004; Davis 2004). However, politicisation can be a disguised aspect of managerialism, which forces public officials from an accountability “based on “public administrative ethics” to a much more “politically responsive” position based on greater individual calculation and contractual relationships’. This can lead to partisanship, as officers are increasingly selected for their alignment to a minister or prevailing political values (Wanna 1992:77). The separation of the SES from the general bureaucracy resulted in greater dependence on political masters (Conroy and Blackmur 1991:238).
There was also potential for political interference in the selection of chief executives, as well as in the creation of chief executive vacancies. Some ministers realised that Directors-General could be moved on, and perhaps made less effort to get along with them. Davis (2004) suggested that the experience in NSW demonstrated that “once ministers get control of the process, it is a disaster, every new minister thinks they should pick their own DG, so the balance has shifted too far”.

Overall, the Goss Government implemented more open and effective merit processes, particularly at lower levels of the public service.

**Office of the Public Service 1996-1998**

The new Borbidge Coalition Government promised to reverse the central control of the Goss Government, and weakened the career service conventions through the new *Public Service Act 1996*. This Act conferred broader responsibilities on chief executives, including control over appointments and secondments (ss51.2, 66, 67, 68). Borbidge criticised the Goss Government processes as having moved from being one “based significantly on seniority to one almost entirely based on academic qualifications” which resulted in experienced public servants being turned down in favour of others who “looked good on paper” (QPD 8 August 1996:2241). Borbidge then proceeded to weaken merit processes in several ways.

Merit was defined for the first time in the principal legislation. However this definition allowed for more restrictive and subjective approaches. The PSMC criteria for determining relative merit – being abilities, aptitude, skills, qualifications, and knowledge – were supplemented by two additional criteria of “experience” and “personal qualities” (1996 Act s.78). The Government believed that the term experience demonstrated its commitment to an employee’s track record, but there was a danger that it would be interpreted restrictively to mean seniority or Queensland experience. “Personal qualities” could be misused, either to find people with similar political views and persecute those with different views, or to discriminate against irrelevant qualities (QPD 8 August 1996:2241; 11 October 1996:3393).

The extensive PSMC recruitment framework was condensed into eleven brief principles. It also contained a loophole that the Public Service Commissioner could exempt specific jobs or agencies from these principles, and separate directives outlined exemptions from merit appointments (OPS 1996, 1997b, OPSC 1998a). Some exemptions were relatively uncontroversial: ministerial appointments had always been political rather than merit-based. However, other exemptions covered numerous undefined circumstances, and the potential to severely undermine the merit principle was soon realised. In 1997, the Commissioner approved a short-term scheme to convert certain temporary employees to tenured status, and an ongoing scheme to convert base-grade employees to tenured status (OPS 1997a; OPS 1997d). These conversion processes provided enormous scope for patronage, and did not aim for the highest quality permanent workforce.

Central base-grade recruitment was ceased, in light of departments gaining increasing control over personnel matters. Departments had the option to use an outsourcing agreement for base-grade recruitment or to establish their own process (OPSC 1999a). The traditional approach of defining merit for school-leavers in terms of educational qualifications or central examinations had been waning for several years, and this was a final severing of the tradition.

The extensive changes to merit processes were claimed to remedy the impractical adherence to principle of the PSMC. The changes generally favoured agency discretion over central policy direction, and increased the scope to evade merit in various situations.

Merit was weakened in SES appointments. While the PSMC had established central management of SES selection processes to protect against politicisation (PSMC 1994), Borbidge devolved SES appointment decisions to chief executives in departments (1996 Act s.60). The protection that selection committees comprise at least one member acting as an OPS representative (OPS 1997c) was undermined by the lack of independence of the OPS, and the absence of central management of other aspects of the process. Merit was further diluted by a provision that SES appointments did not have to be on merit if a tenured SES officer accepted a contract to perform substantially similar duties at a higher classification level (1996 Act 2.78{4}). This allowed promotions or reclassification without merit (QPD 11 October 1996:3393).
The introduction of contract appointments for SES officers (1996 Act s.62) allowed regular political and administrative interference in selection decisions. As a result ‘nobody was prepared to give the Director-General bad news’, and ‘the capacity for internal debate at senior levels has significantly declined’ (Scott 2004).

One executive, dismissed upon the election of the Borbidge Government, lodged a complaint with the Anti-Discrimination Commission of discrimination on the grounds of political belief (QPD 26 November 1996:4266). However the court supported the importance of compatibility and alignment, and changed the approach to merit. Head (2004) noted that this requirement to get along with the minister made it difficult to operate a neutral merit test without some political considerations. This gave credence to applying different interpretations of merit and tenure to the SES group.

**Office of the Public Service Commissioner 1998-2000**

The election of the Beattie Labor Government led to a change in the personnel institution to the Office of the Public Service Commissioner (OPSC), but few changes to merit processes. The OPS directives continued to apply, and the OPSC also approved ‘closed merit schemes’ under the exemptions directive (OPSC 1999b).

Base-grade and temporary recruitment processes were reviewed twice in this period, as unions expressed dissatisfaction with the Borbidge changes and sought resumption of centralised processes. Both reviews acknowledged that there appeared to be a questionable application of the merit principle, with agencies recruiting from unsolicited applications, and temporary and casual employees becoming a source of permanent base-grade employees. Recruitment was much less open and competitive than desired. However departments were not interested in re-centralising recruitment decisions, and no changes were made (OPSC 1999a; DIR 2000). Overall, the Beattie Government did not restore the PSMC approach to merit.

Merit consideration for chief executives was subject to two major issues under the Beattie Government. The Premier rejected Borbidge’s Private Members Bill to limit chief executive contracts to the term of government. Such an approach resulted in political appointments that effectively defined merit as specific to a particular government, and did not give an opportunity to prove skills or impartiality to a new Government (QPD 5 August 1998:1608-1609; 6 August 1998:1705; 16 September 1998 2276-2277). Merit was weakened when, almost immediately upon election, the Premier obtained the power to exempt chief executive positions from mandatory requirements regarding advertising and establishment of selection panels (OPSC 1998b, 1998c). The Premier made several CEO appointments without due process, where he claimed that the appointees had been through a merit selection process for a senior position previously in Queensland or elsewhere (QPD 5 August 1998:1608-1609; 16 September 2256). While the majority of people who benefited were those who had been sacked in 1996 and were being invited back (Head 2004), this process allowed ministerial interference in selection decisions, as the Premier had sole discretion.

**Conclusion**

Merit was intended to be the cornerstone of public employment, designed to enhance efficiency, and remove the inefficiency and corruption that occurred under patronage systems. A previous paper outlined how merit was poorly implemented in the traditional period between 1859 and 1959. This paper demonstrates that commitment to merit in recruitment waxed and waned in the managerial period from 1988.

The 1988 legislation generally weakened merit. Appointment decisions were placed directly under political control, and the Fitzgerald Inquiry criticised the National Government’s political control of the public service. The Goss Government reforms re-emphasised the merit principle. New employment standards introduced competitive merit principles, equitable and transparent procedures, and valid selection techniques. The PSMC also closed longstanding loopholes in temporary employment processes. The PSMC’s merit selection and protection processes were unpopular, and the PSMC’s failed to monitor whether agencies adhered to them.
The merit principle was weakened from this time forward, as the Borbidge Government replaced the detailed standards with brief directives that allowed agencies to “interpret” the principles, and provided extensive exemptions from the merit principle. The 1998 Beattie Government made minimal change to the employment framework.

There was a strong trend in the contemporary period toward streamlining of merit processes in the name of efficiency. Interestingly, merit was intended to recruit the most efficient employees and so was largely an economic consideration, in contrast to patronage decisions that are based on more personal considerations. However, a short-term focus on process efficiency rather than the outcome efficiency to be derived from meritorious decisions resulted in merit being devolved to agencies, with little or no monitoring of their outcomes. Notwithstanding these detractions, merit for females was enhanced in this period.

Interestingly, many of the criticisms of public service employment, such as seniority and discrimination, did not stem from the original model nor from the legislation, but from the subsequent rules and practices. The devil was in the implementation rather than the principle, in which case reforms to the principle may have misguidedly thrown the baby out with the bath water. It was necessary to address the non-competitive seniority systems that had evolved. But rather than remedy this through implementation of the original principle of competitive internal promotion, Goss resorted to completely external recruitment. This removed many of the performance motivators that were built into the existing model.

The Queensland case study demonstrates a clear correlation between commitment to merit and political party. The weakening of merit occurred initially under a conservative government, was rejuvenated under the Goss Labor Government, and then weakened again under the subsequent conservative Borbidge Government. While political parties are entitled to have confidence in the ability of a public service to adapt to their programs, the current arrangements are too focused on responsiveness, with too little emphasis on the traditional benefits of a stable career public service able to serve successive governments. Merit is increasingly linked to responsiveness rather than general capacity, and responsiveness to a government’s values is increasingly and unnecessarily linked to alignment to a government. Changes of government tend to treat everyone as a political appointee, rather than recognise the value of career public servants, who deserve tenure or at least an opportunity to prove their worth to a new government. This “disposability” and employment “precipice” does not foster ethical and courageous action by public servants. The re-strengthening of merit may require significant changes of mindset, to value the strengths of a tenured, non-partisan public service, and perhaps creative solutions such as bipartisan support for key appointments.

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Traditional approaches to the merit principle in the Queensland public service from 1859 to 1959

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ABSTRACT

The traditional career public service model of employment was ostensibly based on the merit principle. It was considered that merit criteria would ensure employment based on what you knew rather than who you knew, and remove patronage. This paper challenges this claim through an historical review of Queensland public employment. It finds that although the merit principle was often enshrined in legislation, subsequent regulations, policies and practices subverted this legislative intention. Merit was balanced against social values including gender and class discrimination, and against circumstances such as wars. This had implications for the skill levels and quality of public employees, and therefore for public policy and public services.

Introduction

The merit principle was supposed to be the cornerstone of public service employment. The most efficient public workforce was to be identified through competitive examinations, open to everyone, and the highest achievers at those examinations were to have first claim on public appointments. This paper reviews the extent to which this intention was realised. It begins with a discussion of the rationale for the merit principle, as laid down in the original career service model in 1853. Then it considers how the merit principle was implemented through a case study of the Queensland public service. The paper demonstrates that merit was far from an objective guiding principle. It was defined and interpreted in ways that restricted the pool of applicants for permanent positions, on irrelevant grounds such as age, gender and class. There were also ample means to bypass merit through special entrance processes and unregulated temporary employment subject to little merit consideration. It is perhaps little wonder that, by the 1960s, public services were considered deficient and in need of reform.

Merit as the cornerstone of the traditional career service model of employment

In the 1850s, Britain developed a career service system of employment to address problems of inefficiency and politicisation. The landmark Northcote-Trevelyan Report noted:

… the Government of the country could not be carried on without the aid of an efficient body of permanent officers, occupying a position duly subordinate to that of the Ministers who are directly responsible to the Crown and to Parliament, yet possessing sufficient independence, character, ability, and experience to be able to advise, assist, and to some extent, influence, those who are from time to time set over them. (Northcote and Trevelyan 1853)

Notwithstanding this important role, the organisation of the civil service was found deficient, and the public service suffered in internal efficiency and public estimation. One difficulty was the lack of care taken by those entrusted with the distribution of patronage. Department heads often made appointments to unimportant junior posts in order to repay personal or political claims, often without any inquiry into the appointee’s merits, and subject to dubious examination and probation tests. They recruited young and untested people into base-grade positions, gave them boring and depressing work, and provided advancement without regard to service or qualifications. When more important senior vacancies arose, this internal pool of clerks was often considered unsuitable and a “stranger” would be appointed. The Report accepted that external appointments might be required in some instances to engage people of the highest abilities, but considered that the “system of appointing strangers has been carried far beyond this” and many external appointees had no greater merit than internal candidates. This was disheartening, as clerks realised that hard work would not necessarily help them advance, and idleness would not necessarily keep them back (Northcote and Trevelyan 1853).
Northcote and Trevelyan (1853) recommended methods for ensuring a supply of “good men”. The general principle was to carefully select young people according to their capacity and education, and constantly make them feel that promotion depended entirely on the industry and ability they displayed. The first step was the establishment of a system of examination before appointment, run by an independent board. Competitive examinations were to be open to all people, subject to reference checks regarding their age, health and moral fitness. The examination was to include numerous subjects and some practical elements, to secure candidates of general ability. Only candidates who passed the examination were to be appointed. Appointments without examination could be made where warranted by the position and the person’s pre-eminence in that field, but such decisions were to be documented and reported to Parliament annually.

Under the career service model, a politically neutral public service was recruited on merit, and given tenure to encourage frank and fearless advice and protect it from electoral whims. This enabled it to serve a government of any political persuasion. Australia emulated many British traditions, and adopted and adapted the British model into its state and federal public services. The career service model endured relatively unchanged from the 1850s until the 1980s. However, by the 1970s, public services were perceived as unresponsive. To a large extent, this was the result of the employment framework that enabled public servants to be relatively independent from their political masters. Historical factors of corruption and politicisation had led to the development of civil services based on negative protections rather than positive duties and systems (Heclo 1977). Public services often had insular, internal labour markets (Gardner 1993:137), and conventions such as merit had been “re-interpreted” in inflexible and inefficient ways. Since the 1980s, there have been significant changes to the traditional career service model in an attempt to improve efficiency and responsiveness. Why had the merit principle failed to ensure the recruitment and promotion of efficient officers?

This paper tests whether merit was genuinely the cornerstone of public employment, through a case study of the Queensland public service in its first 100 years. The Queensland public service employment framework is reviewed in regard to merit in recruitment for the ordinary division of employees (i.e. clerical rather than professional staff). This employment framework generally applied to public service departments, although at times it was also extended to broader public sector agencies. Data is drawn from primary legislation (public service acts) and subordinate legislation (regulations). Further information is drawn from parliamentary debates, annual reports, Commissions and Inquiries, and secondary sources. The analysis begins with the origin of Queensland as a separate colony in 1859, and progresses through a review of chronological periods representing changes in policy.

A false start 1859 - 1889

Governor Bowen established the fledgling Queensland Civil Service in line with the Northcote-Trevelyan principles, and in January 1860, established a system of competitive examinations for appointments based on merit rather than patronage (Hughes 1980; PSC 1959:1). He advised the British Secretary of State:

> the patronage of all the public departments was placed at my disposal on my first arrival. I have prescribed to myself as an inviolable rule, to appoint to public employment here only persons possessing a claim on this colony, either from long residence within its limits, or from services directly rendered to it, or to the Colony of New South Wales, before the recent separation. My own relatives and private friends come under none of these categories, and are, therefore, necessarily excluded from my consideration. (Bowen 1860)

However, subsequent legislation did not enhance merit consideration. The first legislation – the Civil Service Act 1863 – was a retrograde step from Bowen’s 1860 system. It contained no guiding definition of the new concept of merit, and no requirement that recruitment be based upon entrance examinations, with merit being gauged through a probation period (ss9-11). Premier Herbert was quite dissatisfied with this early workforce, and in 1863 noted that:

> there are few clerks in the service who have either brains or steadiness, and if anything, even in ordinary matters of detail, is trusted to them, it is infallibly blundered. (Scott et al., 2001:31).
The Select Committee on the Working and Organisation of the Civil Service in 1866 confirmed many of Parliament’s suspicions that the 1863 Act was unsatisfactory. The legislation gave governments the option to act or not act as they pleased, and this resulted in poor implementation. Many ministers considered that patronage was acceptable, and that their responsibility to Parliament should be complemented by powers of appointment. Public servants also criticised the Act, as they resented people being brought in from outside and placed in positions above them (Select Committee 1866).

The Act soon became a “dead letter” as a result of many factors, including patronage, lateral recruitment, inappropriate use of temporary employment, and public complaints about mediocrity (Caiden 1965:38), and was repealed in 1869. Personal contact once again controlled personnel decisions (Caiden 1965:48), and the quality of the public service declined further, as patronage led to the appointment of unfit people and subsequent gross misconduct (Scott et al., 2001:26). In 1889, after 20 years of such a system, a Royal Commission into the public service condemned the ad hoc system of political influence in appointments, and recommended new legislation (Royal Commission 1889:24). There were no formal public sector unions at this time, and this research did not locate any information from informal staff associations.

The personnel institutions and legislative framework from 1889-1959

From 1889, Queensland public service employment was managed by a central personnel agency, and the institutional changes are described briefly in Table 1. The first personnel institution was the Civil Service Board established under new legislation in 1889. Minor legislative amendments in 1896 led to it being renamed the Public Service Board, but it comprised the same members as before, and oversaw largely similar legislation as that of 1896. More radical institutional changes were made in 1901, when the management of the Public Service Board was handed over to politicians – this was the antithesis of the career service convention of removing personnel decisions from the hands of politicians. Notwithstanding these institutional changes, there was little change to the merit framework. From 1920, a Public Service Commissioner was established, and from 1922 that Commissioner oversaw new legislation that generally enhanced the career service conventions. Despite these various institutional changes, there were some distinct similarities in the legislative provisions for merit consideration, as well as a general undermining of the primary legislation by subordinate regulations and policies and a preparedness to breach the rules in practice.

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<th>Period</th>
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<td>1889-1895</td>
<td>Civil Service Board</td>
<td>Civil Service Act 1889</td>
<td>Conservative</td>
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<td>1896-1901</td>
<td>Public Service Board, managed by bureaucrats</td>
<td>Public Service Act 1896</td>
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<td>1901-1918</td>
<td>Public Service Board, managed by politicians</td>
<td>Public Service Act Amendment Act 1901</td>
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Public sector union membership grew significantly, once the new Labor Government’s Industrial Arbitration Act 1916 removed restrictions on government employees forming trade unions, and the Government removed threats of dismissal or exclusion from promotion for union participation (Fitzgerald and Thornton 1989:27; Murphy 1983:35-40). Public service unions were instrumental in broad changes to wages and classification structures, and active in their agitation for union inclusion in decision-making processes. However, they were conspicuously silent on many of the distortions of merit.
**Legislative intentions for a strict order of merit**

The *Civil Service Act 1889* contained relatively strict provisions regarding merit. Every eligible applicant was entitled to sit an examination for entrance (ss.21-22), only those who had passed the examination were to be admitted to the service (s.20), and appointments were to be made from a strict order of merit list based on examination performance (s.23). However the Act left the remaining detail to the Civil Service Board, which could make regulations for admission to the service that:

- prescribe a preliminary examination as to the health of the candidates, the period of residence in Queensland before examination, and the subjects for examination in each Division, and may also prescribe a maximum or minimum age of candidates for admission. A copy of such regulations shall be laid before Parliament within fourteen days from publication thereof if Parliament is then sitting, and if it is not sitting, within fourteen days from the commencement of the next session. (s.18).

{There were some dangers in this, as Parliament had not taken root in Queensland: before 1885 it only sat from May to August and for few days at that, and in 1922 the Upper House was abolished. This resulted in Parliamentary power largely being transferred to the bureaucracy and executive government.}

These broad legislative intentions were narrowed through subordinate legislation, proposed by the Board and accepted by the Government, which narrowed the pool of candidates, and allowed for exemptions to this process.

**An ever-shallower pool of candidates for examination**

Open merit competition was impinged upon by the prescription of age limits – effectively defining merit as equating to youth. Northcote and Trevelyan had recommended that recruitment be focused on young people, who had not failed in other occupations, which was not consistent with genuinely open competition. The Board whole-heartedly adopted this recommendation, and continued to narrow the age requirements in subsequent regulations (for reasons undiscovered). Age requirements were set at 16-25 years in 1889, amended to 15-22 years in 1915, and further narrowed to 15-19 years in 1918 (various regulations). Such age restrictions were sorely tested by world wars, and there was some relaxation during World War II to include people over military age (PSC 1943:5; PSC 1944:2).

The pool of candidates was further narrowed by health and character considerations (1890 Regulation r.6), effectively defining merit as including good health and good character. The requirement for a health certificate, while possibly valid for the purposes of joining a superannuation fund, should not have been valid in merit considerations unless it impeded the candidate’s ability to carry out the work. The requirement to be of good character was not limited to any form of criminal record, and could be interpreted as subjectively as desired.

In the initial phase from 1889-1902, females were prevented from being part of the pool of candidates. While neither the legislation nor the regulations precluded female employment, an administrative decision was taken to prohibit women from sitting the examination. This was considered justifiable, as many positions were deemed unsuitable for women, and they were therefore unable to fully participate in a strict order of merit process (CSB 1890:6).

The pool of candidates was further narrowed on geographical considerations, as candidates were required to have been resident in the colony for at least 12 months (1890 Regulation r.4) and this was continued in subsequent regulations. This seemed acceptable under the separate colonies before Australia became a federal system.

Even further restrictions were placed on this limited pool. While it was intended that public service employment be open to everyone, the Regulations imposed a fee of thirty shillings to sit the examination (r.5). Given that the commencing salary in 1889 was less than £50 per year, this fee may have been prohibitive for all but those from wealthy backgrounds. Also, while the examinations contained an emphasis on English and mathematics (1890 Regulation), the examinations were criticised in Parliament as “ridiculously hard”, and including some subjects...
(such as Latin) that were not offered in state schools (QPD 5/11/1896:1397). Together with the examination fee, this fostered class and wealth barriers rather than open competition.

These subordinate regulations and policies effectively limited the pool of examination candidates to young, healthy, wealthy, socially acceptable, Queensland males. But once a candidate made it to this select group, there were only low benchmarks to be met for admission. In 1889, anybody who had scored at least 40 percent was deemed to have passed. The pass mark was gradually increased, to 50 percent in 1908 and to 60 percent in 1909.

Candidates with the greatest aggregate marks, up to the declared number of vacancies, were placed on an order of merit register (1890 Regulation r.15), and vacancies offered in order to qualified candidates (1890 Regulation r.21). The Public Service Act 1922 continued this requirement of no admission unless qualified as prescribed in the regulations (s.18.1).

Despite the legislative intention of attracting candidates of the highest ability, these various exclusions and restrictions meant that recruits were young, healthy and wealthy males with possibly little ability - rich and dumb was no obstacle for men!

**Strict order of merit from examination… unless you use one of the loopholes**

The strict requirement to appoint from the order of merit list had a number of exceptions. The first exception was that preference could be given to local candidates for country vacancies (GOA Feb 1922:10). This balanced merit with geographical considerations, but still required the candidates to have passed the examination.

The second exception bypassed the examination process altogether, and provided an enormous loophole for central decisions. The Governor-in-Council could appoint any person to any class without examination, if the Board issued a special certificate that no person in the service was qualified for such appointment (1889 Act s.29). In contrast to the strict requirements for base-grade entry, this allowed people to be appointed more freely at higher levels. This loophole was continued under the new 1922 Act.

Table 2 outlines the use of such special certificates in the period from 1889-1950. There are some correlations between personnel institution and political party, and to economic circumstances, although other variations are unexplained. Special certificate appointments were low in the initial years under the Civil Service Board (QPD 22/10/1896:1264), representing only 2.9 percent of appointments. Patronage escalated in ensuing periods (Scott et al., 2001:55), and special certificates escalated to 11.9 percent under the bureaucrat-managed Public Service Board. Patronage worsened again from 1901-1918, when personnel decisions were placed directly into political hands under the executive-managed Public Service Board – special certificates escalated to 22.4 percent of appointments under conservative government management of this Board, but reduced to 11% when a new Labor Government managed the same institution. There are no documented political or institutional explanations for the escalation to 37.3 percent under the first Public Service Commissioner, although it may have been due to external recruitment under a new classification system. Special certificates dropped during the depression years from 1929-1932. The higher number of special certificates from 1932-1949 was largely due to peaks during the staff shortages and recruitment difficulties during and after WWII. The sudden drop from 1950 cannot be explained by any discovered policy or by economic circumstances, and appears to be a change in recording rather than a change in practices. For example, it came to be accepted that, if there was not an examination prescribed for a particular class, a person could be admitted and appointed without examination and without a special certificate (Howatson 1988:9). Public service unions periodically objected to the use of special entrance, which often interfered with their members promotion opportunities (QSSU various).
TABLE 2
Personnel institutions in Queensland Public Service 1889-1959

<table>
<thead>
<tr>
<th>Year</th>
<th>Institution</th>
<th>Govt</th>
<th>Special Certificate Appointments</th>
<th>Total appointments</th>
<th>Average %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1890-1895</td>
<td>Civil Service Board</td>
<td>Cons</td>
<td>13</td>
<td>456</td>
<td>2.9%</td>
</tr>
<tr>
<td>1896-1900</td>
<td>Managed by public servants</td>
<td>Cons</td>
<td>98</td>
<td>876</td>
<td>11.19%</td>
</tr>
<tr>
<td>1901–1915</td>
<td>Public Service Board</td>
<td>Cons</td>
<td>334</td>
<td>1492</td>
<td>22.49%</td>
</tr>
<tr>
<td>1915-1918</td>
<td>Managed by politicians</td>
<td>Labor</td>
<td>552</td>
<td>61</td>
<td>11%</td>
</tr>
<tr>
<td>1920-1929</td>
<td>Public Service Commissioner</td>
<td>Labor</td>
<td>547</td>
<td>204</td>
<td>37.3%</td>
</tr>
<tr>
<td>1929-1932</td>
<td></td>
<td>Cons</td>
<td>47</td>
<td>2</td>
<td>4.3%</td>
</tr>
<tr>
<td>1932-1950</td>
<td></td>
<td>Labor</td>
<td>2948</td>
<td>596</td>
<td>20.2%</td>
</tr>
</tbody>
</table>


Notwithstanding these variations, it is of interest how many recruits entered through special certificates, despite the strict legislative requirements for entry to be through examination. From raw data not included in this paper, in most years more than 10 percent of entrants and often more than 20% of entrants did not sit the usual examination process, and it is questionable whether there were genuinely such a shortage of qualified internal candidates.

The third exception to these merit processes also bypassed the examination process, providing an enormous loophole through temporary employment. Permanent employment was strictly managed at a central level, except for those who entered through the loophole described above. In contrast, from 1889 to 1922, temporary employment was not subject to any rules and was managed at department level, and therefore a prime avenue for dispensing patronage. The 1922 Act did attempt to regulate the use of temporary employees, providing that the Commissioner would decide at a central level whether temporary assistance was necessary, and select an appropriate person for the work (s18.3.v). However subsequent assignments of power allowed permanent heads to make temporary appointments, putting such decisions back closer to political interference.

It is difficult to gauge the extent of temporary employment, given that it was managed at department level through unregulated processes. However, there is evidence that excessive temporary employment was a recurring problem. Temporary employment was low during the depression of the early 1890s (QPD 22/10/1896:1263), but escalated in the late 1890s (PSB 1899:3), and there were repeated peaks through the first half of the 20th century. At times, this was remedied through schemes to convert temporary employees to permanent status without examination. The Public Service Act Amendment Act 1901 provided for conversion of all temporary employees with more than five years service, upon a certificate of fitness from the Minister or permanent head (s.6). The 1922 Act provided a conversion scheme for temporary officers with more than three years status, without examination (s.18.3.i-ii). Other schemes occurred after peak periods of temporary employment (PSC 1940:4). Such schemes undermined other regulations regarding entry to the service, probably lowered the overall standard of recruits, created resentment amongst existing officers at the different standards for entry, and potentially placed employees into positions where they were of little use.

Merit and gender

As discussed, women were prevented from even applying to sit the initial public service examinations. The Ministerial Board changed this (for reasons not disclosed in the Minutes). From 1902 females were allowed to compete at entrance examinations on an equal footing with men (Coulter 1962:13), although the strict order of merit list could be departed from if a vacancy was considered unsuitable (1902 Regulations). However, the unexpected success of women at the 1903 examinations led the Board to apply restrictions, and from 1904 a separate
number of vacancies was declared for females and males (1904 Regulations). Significantly fewer positions were designated as female, which resulted in fewer female entrants. It also meant different entrance standards that required females to have greater merit— in 1906 and 1907, the lowest male entry scores were 59.6 percent and 50.6 percent respectively, compared to the lowest female entrance scores of 74.2 percent and 71.8 percent (PSB 1906:3; 1907:5). The continued success of females led to discontent amongst male employees, and further rule changes. The 1909 regulation provided that males and females could be appointed to current declared vacancies, but only male candidates could be placed on the order of merit list awaiting future vacancies (Coulter 1962:14-18; PSB 1907; PSB 1909). These discriminatory policies had far-reaching effects. Table 3 shows that women qualified for 28.5 percent of appointments, but were only appointed to 8.4 percent of positions.

<table>
<thead>
<tr>
<th>Exam date</th>
<th>Vacancies declared</th>
<th>Actual success</th>
<th>Projected success if no gender distinction in vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Fem</td>
<td>Total</td>
</tr>
<tr>
<td>1903</td>
<td>50</td>
<td>32</td>
<td>82</td>
</tr>
<tr>
<td>1904-1907</td>
<td>100</td>
<td>22</td>
<td>122</td>
</tr>
<tr>
<td>1909-1915</td>
<td>331</td>
<td>40</td>
<td>371</td>
</tr>
<tr>
<td>1916-1920</td>
<td>690</td>
<td>45</td>
<td>735</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1121</strong></td>
<td><strong>107</strong></td>
<td><strong>1278</strong></td>
</tr>
</tbody>
</table>


Women fared poorly under the Public Service Commissioner, who continued the previous discriminatory policies and added new ones. While women sat the same examinations as men, they were streamed into general branches where they had limited career prospects. Such positions and salaries were perceived as sufficient for women, but not for men who needed access to higher positions that suited their life, career and prospective family responsibilities (Royal Commission 1918:xxvi). This informal segregation of women into dead-end jobs was formalised into a caste system, when a 1932 Regulation provided that only males would be able to sit the professional and clerical examinations, and females would be restricted to appointments as clerk-typists. There was little public outcry, as the depression exacerbated existing gender stereotypes and perceptions regarding the career and income requirements of men and women (Coulter 1962:21,60; PSC 1933). At that time, the major public service union did not object to these rules (or the marriage bar), to protect opportunities for men, and due to perceptions of the appropriate role for women (QSSU various editions 1953).

The effects of these policies are outlined in Table 4. While the total number of female employees steadily increased, disaggregation of those numbers demonstrates their occupational segregation. In the first decade of female recruitment, 48.78 percent were recruited as clerks. This number declined in the following decades as policies began to restrict the number of female clerical vacancies, and plummeted to less than 1 percent by the end of the period under the policy of segregating females as clerk-typists rather than clerks.

Merit was also over-ridden by broader social circumstances. Preference for ex-servicemen was made statutory by the Industrial Conciliation and Arbitration Acts (War Service Preference in Employment) Act 1944 (Lack 1961:231). Base-grade recruitment was virtually closed to other people between WWI and WWII, and merit standards were greatly reduced.
**TABLE 4**

**Gendered Composition of the Queensland Public Service 1899-1959**

<table>
<thead>
<tr>
<th>Year</th>
<th>Whole Workforce</th>
<th>Number of Female Clerks</th>
<th>Females as % of Total Workforce</th>
<th>Typists/Typist Clerks</th>
<th>Females in Classif’d Positions</th>
<th>Females on Scale Salaries</th>
<th>Female Assistants</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1889</td>
<td>2061</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1899</td>
<td>2519</td>
<td>5</td>
<td>5.1%</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1909</td>
<td>1593</td>
<td>82</td>
<td>12.0%</td>
<td>41</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1919</td>
<td>2752</td>
<td>330</td>
<td>12.0%</td>
<td>180</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1929</td>
<td>3982</td>
<td>634</td>
<td>15.9%</td>
<td>408</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1939</td>
<td>4769</td>
<td>756</td>
<td>15.9%</td>
<td>569</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1949</td>
<td>6503</td>
<td>1379</td>
<td>21.2%</td>
<td>1217</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1959</td>
<td>9129</td>
<td>2331</td>
<td>25.5%</td>
<td>1854</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Summary of various tables in Coulter (1962 pp. 8-9)

# Excluding certain employees from railways, day labour, nursing, domestic work, police, prisons and printing

* Decrease due to inclusion of Main Roads Department Staff, not previously included

**Analysis and Conclusion**

Merit was ostensibly the cornerstone of the career service model, designed to enhance efficiency, and remove the inefficiency and corruption that occurred under the patronage system. Recruitment was to be based on competitive merit, open to everyone, rather than only the friends of politicians and officials, and assessed through examinations designed to assess general ability. Only candidates who passed the examination were to be appointed.

As demonstrated in this paper, these admirable intentions were not very effectively translated into action. Most legislation required that merit be tested through examinations open to all citizens, but was undermined by supporting regulations. Rather than identify the most meritorious candidates, these recruitment processes first identified a socially acceptable group that met gender, age, health, class and character restrictions, and then set comparatively low benchmarks for merit amongst that group. Various restrictions were placed on women entering the service - initially they were precluded altogether, and once they were allowed to compete, ever-tougher restrictions were placed on how many and which positions they could obtain. As a result, there were lower entrance standards for men than women. There was a preparedness to moderate merit to meet other circumstances including social values (e.g. preference for male employees), geographic considerations (e.g. preference for Queensland school-leavers), or national and social requirements (e.g. preference to returned soldiers).

Strict legislative processes were not only undermined by subordinate policies and practices, but also by large loopholes that provided exemptions to the circumstances in which the merit principle had to be applied. The issue of special certificates, to bypass entry through examination, was generally in excess of 10 percent, often in excess of 20 percent, and sometimes as many as one-third of all new entrants. The extent to which these loopholes were used depended on the strength of the central agency and the preparedness of the government to use them. Politicians could enjoy the best of both worlds, using weak personnel boards as a buffer when they wanted to avoid the burden of patronage, or pressing boards into issuing such certificates when they wanted to dispense patronage.
Merit processes were also circumvented through temporary employment, which did not require the same stringent merit selection processes as permanent employment. This was undertaken at departmental rather than central level, and used so extensively at various times that schemes were enacted to convert these temporary employees to permanent status. This contradicted the convention of open competitive merit in order to gain the most efficient workforce, and had consequences for the skill level and quality of employees and services.

What were public service unions doing? Public service unions were active in many areas, including wages, classifications, and enforcement of regulations. They did object to the use of special entrance certificates, which potentially disadvantaged their male members. However they were conspicuously silent on many of the distortions of merit, most likely due to their support for general for social values that favoured male employment. Public service unions did not see their role as protecting the strict application of the merit principle, but rather to ensure that merit was applied in a way that benefited their members.

From my broader research, it is evident that the Queensland experience in this period bears many similarities to other Australian federal and state public services. This is due to many of the distortions of merit stemmed from broader societal values, rather than localised decisions. It is perhaps little wonder that, by the 1960s and 1970s, politicians were dissatisfied with many aspects of public services, and sought to reform public employment.

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Australian unionism in a decollectivised environment

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University of Sydney

ABSTRACT

This paper examines the state of unionism in a ‘decollectivised’ employment relations environment and finds that on almost every conceivable measure, union power has declined. The paper addresses the practical impact of changes in the environment for unionism and finds that unions in 2004 are doing ‘more’ with ‘less’ than they were in the late 1980s. However, an examination of key aspects of unionism during the late 1990s and early 2000s, suggests that while the condition of Australian trade unions is not healthy, the situation is far from terminal.

Introduction

During the past fifteen years there has been enormous change in the regulation of work and industrial relations in Australia. While this process has often been termed ‘deregulation’, this paper argues that ‘decentralism’, ‘decollectivism’ and ‘individualisation’ are more useful concepts for explaining the nature and outcomes of this change. Australian unions currently face an environment where it is harder for them to unions to organise, to bargain and to effectively represent workers. Legislative change alone can not explain the shift in the environment in which unions operate and the paper argues that this has been part of a broader process where employers have sought to assert their ‘right to manage’ and where the federal government has encouraged them to do so. Despite the undeniably hostile environment for unionism in this country, Australian unions have attempted to reorient their practices through an activist strategy emphasising renewal at the workplace level.

Re-deregulation, decollectivisation and individualisation

While ‘deregulation’ was the stated aim of the critics of the centralised industrial relations system in the mid-1980s and early 1990s, it certainly was not the outcome of the changes to industrial legislation and policy (Dabscheck 1993). It is true that regulation of work by external institutions like the Australian Industrial Relations Commission (AIRC) and through formal arrangements like awards has been diminished; but this has clearly not been replaced by a void. Instead, as a number of industrial relations researchers have argued, the workplace and labour market has been ‘re-regulated’ through internal, informal mechanisms and the assertion of managerial prerogative (ACIRRT 1999; Callus and Buchanan, 1993; Ronfeldt and McCallum, 1995; Watson et al., 2003). Perhaps more useful concepts are those of ‘decentralism’ and ‘decollectivisation’. These terms allow us to better understand both the processes which have been associated with changes in the regulation of industrial relations during the past fifteen years as well as to better appreciate the implications of these changes, issues which are addressed in following sections of the paper.

Great changes to the industrial relations system began in the late 1980s. The process got under way with the ‘managed decentralism’ of the second tier system, where representing the first time that wages and conditions of employment were able to be negotiated directly by employers and their associations and unions (McDonald and Rimmer, 1989). This system maintained a clear role for the industrial tribunal, relied upon awards as the instrument through which flexibility could be achieved and, importantly, reaffirmed that unions were the sole representatives of workers in bargaining. While flexibilities were obvious, pressure for further ‘reform’ was building. After being put under pressure from all sides, the Commission introduced the Enterprise Bargaining Principle in the second (October) National Wage Case of 1991. Under this principle, the position of unions was recognised and retained. More radical changes were enshrined in the Industrial Relations Reform Act 1993. These included, among other things, the introduction of a non-union (collective) bargaining stream in the form of Enterprise Flexibility Agreements. This was the first time that unions were barred from participation in any form of agreement in the federal jurisdiction and, as we shall see, it would not be long before they would be further marginalised.
The most radical industrial relations ‘reforms’ of the past fifteen years were ushered in after the election of the Howard government in 1996. Speaking at a Young Liberals’ Conference just prior to his election as Prime Minister John Howard alluded to his vision for ‘decollectivising’ employment relations:

‘the goals of meaningful reforms, more jobs and better higher wages, cannot be achieved unless the union monopoly over the bargaining processes in our industrial relations system is dismantled’ (Howard 1996, quoted in van Barneveld and Nassif 2003)

The passage of the Workplace Relations Act 1996 went some way to achieving these aims and marked a new era of decollectivism and individualism in the regulation of the wages and conditions of Australian workers. This Act stripped back the content of awards, necessitating that unions protect workers’ entitlements by attempting to push award stipulations into enterprise agreements. It seriously curtailed the ability of the AIRC to intervene in industrial disputes and introduced hefty fines for unions taking ‘unprotected’ action. The Act introduced individual Australian Workplace Agreements (AWAs) which excluded unions. A range of other changes in the Act made it more difficult for unions to access and to represent workers and easier for employers to choose whether, and to what extent, they would negotiate and bargain with the collective representatives of their workers. As such the Act has been identified as enshrining a ‘decollectivist’ ethos in the regulation of employment (Peetz 2002). Another effect was that it signaled the diminution of formal and external regulation of work and workplaces through awards and the intervention of the AIRC. The workplace was now clearly the locus for regulation. Further, it enshrined the ‘individualisation’ of employment relations.

Decentralisation and later decollectivisation and individualisation of the industrial relations system had powerful impacts upon trade unions, and arguably none of these changes has had a positive effect. But how do we quantify the impact upon unions? The following section of the paper looks to a number of indicators of union power to argue that, whatever the measure; unions are in worse shape in 2004 than in the 1980s.

Indicators of union power in a decollectivised environment

It is undeniable that union power has declined significantly during the past fifteen years. Some indicators of this power are quantifiable including: union membership and density levels; levels of industrial disputation; and the extent of union influence over the determination of the wages and conditions of workers. While there are obviously other dimensions to and indicators of union strength, even a cursory analysis of the performance of unions in these areas suggests that the Australian union movement is in crisis.

The most obvious indicator of union strength is the level and proportion of union membership. ABS membership figures released in March 2004, show that in August 2003 membership stood at 1,866,700 and in three of the four past years aggregate membership has grown, albeit marginally. However, in the longer-run the trend in membership has been against unions. From the early 1990s when membership stopped growing, to 1999 when membership slipped below 2 million for the first time in many years, the picture was bleak for unionists (ABS, 6310.0)

Looking to union density, the proportion of wage and salary earners who are members of unions, the situation is even worse. There was a freefall in density in the 1990s. By 1994 less than a third of the workforce was unionised; the first time since the depression of the 1930s that this had been witnessed. By 2000 less than a quarter were unionised and in 2003 the figure was lower still. It was not just the broader decline in density which was a real problem for trade unions. Density deteriorated in almost every industry and occupational classification, across both private and public sectors, among full-time, part-time and casual employees, among all age groups and for both males and females. It is no exaggeration to describe the current position of Australian unions in relation to membership as a crisis.

Another traditional indicator union power is the level of industrial disputation. Statistics in indicate that industrial action, measured by the number of working days lost and the number of workers involved, has declined substantially over the past two decades (ABS 6321.0). Even when major disputes involving industrial action have been waged they have tended to be defensive in nature and have aimed at minimising union defeat, such as to secure entitlements, to prevent
legislative change or to ward of anti-union actions by employers, rather than to make real gains for workers (Wiseman 1998, Cooper 2003, Gorman 1996).

The bargaining reach of unions has declined markedly during the past fifteen years, one indicator of this is the extent to which collective bargaining determines the wages and conditions of Australian workers. The Department of Workplace Relations and the Office of the Employment Advocate (DWR and OEA) suggest that between 1990 and 2000, award coverage declined significantly. In 2000, 23.2 percent of workers were paid under an award, compared to a figure of 67.6 percent in 1990 (DWR /OEA 2002). Campbell (2001) has used similar figures to estimate what he calls the ‘collective bargaining coverage rate’. He suggests that in 1990 this stood at 80 percent. By comparison, he argues that the figures from a decade later point to a ‘collapse’ in collective bargaining.

Of course it is difficult to discuss increased managerial power to determine workplace outcomes without discussing some of the issues discussed earlier in the paper. Clearly the collapse of union membership and the active dismantling of the traditional structures and processes of collective bargaining are both intimately related to increasing managerial prerogative. Similarly, the decline in union power evidenced in declining density and industrial disputation are interconnected with the rise in managerial power and the ‘decollectivist’ and individualist’ environment in which unions operate.

Union action in a decollectivised environment

Australian unions are reeling from the effects of legislative change which have made it harder for them to organise, bargain, represent workers, regulate employment and to take industrial action. This section of the paper briefly examines the practical impact of recent changes and the impact this has had upon the work of unions. In particular it examines the impact of the impact of non-union bargaining streams in the forms of AWAs and 170 LK agreements, changes in the right of access of officials to workplaces and workers, and changes in employer and government strategy during after the introduction of the Workplace Relations Act, 1996. This section draws upon published research on these issues but also upon the author’s primary research investigating union strategies from the mid 1990s to the early 2000s which involved over one hundred and twenty interviews with union officials conducted between 1996 and 2004. The quotes interspersed in the following section are drawn from these interviews. This research allows us to investigate what union officials themselves suggest have been the key impacts of the decollectivised environment upon their organisations.

The Workplace Relations Act introduced Australian Workplace Agreements (AWAs); individual agreements from which unions are excluded. The registration of these agreements has been underwhelming compared to the hopes of the federal government. By the end of 2001, the federal government reported that 215,000 AWAs had been approved involving 3,736 employers in the five years since the agreements came into place (DWR and OEA, 40). In 2001 the OEA estimated that there were approximately 130,000 ‘live’ agreements, that is agreements effective at that time either in their first period or having been renegotiated. By their calculations this amounted to 1.7 percent of the workforce (DWR and OEA, 200, 150-1).

The 1993 Industrial Relations Reform Act introduced Enterprise Flexibility Agreements (EFAs), which were collective enterprise agreements negotiated between employers and their workforce, without union involvement. At the time of their introduction there was speculation that these agreements would allow employers to deunionise their operations or to accelerate their move to non-union status (see for example Nomchong and Nolan 1993). However, these agreements never gained a real foothold in Australian workplaces, accounting for 2-3 percent of registered agreements and covered only 1 percent of workers in the three years between their introduction (1993) and their repeal (1996) (DWR and OEA 2002, 34). The successors to EFAs, agreement made under section 170LK of the Workplace Relations Act, which were also collective non-union agreements were introduced in 1996. These agreements took away many of the rights that unions had been afforded to intervene under EFAs.
The number of these agreements and the proportion of workers covered by them steadily rose from 1997 until 2001 when they constituted 15 percent of agreements, covering 9 percent of employees (DWR and OEA, 57). If we accept the federal government’s figures, then the proportion of the workforce covered by either individual or collective agreements in the federal jurisdiction which exclude unions is thus 10.7 percent. As we shall see, the impact of these agreements is disproportionate to their direct coverage.

There has been scant research on the impact of 170LK agreements but we know considerably more about the impact of AWAs. Most of the research undertaken on the impact of these agreements emphasises that they are used either solely, or in combination with a number of other strategies, as a device to deunionise and to reduce union influence (see Peetz 2002; van Barneveld and Nassif 2003). Anecdotal evidence suggests that the offer of AWAs in key centres of bargaining in workplaces in industries such as in mining and manufacturing can have a ‘demonstration effect’ upon workplaces in that industry and possibly beyond. Union officials across a number of industries argued in interviews that the offer of AWAs by employers in the sector they organised created an environment of fear among unionised workers and tempered their expectations of industrial outcomes:

Employers now understand that a few AWAs here and there in key enterprises dent confidence in union bargaining, lower standards and diminish outcomes much more than the 1 or 2 percent of workers that they cover (Elected Official, AMWU, 2004).

On top of their exclusion from bargaining, unions have also suffered as a result of having the scope of matters which can be regulated in the award system ‘stripped back’. The prescription in the 1996 Act that awards should be reduced to twenty ‘allowable matters’ further undermined collective bargaining and union strength. The removal of key conditions from awards meant that they are contestable at every workplace, forcing unions to bargain to maintain them. In a time of membership crisis and declining income, this means that unions are simply doing ‘more with less’. One union official reflected that his work had taught him that there was no longer any point turning to the AIRC to help solve disputes simply because:

You just can’t win disputes anymore with good advocates and lawyers in the Commission (Lead Organiser, CFMEU, 2004).

Along with changes to industrial legislation, unions have also had their right to access workplaces, members and non-members circumscribed. Since 1996 officials have had right of access only when they had union members at a site and then only when they gave employers notice of their intention to visit. Changes to rights of access, as well as employers’ increasing willingness to enforce the legislative provisions, have had a major impact upon the work of union officials. In an interview in 1999 an organiser in a NSW white-collar union, reflected upon the changes in this area during the 1990s:

When I started right of entry wasn’t a problem, coming into a place. But even more than that you were given a badge and you could walk around basically like a staff member and it was like that in basically every area I went into … you were perceived as being part of the place, so that meant you tended to be a lot more involved in the organisation, a lot more involved in consultative forums, sitting down with managers and negotiating things out on behalf of members. (Organiser, CPSU, 1999).

Another official of the same union described his organising work as work of consisting largely ‘getting booted out of buildings a lot’ (Organiser, CPSU, 1999). Partly in response to the changed situation as regards access to workplaces, unions have begun to enact strategies focusing upon organising outside of the workplace (see Cooper 2001).

Clearly we can find some explanations for the situation in which some of the situation in which unions find themselves in the legislative changes of 1996. Certainly being locked out of various forms of bargaining, no longer having a robust award system which can be used to enforce union standards and having next to no recourse against employer anti-union activity through the Commission or in any other forum has not helped unions. However it would be wrong to suggest that legislative and regulatory regime alone has left unions where they are today. Two other critical factors: increasing employer anti-unionism; and an actively anti-union policy approach of the federal government need to be considered.
Australian studies have identified a range of employer tactics used in order to avoid unionisation or to reduce union influence in their workplaces during the 1990s. These include: discriminating against union activists in relation to pay, redundancies and other employment conditions; introducing non-union agreements; taking industrial action in the form of 'lockouts' in response to unionisation or union bargaining demands; monitoring employees; using strategic recruitment and selection techniques to manipulate union sympathies in the workplace; and establishing alternative representative forms (Briggs 2004; Edwards 2003; Ellem 2003; MacKinnon 2003a; Peetz 2002; Townsend 2004). Most researchers in the area agree that in Australia the use of such anti-union tactics has been on the rise in the post *Workplace Relations Act*, 1996 environment (see for example Briggs 2004; Mackinnon 2003b).

Another key change in the post-1996 environment has been the hard-line anti-union policy approach of the federal government. The Federal government, especially under the tutelage of Workplace Relations Ministers Peter Reith and Tony Abbot has played an ‘activist’ role, promoting employer militancy. The activities of Abbott alone provide ample illustration of this approach. Throughout his term as minister Abbott maintained his long-held hostility toward unions and on many occasions used the metaphor of battle and war to describe industrial relations. Unions of course were the ‘enemy’. It was not all rhetoric and Abbott spent much of his term encouraging employers to ‘take on’ the unions in a variety of settings but most noticeably in the construction and manufacturing industries, where the targets were the CFMEU and the AMWU. Three clear examples in the past three years of Abbott's interventionist approach are to be found in the establishment of the Cole Royal Commission into the construction industry, the commissioning of the Productivity Commission report into the automotive sector and the intervention of the Minister into bargaining in the higher education sector in 2003. Employers were not only encouraged by the government to take a more confrontational approach to unions but, inline with the legislative changes outlined earlier in the paper, were given ample means to do so.

Union officials suggested in interviews that changes in employer strategy, in tandem with the regulatory change, undermined their ability to achieve outcomes for members through traditional approaches. For example in 1999 an elected official of the FSU representing argued that employers in the finance industry:

> Are certainly are more aggressive, the combination of the legislation and the encouragement that the employers get from the government, have made them much more radical as employers and they’ve increasingly used the ideology of individualism. (Official, FSU, 1999)

What have these changes meant for Australian unionists? Quite simply, declining membership, decentralisation and, later, individualisation of bargaining, the increasing inability of unions to call upon bodies such as the AIRC to enforce standards or to resolve disputes, diminishing rights to access and to bargain for workers, increasing employer militancy and the anti-union activism of government have shifted the balance of power away from unions and towards employers. The recent election results suggest that unions can expect an even harsher environment in the foreseeable future.

**Union change in a deregulated environment**

It has been widely recognised that unions are resistant to radical changes in strategy (Craft 1991; Hecksher 1988). When change does occur, a number of researchers have argued, it tends to be marginal and incremental rather than rapid and ground-breaking in nature (see for example Gardner 1989; Gardner and Palmer 1992). We find some evidence for these claims in the strategies of Australian unions from the early 1990s onward. For instance while (some) unions pushed for the decentralisation of bargaining from 1991, even earlier in some quarters, it would be many years before they enacted a strategy response to the changes this system brought about. However if we look to the changes in the policy and practice of Australian unions in recent times, we do see signs of adaptation to the changed environment. Space precludes a full discussion of union strategy in the workplace, branch and national level, as such the ensuing discussion concentrates upon national peak council policy and practice from the late 1980s to 2004.
In 2003 the Australian peak council, the Australian Council of Trade Unions (ACTU), released a document entitled *Future Strategies: Unions working for a fairer Australia* (ACTU 2003) which articulated a vision for union activity. The title of this policy paper echoed an earlier contribution of the peak council, in the form of *Future Strategies for the Trade Union Movement* (ACTU 1987) which was endorsed at the peak union’s 1987 biennial Congress. Analysis of the themes and prescriptions of these two documents reveals the extent of the changes in the peak council during those sixteen years. Both documents analyse the environment for unionism and argue for an urgent reorientation in union practice, structures and priorities. *Future Strategies (Mk I)* suggests:

unions cannot ignore the mounting pressure for further change. The question is not whether the movement can adapt and respond but whether it can adapt at a sufficient rate not just to ensure its survival but to promote further growth (ACTU, 1987, 1).

*Future Strategies (Mk II)* similarly urges unions to urgently reorient practices in order to ensure organisational survival (ACTU, 2003, 1). Apart from their titles, and the recognition of crisis for unions in both, the two documents could not be more dissimilar. *Future Strategies (Mk 1)* set out the ACTU’s ambitious plan to restructure unions through a wave of mergers. The amalgamation of the then 326 mainly occupationally-based unions into 20 ‘super unions’ was heralded by the ACTU leadership as the means to remove the duplication of union services, organising and research functions which had arisen due to the multiplicity of occupational, industry and craft based unions. Super-unions, it was argued, would effect economies of scale within the labour movement, free up resources for the better servicing of existing members and release resources to be directed at building membership in poorly organised and non-unionised sectors of the economy (ACTU 1987, 15).

The amalgamation programme began in earnest in the early 1990s. In an unprecedented reorganisation of the union movement, between 1991 and 1994, over 120 mergers took place. In the five-year period between June 1989 and June 1994, the number of unions in Australia nearly halved, decreasing from 299 to 157 (ABS 6323.0). Considering that union numbers have remained relatively constant throughout the last century this was a considerable feat (Griffin 1991, 10). By the end of 1994 the total number of unions had halved and the number of large federally registered unions had fallen from 134 to 52 (ABS 6323.0) and by the mid-1990s, 98 percent of the members of ACTU affiliates were members of the largest twenty unions. These were certainly spectacular results in terms of restructuring the union movement. However, they were less impressive on other measures. As a response to declining membership the amalgamations were an abject failure. As detailed earlier in the paper, the period in which amalginations were in full swing, from 1991, membership decline did not abate, it actually accelerated.

*Future Strategies (Mk I)* (ACTU 1987) also advocated that unions should pursue strategies for attracting members and forming a relationship with them based upon the provision of union services to members. It argued that enhancing the services provided to members was the best way for unions to ensure the viability of the organisation and member relationship, for example:

members need to have a perception that the union has something to offer in terms of service. For that to happen the union actually needs to have something to offer’ (1989, 17)

In the face of widely recognised union crisis, throughout the 1990s the ACTU put in place a number of initiatives directed at changing the behaviour of Australian unions (see Cooper 2003 for a review). Under the new leadership of Greg Combet, this strategy was given renewed vigour (see ACTU 1999) culminating in the publication of the strategy document *Future Strategies (II)*. Whereas its predecessor advocated union restructuring and centralised service provision, *Future Strategies (II)* emphasised activist organising strategies as the key to union survival. Critically, this document placed workplace organisation centre stage:

An active delegate is the single most important factor affecting union density, activity and effectiveness in the workplace (ACTU 2003, 22)
As such unions are encouraged to recruit, resource and educate thousands more workplace representatives. In addition, *Future Strategies (II)* urges affiliates to devote unprecedented resources to new member organising, to involve members in a debate about ‘the direction and priority’ of their unions and to adopt a more strategic approach to building membership and the execution of union campaigns. These prescriptions arguably hold greater potential as a base from which unions can rebuild their power than those put forward by the ACTU in 1987.

This brief comparison of the signature strategy documents of two ‘generations’ of the ACTU hints at the changes in the national peak council’s approach. As important as these changes are, they remained primarily changes in the orientation and vision of the national peak council. The daily burden of change necessarily remains within individual unions themselves. In short, change in the ACTU’s approach and practices in relation are one thing, but practices at the level of the union branch are another.

**Conclusions**

The decentralisation and the decollectivisation of employment relations have had powerful impacts upon Australian trade unions. Changes in legislation, a growing antipathy toward unions from government and the assertion of managerial prerogative have made it harder for unions to organise workers, to bargain and to effectively represent workers. It is undeniable that union resources have been stretched by these changes and quite simply unions in 2004 are doing much more, with much less than they were a decade and half ago. None of this is heartening for Australian unionists. However, despite this indisputably hostile terrain unionists have shown a capacity to respond rather than surrender to their environment. This paper has primarily addressed ACTU action in a time of crisis and has argued that two very different strategies have been articulated by the national peak council. In the late 1990s, the ACTU’s response to union crisis relied, among other things, upon centralising union structures, but by 2003 the national peak council’s strategies were focussed more clearly upon organising new members and building activism in workplaces. Arguably these organising and activist focussed strategies hold far greater prospect for union renewal in the current decollectivised environment.

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Deliberation in Irish Industrial Relations: 
Towards post-corporatism?

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ABSTRACT
For those that argue that the Irish system of social partnership is innovative, the role of deliberation and problem solving deliberative working groups is highlighted as one of the key new departures to the extent that Ireland has a “post-corporatist” model. It is the purpose of this paper to assess with the use of a case study the role played by deliberation in Irish employment relations. The paper is organised as follows; first, the context of social partnership in Ireland will be outlined, second a brief outline of what is meant by “deliberation”; third the arguments usually made to suggest that the Irish system is deliberative, and thus post-corporatist, in character are set out; the final section sets out the case-study designed to investigate the plausibility of this argument. The paper concludes that, on the evidence from the case study, the uniqueness of this has been overplayed.

Introduction
Since 1987, industrial relations in Ireland have radically departed from free collective bargaining with a series of national “Social Partnership” agreements (Teague and Donaghey, 2004). Social partnership emerged as a national consensus to tackle the dire economic and social situation prevailing in the country. A national pay deal was seen as the centrepiece of this strategy. Both trade unions and employers were supportive of this move towards a centralised wage agreement. For the trade union movement, national pay determination was a way of avoiding a Thatcher-like offensive, which was causing big damage to organised labour in the UK. For employers, centralised bargaining held out the promise of stable employment relations. Moreover, they did not want to be seen standing apart from a ‘national effort’ to pull the country back from the economic abyss. Altogether there have been six separate national agreements each of approximately three years duration. The first three agreements more or less replicated centralised wage agreements as practised elsewhere. The key representatives of employers and trade unions- the Irish Congress of Trade Unions (ICTU hereon), the Federated Union of Employers, the Confederation of Irish Industry⁴, the Construction Industry Federation, - and four agricultural organisations (three for the PNR in 1987), negotiated these agreements. With Partnership 2000 in 1996, the institutional complexion of social partnership changed. Like other ‘corporatist’ wage deals in Europe, the Irish government make a number of commitments on public expenditure and taxation to embed the pay deals concluded by the employers and unions- the corporatist *quid pro quo*. A feature of these commitments is that the design, implementation and evaluation of the public expenditure commitments usually remain an ‘in-house’ concern of the relevant government department. Bringing civil associations into the social partnership framework opened up this relatively closed form of public policy-making. A new “deliberative” form of policy-making was introduced allowing civic associations a more active role in the decision-making cycle (NESF, 1997). The hope was that this would improve the quality of public programmes as they would possess greater knowledge of the various dimensions to a particular social problem (O'Donnell and Thomas, 1998).

What is deliberation?
Bessette (1994; 46) defines deliberation as “a reasoning process in which the participants seriously consider substantive information and arguments and seek to decide individually and to persuade each other as to what constitutes good public policy”. Deliberation assumes actors will be prepared to alter their initial preferences through reasoned discussion based on evidence. Deliberation is distinctive from bargaining in that under bargaining the preferences of the actors do not change- actors accept “second” or “third” best solutions usually as a result of the application of some type of penalty/incentive to move in a certain direction (Bessette, 1994; Fung and Wright, 2001).
Deliberation and bargaining are not necessarily mutually exclusive. In order to gain the agreement of some parties, bargaining will be necessary as deliberation may not be enough to persuade the relevant parties. As Bessette (1994) outlines, where a broad number of different participants are involved in the decision making process, it can be more effective to try to use persuasion to achieve shifts in preference as the need for side payments and reciprocal action is lessened. Much of the distinctions drawn between deliberation and bargaining differ little from the distinction between distributive and integrative bargaining (Walton and McKersie, 1965): integrative bargaining contains many of the elements of deliberation, particularly problem solving and positive sum game. However, deliberative theorists argue deliberation must be classed as different to bargaining as bargaining necessarily involves reciprocal actions whereas deliberation does not: parties do not necessarily try to gain vis-à-vis each other, the decision taken is the one which is felt holistically best in the circumstances.

**CONDITIONS FOR DELIBERATION:** Fung and Wright (2001) outline a number of conditions necessary for the conduct of effective deliberative democracy. These are in two broad groups: organising principles of deliberation and institutional design characteristics. Three organising principles are considered necessary for deliberation. First, the need for a practical orientation. The focus should be on a narrow, specific task which must be realistic and achievable by the parties. Second, stakeholders directly affected by the proposed policy must be included in the process to generate a broader range of ideas and to give a greater sense of ownership to those who will be directly affected by any decision. Finally is deliberative solution generation. This means that the process should focus on generating solutions through parties making factually informed policy choices. In addition to these, two institutional design characteristics are said to enable deliberation. First, governments must be prepared to devolve power and authority to societal stakeholders. Second co-ordinated decentralisation. This allows the devolution of policy decisions to the deliberative bodies whilst government retains a role in co-ordinating and monitoring the policies. The rationale here is that in co-ordinating the decentralisation and devolution of policy formation, accountability can be ensured and learning across policy networks can be co-ordinated.

**Deliberative democracy, Irish employment relations and post-corporatism**

Deliberative explanations first emerged in relation to the Irish economy in a review of local area partnerships for the OECD by Charles Sabel in 1996 (Sabel, 1996). In particular, Sabel stressed the problem solving and inclusion aspects of these bodies. This analysis was focussed mostly on economic development and only tangentially on employment relations. However, in 1997, the National Economic and Social Forum (NESF), drawing largely on Rory O’Donnell and inspired by the work of Sabel, published a highly influential report focussing on the national frameworks of social partnership (NESF, 1997). This report argued that the Irish system of social partnership was a radical departure from the traditional European model in that it represented a deliberative rather than bargaining model. This is based upon the argument that Irish social partnership was a “problem solving” rather than distributive mechanism. O’Donnell2 argued “problem solving” was taking place through the creation of “shared understandings” created by the social partners deliberating potential solutions (O’Donnell, 2000; O’Donnell and Thomas, 1998; 2002; O’Donnell and O’Riordan, 2000). In the past decade, the development of the “uniqueness” of Irish social partnership has developed from a measured tone (Hardiman, 1992; Teague, 1995; O’Donnell and O’Riordan, 1996) to much more extravagant claims (O’Donnell and Thomas, 1998; 2002; O’Donnell and O’Riordan, 2000). Baccaro (2003) also highlights the deliberative properties of Irish social partnership in arguing that democracy and discussion have acted as substitutes for interorganisational cohesion and co-ordination. This approach has reflected the growing breadth of social partnership from being a co-ordinated macro-economic strategy to encompassing organisational change and finally the development of working groups which have prompted some to label the Irish system as “post-corporatist” (O’Donnell and O’Riordan, 2001: 68).

**The case study: financial participation and deliberation**

Following limited uptake of enterprise level partnership, in 2000, it was decided financial participation could be used as a tool to advance partnership at the enterprise level and a working group would be established to examine policy alternatives to encourage this (NESC, 1999,
Government of Ireland, 2000). The output of the working group was to be considered in Budget 2001. From the outset, the working group was consultative in nature. It did not have the power to implement its conclusions: merely to provide recommendations to the government. It was decided to create a supportive public policy regime to make it more attractive for employers and workers to become involved in arrangements of this sort. Employers, unions and workers would still be free to make any type of arrangements which they wished but the issue at hand was the types of schemes which would receive support in the form of tax relief. This distinction is crucial as the form which tax relief has taken is that profits on these types of schemes are subject to capital gains tax at 20% rather than income tax, which for high earners, is taxed at 40% in the upper band.

PARTICIPANTS IN THE CONSULTATIVE GROUP: Over 25 participants contributed to the process and the body met a total of seven times between May 2000 and December 2000. The government were represented by the Department of Enterprise and Employment, the Department of Finance, the Department of An Taoiseach, the Revenue Commissioners and Enterprise Ireland. The Department of Finance provided the secretariat and chair of the working group as well. Trade unions were represented by the Assistant General Secretary of ICTU, the Secretaries-General of four of the largest unions (two being large public sector unions), two researcher officers of the Services, Industrial, Professional and Technical Union (SIPTU), Ireland’s largest union, and another representative of ICTU. Of the IBEC representatives, one was a director of IBEC and two were Heads of sectors of IBEC- namely the Irish Profit Sharing Association and the Irish Software Association.

TYPES OF SCHEMES AND WHAT WAS AVAILABLE BEFORE BUDGET 2001: Three board categories of schemes were covered by the group. The first, profit sharing, has had tax relief available since 1982. Profit sharing schemes can be either in the form of cash or in company shares. However, only those schemes which are share-based in the form of Approved Profit Sharing Schemes (APSS), introduced by the Finance Act, 1982, were eligible for tax relief. Under APSS schemes, the company establishes a trust into which it pays the profit and the trustees purchase shares on behalf of the participating workers. Shares must be allocated to the participating workers within 18 months, employees then can sell their shares or retain them. As long as the employees leave their shares unsold for three years they can receive up to IR£10,000 on which the employees pay capital gains tax rather than income tax. A second profit sharing scheme is Employee Share Ownership Trusts (ESOTs). These were first established under the Finance Act 1997 and are broadly similar to APSSs except that in addition to the money from the company, the ESOT can borrow or use dividends to purchase extra shares. In order to get tax relief, ESOTs must transfer the shares into an APSS before distributing them to employees. From hereon, the APSS tax relief rules apply.

The second broad category of scheme under discussion were employee Share Ownership Schemes. The crucial difference between profitsharing and Employee Share Ownership Schemes is that, under the latter, the employees must buy the shares themselves whereas under profitsharing the shares are allocated for employees and bought from the money in the relevant trust. Within this category there are two types of scheme. The first of these are Share Option Schemes (SOS). Under SOSs, the company sets aside a certain number of shares for the employees. The prices are fixed at the time that the scheme is established. If the price rises, the employees can sell the shares at the higher price. The purpose of these schemes for employers is twofold. First, employers can assign option quotas on the basis of performance and second if the company performs well on the market employees will receive a reward in the shape of the value of their share prices. Prior to Budget 2001 there was no tax relief for these schemes. The other type of employee share ownership scheme is that of Save As You Earn (SAVE) which were introduced by the Finance Act 1999. Under SAYEs, workers can deposit a monthly sum from their earnings of between IR£10-IR£250 for either 3 or 5 years. Once the time period is lapsed the worker can either take the savings plus interest, which is exempt from Direct Interest Retention Tax, or they can buy shares at the price which the shares were when they joined the scheme. If they take the stock option, and sell it, any profit is taxed at the capital gains tax rate of 20%.
The final type of scheme being examined by the working group was gainsharing. Gainsharing is a system where improvements are made to the efficiency of organisations and the financial gains are shared between workers and the employers. In theory, this gives both parties an incentive to improve efficiency in terms of use of materials, time and waste. A key distinction point between gainsharing and all of the other schemes outlined above is that gainsharing is based upon operational rather than performance criteria of the company as a whole. In addition, gainsharing is a mechanism which can be applied to different parts of the organisation rather than being introduced in a uniform manner. This means, as Cahill (2000) points out, if a particular organisational sphere is highly productive or reduces waste greatly due to a gainsharing regime, payments have to be made even if the company overall has had a poor performance in the given period.

The distinction between the different types of scheme was of critical importance in terms of the motivation of the various parties. The first key distinction between these two is that gainsharing criteria are based upon operational rather than stock value criteria. In addition, because it is based on operational criteria, all sectors of the economy—public sector, private sector and even voluntary sector—can use gainsharing. In favour of the share based systems, measurement is much easier if it is based upon the value of stocks and shares rather than “exceptional” gains on which gainsharing is based. The key difference between share based and profit sharing schemes is that in the first workers must purchase the shares initially from their own capital whereas in the second the shares are purchased with money from the trust.

POSITION OF THE IRISH BUSINESS AND EMPLOYERS CONFEDERATION (IBEC):
IBEC believed that the body could provide a system to provide employers in Ireland with tax relief in order to encourage financial participation in high value added sectors of the economy. The clear preference of IBEC was for tax relief for employee share ownership schemes with special provisions of up to one third of all available shares being ring fenced for “key workers”. “Key workers” could be as few as three. IBEC is generally in favour of individualism of pay and thus felt that the key worker position would provide an incentive to individual motivation. The IBEC reasoning for the key employee category was to encourage a greater proportion of employment in the high value added sectors and to help employers recruit and retain talented workers. IBEC argued that, even with low unemployment, the goal for the Irish economy was to move up the value added chain and argued that the times of Ireland competing on cost basis were gone. Thus, schemes such as this would help to encourage higher value added activity by attracting “key workers”. IBEC argued that in this area comparisons had to be made between countries of the same industry—not within sectors of the Irish economy.

IBEC opposed tax relief for Gainsharing for a number of reasons. First IBEC believed that the stock market was the most accurate independent evaluator of gain in a company, thus gains should be based on this. The second problem IBEC had with gainsharing was that IBEC were heavily concerned about the issue of pay for change. Third, in Private Limited Companies, employers had large problems over the issue of disclosure of information as in the absence of share prices high levels of disclosure would be required. On the other hand, employees believed this was essential for them to have this as they had problems trusting employers. IBEC wanted tax incentives for share option schemes to promote the schemes as they felt, without these, companies would be reluctant to pursue them. IBEC argued that public sector workers do relatively well all of the time and that comparing pay increases in good economic times was unrealistic. In addition, IBEC wanted any initiatives targeted at the software industry where employment turnover is highly volatile compared to the public sector.

THE POSITION OF THE TRADE UNIONS: The trade union position on financial participation was threefold. First, the maximum number of workers possible should be included—the schemes should be designed so that it was not limited to any group and that no group was excluded. SIPTU research had shown that only 10% of employees were covered by share ownership schemes at the time of the working group and that only a further potential 10% could be covered (SIPTU, 2002). Schemes, which involve stock/shares, are in reality limited to employees of Public Limited Companies (hereon PLCs). Public sector workers are excluded by definition. In addition, in operating terms, the vast majority of Private Limited Companies would be excluded as many of
these companies are small and family run, therefore the likelihood of shares being allocated to workers is slim. This was a crucial reason in the trade unions arguing that tax relief for gainsharing was the preferred option as potentially all workers could be covered by such agreements. Second, participation should be based upon operational factors rather than financial market factors. For this reason again, the trade unions favoured gainsharing as the most appropriate mechanism as it covered both of the concerns which the trade unions had. First it was determined from the operating gains that were accrued in comparison to share options which are dependent on company performance on the stock exchange. In addition, the unions argued that it removed the issue of employee distrust of employers as gains were based on operational matters and employees had a closer involvement in the calculation of any gain. Third, workers in PLCs especially in the ICT sector, were amongst the highest paid in Ireland. The trade unions felt that tax relief for schemes should be aimed at the lower paid workers, as this would follow the principle of progressive taxation. The trade unions were not opposed to employee share option systems per se but were opposed to the use of tax relief in order to enable employers to retain workers. They believed that tax relief should be as widely diffused as possible. In addition, the trade unions were vehemently opposed to special treatment for “key employees”, which IBEC was seeking, as they believed this was contrary to the principle of partnership which this group had been established to examine.

**ROLE OF GOVERNMENT:** The role of government was threefold in that, first, it raised issues of strategic concern to the country as a whole, second, it raised issues as the largest employer in the state and third it provided technical expertise. First and foremost the government departments—especially Finance and the Revenue Commissioners—had technical knowledge to input as to operationalising any given scheme and also possessed much information as to the costs of the various schemes. In addition, a key consideration for the Revenue Commissioners was to ensure that the systems would be designed in a way to avoid fraud. On the strategic level, the Department of Enterprise, Trade and Employment was heavily supportive of SOS as they felt it would be a means of encouraging foreign direct investment in the ICT sector in Ireland. This placed them in a position where they were much more in favour of employee share ownership schemes than those of gainsharing for the same reasons as IBEC. Second, the Department of Finance had problems with gainsharing in the public service for three reasons. First, as outlined above, the findings of the benchmarking body were still to be made public and they were reluctant to commit to gainsharing in the absence of a clear strategy on public service pay. Second, the Department of Finance had an overseeing role in Ireland on the issue of pay in all parts of the Irish public service. The introduction of gainsharing would remove some of this function and as one official from the Department of An Taoiseach stated “there seems to be lack of trust in Finance for Departments to take control of their own finances”. Third, the public service in Ireland is currently undergoing a series of change management projects. Finance believed that in the Partnership agreements and Strategic Management Initiative agreements, unions accepted that adapting to change was accepted by unions, therefore they did not want gainsharing to be perceived as a means of achieving pay for change.

**THE USE OF INFORMATION TO PROVIDE PERSUASION:** A key principle behind deliberation is that arguments should be backed up by informed opinions. Initially, a member of the NESC secretariat was asked to provide an outline of the arguments for and against each of gainsharing, share options and profit sharing (Cahill, 2000). The role of the Revenue Commissioners in the working group was to provide much technical and statistical information. Included in this was an estimate by the Revenue commissioners about the potential costs of various tax relief to the exchequer. As one interviewee stated Revenue’s purpose was to ensure that the law was being followed, provide information on opportunity costs of the various schemes and to comment upon how the various schemes may be implemented in practice. Both trade unionists and employers brought their own independent information with them to the group. One of the public service unions, the Civil and Public Services Union, commissioned a detailed report by external consultants on the possible implementation of gainsharing and how it could be operationalised within the context of the public service. This compared experiences of gainsharing type models in other economies and argued for their adaptation to the Irish system.
It argued that in the context of gainsharing individual contributions would be difficult to evaluate therefore gainsharing should be based on group schemes. IBEC used a lot of “in-house” expertise. The IBEC representatives included members of the Irish Profit Sharing Association and the Irish Software Association as they had much information pertaining to the IBEC position. In addition, in advance of the group being established an in-depth survey of the various types of schemes was carried out under the supervision of a former director of IBEC.

DELIBERATIONS: The working group was brought together to look at a number of issues which were being debated. Trade unions were raising the issue of gainsharing in the context of enterprise partnerships, IBEC and in particular the Irish Software Association raised issues around favourable taxing of share options. IBEC always viewed the group as looking at the issue of employee share ownership schemes but also looked at a model for unquoted private limited companies and all other systems coming under the broad heading of employee share involvement. A key point which emerges from the case study is that both IBEC and ICTU had different visions of what it would help to achieve. The trade union group who were involved saw financial participation as a means of increasing the take home pay of workers and thus workers would show greater interest in partnership whereas IBEC saw it as a mechanism to retain workers in tight labour market conditions. In addition, IBEC believed that in order to receive tax relief an active enterprise partnership should not be a prerequisite. Thus, IBEC and ICTU approached the working group with clearly defined problems to solve but the problems were different.

On the issue of persuasion, a trade union interviewee said that there was no real need for the employers to try to inform the trade unionists of their position as the trade unionists knew and understood exactly their position. The IBEC argument was that the type of financial participation envisaged by IBEC was a reality worldwide for the high value added/ high tech industries. In these sectors, these workers receive a high base salary plus a contingency element to their pay. The IBEC argument was that if it was not done in Ireland it would be done elsewhere. However, ICTU did not have a problem with this- ICTU’s problem was that IBEC wanted the government to subsidise this type of scheme by granting them favourable tax relief. The ICTU argument was that it was regressive to have high paid workers having their contingency pay being supplemented by favourable tax breaks or as one ICTU interviewee stated “asking the ordinary tax payer to subvent the pay of the high earner”.

An ICTU official stated that they were “blue in the face seeking tax relief for gainsharing” but that IBEC were completely opposed to this. IBEC were not opposed to gainsharing in principle but the perception of the ICTU official was that they were dragging their heels on it. The main problem over the issue of gainsharing was whether or not it would eventually become part of the expected wage or whether it is a one off payment. IBEC believe that it would become part of basic even if the gains were discontinued. The ICTU officials recognised that there is a strong possibility of this happening but they argued that if the gains made are kept up then there should not be a problem with this. From a practical point of view, the IBEC position was that if a gain was made in one year then for a gainsharing payment to be made the following year, more gains would have to be achieved whereas the ICTU position was that if the gain from the previous year was being replicated then the payment should still be forthcoming. This was a major stumbling block in the issue of gainsharing. From an ideological point of view an ICTU interviewee believed IBEC were opposed to gainsharing as they believed it was productivity bargaining under a different guise i.e. paying for change. IBEC also believed that change is part of everyone’s job therefore there should be no need to pay for unexceptional change. The trade union representatives acknowledged this but the problem of what would be an exceptional enough change to require a payment was an unresolved problem.

Based on what the agreement covering the period from 2000-2003, the Programme for Prosperity and Fairness, stated, the trade union position that the eventual output was inconsistent with enterprise partnership is correct. First, it potentially created two levels of workers in companies and second, the resultant tax relief was not related to enterprise partnership which was explicitly stated as the rationale for this working party. However, enterprise partnership was never discussed in the meetings until the last meeting of the body at which Government and Employers expected to be just finalising the draft report into the final report. It is clear from interviews that gainsharing was discussed at length, however it is equally clear that the explicit linking of gainsharing to
enterprise partnership was not discussed in any detail. There seems to be two explanations for this. First, trade union interviews stated that the links between gainsharing and partnership were obvious. Second, IBEC interviewees stated that they did not see any of the proposed schemes being linked to any particular organisational configuration.

On the depth of consensus, IBEC interviewees believed that the trade unions were in general agreement with them until the very last meeting when the trade unionists raised a number of serious concerns. IBEC interviewees argued that the IBEC position evolved/ was refined though did not fundamentally change but both trade union and IBEC interviewees highlighted the change in the union approach at the end. At the draft report stage, a SIPTU interviewee argued the report was very much looking like “ICTU were giving everything away”. The draft report recommended tax relief on share ownership schemes which would be unlimited. This again was regressive as wealthier workers could buy more shares therefore benefit more from the tax relief. This was further deteriorated by the recommendation of a key employee clause exactly as IBEC had sought. At this point a schism occurred between the ICTU officials and the individual unions involved, resulting in a fragmentation of the union voice. The individual union participants were opposed to proposed tax relief schemes for SOS whereas the ICTU officials were much more willing to be persuaded into accepting the IBEC arguments. However after examining the draft report the trade union representatives believed that what was being proposed was contrary to the interests of their members. Until this point the ICTU officials had taken the lead in the group. Then, the individual unions, lead by SIPTU threatened to walk away from the body unless their opposition to what the government and IBEC wanted was incorporated into the final report. The unions were willing to give on this issue in order to “get something on gainsharing”. In the final report, the trade union position solidified in their opposition to the proposed scheme and their outright opposition to the recommendations were recorded. In their opposition to the report and the resultant Finance Bill, all the unions involved were opposed to the report but the resources of SIPTU enabled SIPTU to be more vocal in their opposition.

THE OUTPUT OF THE PROCESS: As stated earlier the working group had no power to take any initiatives; they were required to make recommendations to the Minister of Finance. Under the Finance Act 2001, the main area which was affected was that of SOSs. Under this any profit made on the sale of the shares purchased in the options would be taxed at the Capital Gains Tax. In addition, the Finance act allowed for the creation of the key employee class. Under the Key Employee category, 30% of the shares allocated in company systems could be reserved for these Key Employees who could number as little as three workers. In terms of preference shifting, it is clear that little was achieved. IBEC representatives outlined that through consultation with the government representatives their position became refined, though no real shift occurred. Within the trade union participants, there was a shift in attitude amongst the participants but rather than coming closer to the position of the employers, despite some shifts towards them during the negotiations, the trade unions probably moved further from the employers than their original position.

UNION ATTITUDE TOWARDS THE OUTPUT: The trade union pillar of the working group was highly disappointed with the provisions for a number of reasons. First, the only schemes covered by the tax relief provisions were share based schemes. Second, in built to the system was a provision that 30% of the shares being set aside for workers could be granted to “key employees”. Further to this problem was the issue that this key employee category could be limited to as little as three workers. Third, was the fact that the schemes were subject to tax relief in that they were subject to Capital Gains Tax rather than income tax. In essence, this meant that the tax was being used to finance these schemes for workers to get a high level of income rather than the employers paying. As the bulk of Irish taxes are income tax this meant that lower paid workers were effectively financing these schemes. One trade union interviewee claimed that from the outset the process was an “IBEC and Government stitch up”. IBEC, especially the software industry association, claimed a trade union interviewee, wanted to introduce an incentive system for workers to stay with their employers and the financial participation working group was used by them for this purpose. SIPTU were publicly highly critical of the output of Budget 2001.
SIPTU’s criticism was two pronged first due to the SIPTU belief that the schemes were regressive in giving tax breaks to higher paid workers and allowing for ring fencing of 30% of shares to an even more elite category. Second, that in addition to being regressive in taxation, the schemes did little or nothing in the way of encouraging enterprise partnership. SIPTU Secretary-General John McDonnell’s press release went as far to argue that the scheme was divisive in terms of its effect on enterprise partnership.

Discussion

The working group achieved little of the “promised” outputs of deliberation. The deliberations did not create any “shared understandings” or “problem solving activity”. Three issues of note emerge from the case study. First, the arguments put forward by O’Donnell et al. that the deliberative element has helped to move Ireland into being a post-corporatist society is questioned. The second issue is that the depth of the shared understandings between the social partners must be questioned by the evidence in the case study. Finally, the third is that uniting the interests of trade unions can prove more problematic than that of employers.

The assertion that deliberative bodies represent “post-corporatist” tendencies lacks substantiation in the case study. Two key element of this argument is that by getting parties to deliberate decision making is made through pragmatic problem solving and informed through shared understandings. As Fung and Wright (2001) highlight for deliberation to be successful participants must concentrate on specific tangible problem solving. It is clear that both the employers and unions had specific problems/ issues which they felt could be pursued but the issues each party envisaged solving varied greatly. In examples cited of empowered deliberative democracy, the problems cited were common to the parties but their initial proposed strategies to solve the problems varied (Fung and Wright, 2002). Cohen and Rogers (2003) argue that this is a problem with seeing deliberation as an answer to the formation of public policy: deliberation only functions effectively where there is a concrete problem which all parties concerned share. However, in the above case, the parties did not share the issue they wanted to resolve; the trade unions were seeking an incentive for enterprise partnership and a means of redressing the insider/ outsider divide. On the other hand employers wished to see financial participation used as an incentive for talented workers. Nor did they want to use a common solution for different problems thus there was insufficient ground for either pragmatic problem solving or shared analysis to take place. Parties approached the issue with the idea of bargaining and quickly retrenched into partisan arguments rather than any sort of shared understandings.

A related issue which Fung and Wright (2001) raise is the need for deliberative bodies to have the powers to formulate and implement policies. This direct link to policy delivery they highlight makes parties see an acceptable solution. However as Rogers and Cohen (2002) outline when parties do not bear the ultimate responsibility for the final policy design and implementation, therefore being made to “accept the consequences of their deliberation” it can lead to parties taking an entrenched defence of their arguments. The design of this deliberative body left the power of final decision at the discretion of the Minister for Finance and thus did not draw out a real problem solving approach as the output was advisory in nature. In the end, even though IBEC achieved what they sought from the body, it would be difficult to uphold the argument that a shared approach to problem solving was followed.

In the case study, the trade unions exhibited the vulnerability of establishing solidaristic action outlined by Offe and Wiesenthal (1980). Different participants were motivated by different rationales. Towards the end of the negotiations of this working group, a clear shift occurred in the trade union attitude. IBEC officials observed that the initial attitude of the trade union involvement was sceptical of the IBEC proposals but these changed when IBEC highlighted the arguments for their proposals. However, at the final meeting when it was believed by IBEC and government officials that only minor alterations would be made to the final reports yet at the final meeting the trade union participants raised a serious of major concerns. As outlined above reasoned debate and argument on the issues at hand can have the potential to shift preferences on an issue but may also make parties more resolute as to the legitimacy of their argument (Cooke, 2002). In this case study, the more that the arguments were put forward on issues the more apparent it became that it would not be resolved to the satisfaction of all parties. Where
In 1993 the Federated Union of Employers and the Confederation of Irish Industry merged to form the Irish Business and Employers Confederation (hereon IBEC).

It is unclear though when O'Donnell distinguishes bargaining from deliberation whether he is taking all four of Walton and McKersie's (1965) forms into account or just distributive bargaining. The latter seems more likely.

Conclusion

Using the particular case-study chosen, it would be quite easy to jump to the conclusion that deliberative bodies deliver little in terms of problem-solving. However, a more cautious conclusion will be drawn here. The first point is a methodological point in that much more work needs to be carried out on the functioning of other deliberative bodies. However, what the case study does demonstrate is that the preconditions for integrative bargaining (Walton and McKersie, 1965) contain important lessons for experiments in deliberative democracy. In this case study, there neither existed a shared problem requiring deliberative solutions nor a shared mechanism requiring deliberated outputs; in short no real meeting of agendas occurred. There is no doubt that deliberation and integrative bargaining do play an increasingly important part in modern European social pacts (Baccaro, 2003; Rhodes, 1998; Hassel, 2003). This stream of literature argues that recent social pacts have been less focussed on distribution, with more focus being placed on creating the conditions for economic growth. However, “difficult” issues such as financial participation (D’Art, 1992; Pontusson, 1992) remain “distributive” issues and the expectation of deliberation to deliver on these is probably at best unrealistic and at worst foolhardy. To classify Irish social partnership as being “post-corporatist”, in essence post distributive bargaining, has not been sustained in the case study. Distributive bargaining remains an important element of social pacts, even if the areas where it manifests itself have changed.

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What’s different about Tasmanian enterprise bargaining?
The rise and decline of Part IVA agreements?

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ABSTRACT
The number of Part IVA enterprise agreements approved in the State of Tasmania increased during 1993-1999 with the expectation this trend would continue. This has not been the case. There has been a decline in the number of applications received and approved and an increase in the numbers withdrawn. This trend reversal coincided with The Industrial Relations Amendment Act 2001 and the abolition of the Office of the Enterprise Commissioner. This paper is a preliminary exploratory study of the rise and decline of Part IVA enterprise agreements in Tasmania. It provides an historical overview of the legislative background to enterprise bargaining, reports empirical trends in Part IVA enterprise agreements and Australian Workplace Agreements (AWAs) in the State, and presents emerging qualitative themes based on depth interviews. We acknowledge our findings are preliminary and require further research investigation. However, our initial proposition is the use of a ‘fairness test’ has led to an increasing circumvention of the enterprise bargaining system. What’s different about Tasmanian industrial relations may be the spurious nature of a system, which on the surface appears sound but which may have become increasingly weak.

Introduction
The details of Tasmanian industrial relations are not well known to commentators and researchers of mainland Australian or indeed to those internationally. This is, perhaps, due to the regional nature of industrial relations on an island and the assumption Tasmanian industrial relations is connected but somehow different to that on the mainland. Yet, the Tasmanian case has as much to offer on the subject of industrial relations bargaining structures and outcomes. This study is deliberately exploratory. If indeed, Tasmanian industrial relations is different then any a priori theoretical attempt to use the literature may cloud preliminary findings, which could later be tested against theoretical propositions.

During 2000-2002 the Tasmanian Industrial Commission (TIC) continued to fine-tune the procedures for registering Part IVA enterprise agreements. Despite this, the numbers of enterprise agreements received and approved declined.

The legislative background to Part IVA agreements in Tasmania is outlined and the major legislative developments examined. We present figures that demonstrate a strong growth in the number of Part IVA enterprise agreements, followed by a significant drop. These figures coincide with the abolition of the Office of the Enterprise Commissioner (OEC) in January 2001. We also present data available on agreements in the Federal arena, paying particular attention to changes in the composition or mix of Federal agreements, which are other than awards, i.e. certified agreements union and non-union and Australian Workplace Agreements (AWAs). Finally, we present a sampling of the viewpoints of the key parties to industrial relations in Tasmania. While these viewpoints are based on exploratory interviews they provide speculative themes for further investigation.

The legislative background outlines significant developments since The Industrial Relations Act 1984. We draw on published secondary documents of the Tasmanian Legislative Select Committee, Tasmanian Trades and Labour Council (now Unions Tasmania) and the Tasmanian Industrial Relations Commission. Our aim was to draw on documents, which record accounts of the establishment and subsequent abolition of the Office of the Enterprise Commissioner.

We use figures from the annual reports of the Office of the Employment Commission (OEC)) and the TIC, for the period 1999-2002 to demonstrate not only a decrease in the number of agreements received but also an increase in the number of agreements withdrawn (after initial application). We use unpublished figures provided by the Office of Employment Advocate (OEA) to demonstrate the rapid growth of AWAs in Tasmania.
A small number of depth or exploratory interviews were held with Commissioners of the TIC, Unions Tasmania, Tasmanian Chamber of Commerce and Industry, and the major private consultant who assists employers with the lodgement of AWAs. These interviews were carried out during June and December of 2002.

Legislative background

This section outlines the legislative background to trends in Part IVA Enterprise Agreements in Tasmania. The decline in numbers received and approved coincides with changes to the enterprise bargaining system following the Industrial Relations Amendment Bill 1999, decisions of the Legislative Council Select Committee as specified in the document entitled ‘Industrial Relations 2000’, and the subsequent Industrial Relations Amendment Act 2001.

For the purposes of examining the legislative background to Part IVA enterprise agreements the key changes to The Tasmanian Industrial Relations Act 1984 will be detailed. Following this we provide an overview of submissions by key parties prior to The Tasmanian Industrial Relations Amendment Act 2001 and the abolition of the OEC.

The major development of The Tasmanian Industrial Relations Amendment (Enterprise Agreements and Workplace Freedom) Act 1992 was the introduction of Part IVA, sections 61A-61ZE which provided for the establishment of the Office of the Enterprise Commissioner (OEC) and for a system of registration of enterprise agreements. These provisions were to exist alongside the continuing provisions for awards and industrial agreements (i.e. sect.55 agreements), with the Act specifying the OEC deal with enterprise agreements and the TIC with industrial agreements and awards.

The significant development of The Tasmanian Industrial Relations Amendment Act 1997 was the introduction of a ‘fairness test’. This amendment provided for the application of a test similar to the ‘no disadvantage test’ applied in other States and the federal arena, and section 61J(1)(f) stipulates, ‘The Commissioner must approve an enterprise agreement unless satisfied that… the agreement is not fair in all circumstances’.

The principal change of The Tasmanian Industrial Relations Amendment Act 2001 was the abolition of the OEC with the upshot being that Part IVA enterprise agreements are now dealt with by the TIC. The Commissioners of the TIC now approve enterprise agreements following a formalised set of procedures, which aim to establish clear guidelines for the parties.

INDUSTRIAL RELATIONS AMENDMENT BILL 1999: In 1999 the Tasmanian Government revealed a draft proposal of industrial relations legislation. There were a number of components to the proposal. First, there was a recommendation for the abolition of the OEC. Second a proposal for the transfer of the approval process to the TIC. Third, the provision that unions should be able to apply to be heard by the TIC in relation to agreements in which they had a direct or relevant interest, and the provision that the TIC would not register an agreement if a matter by a union justified refusal (Davis, 1999:3). Fourth, the Industrial Relations Act 1984 only requires enterprise agreements be made available to the parties. This was consistent with agreements made under s.55 of the Act and based on the employer argument that agreements contain commercially sensitive information that may be of value to competitors (Garnham, 1998:169). While the Select Committee 1996 concluded that making agreements public would “demystify the system and boost public confidence in it” the practice remained (Garnham 1998). This matter was revisited in the Industrial Relations Amendment Bill 1999. Clause 24 of the 1999 Bill proposed that enterprise agreements be open to public scrutiny.

TASMANIAN TRADES AND LABOUR COUNCIL SUBMISSION 2000: The Tasmanian Trades and Labour Council (TTLC), now Unions Tasmania, presented a submission to the Legislative Council Select Committee in February 2000. This submission was entitled, ‘Why we need to change the Industrial Relations Act’. The TTLC proposed the introduction of a no net detriment test, arguing there had been “numerous examples of workers being unaware of their actual entitlements and giving up conditions via the enterprise agreements system” (TTLC, 2000:11). The TTLC also supported the abolition of the OEC with the view the TIC could adequately deal with the
registration of enterprise agreements, and also give impartial advice to employers and workers on choices in the appropriate form of regulation (TTLC, 2000:10). Further, the TTLC refuted the employer argument that enterprise agreements should remain private documents, claiming the fact that enterprise agreements are dealt with separately and secretively has allowed workers to lose conditions they would otherwise be lawfully entitled to (TTLC: 10).

**LEGISLATIVE COUNCIL SELECT COMMITTEE 2000:** In April 2000, in response to concerns of the business community, the Legislative Council Select Committee produced a summary of recommendations for the Parliament of Tasmania. This report addressed issues surrounding the proposed *Industrial Relations Amendment Bill, 1999* and was entitled *Legislative Council Select Committee: Industrial Relations*. Members of the business community had expressed concern about a lack of consultation with employer representatives. The business community were particularly concerned with the inclusion of a ‘no net detriment test’ and the likely comparison of the terms and conditions of enterprise agreements with previous award conditions. They claimed the 1999 Bill was being rushed through Parliament without sufficient time for scrutiny and investigation.

The key recommendations of the Legislative Council Select Committee were based on the submissions from parties concerning the approval process of enterprise agreements. The recommendations were first, there should not be a ‘no net detriment test’ applied to enterprise agreements. Second the OEC should be retained and therefore Part IVA of the Act retained. Third, enterprise agreements should not be available for public inspection but limited to the parties involved so as to protect matters of commercial confidentiality. The committee stressed that ‘no person should be precluded from accepting employment conditions which may not meet a no net detriment test if that employee were aware of all the relevant provisions of Part IVA of the Act and the OEC Commissioner deemed the agreement fair in all the circumstances’. The committee highlighted the need for consistency in decisions relating to enterprise agreements and therefore the need to retain the OEC.

**INDUSTRIAL RELATIONS AMENDMENT ACT 2001:** The above events preceded the *Industrial Relations Amendment Act 2001*. At face value the Legislative Council Select Committee supported many of the concerns of business. By contrast, in support of workers the TTLC had sought the introduction of a no net detriment test. The TTLC also refuted the claim that enterprise agreements should be private documents, rejecting the employer argument enterprise agreements contain matters of commercial confidentiality (TTLC, 2000: 11).

The *Industrial Relations Act 2001* repealed Division 3 of part IVA. This abolished the OEC and all applications for enterprise agreements have since been handled by the TIC. A further amendment directed the TIC to specify through formalised guidelines how it would apply the fairness test.

The substantive outcome of enterprise agreements is dependent on the procedural application of the fairness test. Although *The Tasmanian Industrial Relations Amendment Act of 1992* contained minimum conditions for enterprise agreements, and *The Tasmanian Amendment Act of 1997* introduced the ‘fairness test’, *The Tasmanian Industrial Relations Amendment Act of 2001* leaves the minimum conditions to be specified procedurally through the formalised guidelines for enterprise agreements.

Pursuant to Section 61J of The Tasmanian Industrial Relations Amendment Act 2001 a Commissioner must approve an enterprise agreement unless satisfied that:

- The agreement does not meet the minimum conditions specified in Section 61F;
- The matters referred to in Section 61E are not contained in the agreement;
- The bargaining process adopted by the parties to the agreement was not appropriate and fair;
- The agreement was made under duress;
- Any matter raised during the hearing by the Minister or an organisation intervening, justifies the refusal of the approval of the agreement;
- The agreement is not fair in all the circumstances;
- The requirements of Section 6112(2A) & (2B) have not been met.
That is:

i. The parties to the agreement are aware of their entitlements and obligations under Part IVA of the Act and any changes to their existing conditions of employment resulting from the agreement taking place,

ii. That any secret ballot required to be conducted in relation to the agreement has been conducted in accordance with section 61ZB(1),

iii. The parties to the agreement were provided with a written statement at least two weeks before the ballot to approve the enterprise agreement specifying:

   a) any changes to their entitlements and obligations resulting from the agreement taking effect; and

   b) the nature of any changes to existing conditions of employment.

If the Commissioner finds any one, or some or all of the above requirements have not been met, it must follow that this would lead to a refusal to approve an enterprise agreement. A comparison of the fairness test with a no net detriment test appears favourable as the requirements of Section 61I(2A) & (2B) ensure a comparison of the conditions of enterprise agreements with previous awards. However, employers have demonstrated a loss of faith in Part IVA agreements by opting for AWAs and other forms of regulation. The following sections present the data on trends in Part IVA agreements and AWAs.

**Trends in Part IVA enterprise agreements Tasmania**

Official numbers on Part IVA enterprise agreements are collected monthly. These numbers have been maintained by the OEC and TIC since March of 1993 and provide the basis for our discussion on trends in the numbers of enterprise agreements received, approved, and withdrawn. We draw on unpublished data provided by the OEC from March 1993 to June 2000 and by the TIC from June 2000 to June 2002. While the annual report of the TIC 2001/2002 provides published data on the number of agreements lodged, approved, withdrawn, refused, awaiting approval and not renewed the data is presented differently and not useful in demonstrating the rise and decline of Part IVA enterprise agreements.

The following material will identify some significant limitations to the figures we use and care must be taken when attempting to generalise from them. The figures on enterprise agreements are a record of agreements received, approved, and withdrawn in the registration process, for each year. There is no data readily available on the total sum of enterprise agreements active in any one year.

As enterprise agreements have a duration of between one to five years, they roll on from one year to the next, and an agreement registered in one year will not be recorded again, until it comes up for renewal in a subsequent year. This implies the numbers of active enterprise agreements may be more than the number recorded as approved for each year.

Nor do the official numbers identify which of the agreements approved in any one year are new as opposed to being renewals. This also distorts the numbers, but suggests the converse, a doubling up in the recording of some of the agreements.

Recognition also needs to be given to the coverage of enterprise agreements. In Tasmania, enterprise agreements are largely adopted by small business and whilst the incidence of enterprise agreements appears high the agreements tend to cover small numbers of workers (Commissioner of the TIC: 2000). Based on the unpublished data provided by the OEC and TIC (1993-2002), the 917 agreements approved by June 2002 covered only 21,078 employees, an average of only 22 employees per organisation.

Finally, it may be the case that a level of saturation has been reached and the numbers will increase again when agreements come up for renewal. A number of these limitations are revisited in the following discussion.

Figure 1 illustrates the number of Part IVA agreements received by the OEC and TIC prior to approval, the number of agreements approved by the OEC and the TIC, and agreements withdrawn after the initial registration process, i.e. before a decision is made to approve or reject
the agreement. Of the total 1,034 agreements received by June 2000, 917 were approved, 68 withdrawn, and the 49 unaccounted for agreements recorded as ‘awaiting hearing dates’. The total number of agreements ‘awaiting hearing dates’ relates to the whole of the period from March 1993 to June 2000. There is no data available to specify the number of agreements ‘awaiting hearing dates’ for each of those years.

There was a steady increase in Part IVA enterprise agreements received and approved over the period March 1993 through to June 1999 (238 received, 232 approved, 2 withdrawn). This peaked during the periods 1997-1998 & 1998-1999, with a proportionately high number (97%-99%) of agreements approved, and very few (<1%) withdrawn. This trend was reversed in 1999-2000, with a 23% reduction in the number of agreements received, only 74% of those agreements approved, 8% withdrawn, and the 33 unaccounted for agreements presumably ‘awaiting hearing dates’ (183 received, 135 approved, 15 withdrawn). Data employing the same method of data collection but provided by the TIC demonstrates a continued trend reversal for June 2000-June 2002.

The overall scope of enterprise agreements in Tasmania was relatively high prior to the trend reversal. As a rough estimate, Part IVA enterprise agreements may have been as high as 45.5% of the total of collective agreements by 2001. Although the numbers for actively registered agreements are not available for specific years, we did obtain TIC (2000) data showing there were 494 registered Part IVA enterprise agreements (excluding expired) as at 30th June 2000. Those (494) registered Part IVA agreements roughly represent 45.5% of the total (1,084) collective enterprise agreements in the Tasmanian State jurisdiction in 2000.

Our figure for the scope of enterprise agreements compares well with other data sources. For instance ACIRRT (2001) report 69% of award-based employees in Tasmania were covered by a collective agreement in the State jurisdiction in 2000. ACIRRT (2001) also report the number of collective enterprise agreements in the State jurisdiction for Tasmania was 1,084 at September 2000, with that figure representing a composite of industrial agreements (s.55) and Part IVA enterprise agreements under the Industrial Relations Act 1984 (TAS).

A further important consideration is the ratio of Part IVA enterprise agreements to employees covered. The 494 enterprise agreements active and registered in Tasmania in 2000 covered 7,657 employees (TIC, 2000), on average only 15-16 employees per agreement.
These figures demonstrate the relatively high number of Part IVA enterprise agreements were from small business defined by the ABS as those businesses with fewer than 20 employees (Cat 3201, 2001). Employing small businesses in Tasmania numbered 10,000 during 2000-2001 (40.5% of the total 24,700 businesses in the private sector in Tasmania). Those 10,000 employing small businesses employed 48,700 people during 2000-2001.

While the decreasing number of Part IVA enterprise agreements being registered in Tasmania can be related to the growth of AWAs, consideration also needs to be given to the mix of State agreements. Our data on this is patchy. In June 2001 the number of industrial agreements (section 55) registered was 68, and in June 2002 the number was 83. An explanation of this trend is difficult. In the context of the uncertainty surrounding Part IVA agreements it could be attributed to the parties falling back on the clearer legislative base of this type of agreement. It could also be taken as evidence of a weaker trend towards AWAs. However, without comprehensive data it is impossible to confirm either speculative claim.

**A Shift from state (Tasmania) to federal jurisdiction agreements**

At face value, data provided by the Office of Employment Advocate (OEA, 2002abc) confirms a shift from State (Tasmanian) to Federal jurisdiction agreements, particularly to AWAs.

The figures indicate a rapid growth of AWAs in Tasmania from 1999 on and a steady increase in agreements registered in each quarter (the exception being the periods June 2001 - March 2002 and September 2002 - December 2002)(OEA, 2002a). By December 2002 AWAs had grown by approximately 380% (see figure 2). However, the numbers are low, they may cover a low base, and it is not possible to determine whether they are live or repeats.

![Figure 2: AWAs Tasmania September 1998 - December 2002](image)

A second set of OEA data relates to trends for AWAs in Australia. The figure for ‘live’ AWAs, that is, those approved in the two years prior to December 2002, was 150,000 Australia wide (OEA, 2002b). However, as the OEA is not notified when people either move jobs or take on other agreements there is no way of knowing how many AWAs are still active. The AWA data gives no account of which agreements are new as opposed to re-newed, or which agreements have expired (AWAs have a duration of three years). Consequently, while the figure for ‘live’ AWAs is 150,000 Australia wide, this figure is only a proxy.

A third set of OEA data (see Table 1) compares the shares of AWAs with the shares of working population, for each State or Territory (OEA, 2002c). The data shows the share of AWAs coming from NSW, VIC and Qld is below the percentage share of their working population, whilst the share of AWAs coming from WA, SA, TAS, ACT and NT is higher than the percentage share of their working population. That is to say, the share of AWAs in the latter States (Tasmania...
What’s different about Tasmanian enterprise bargaining? The rise and decline of Part IVA agreements?

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Sourced by OEA from ABS Cat. 6203.0

Data on trends in the composition or mix of Federal agreements indicate a significant growth in ‘other than federal awards’, i.e. certified agreements and AWAs (based on data from Trends in Federal Enterprise Bargaining Report of 27 Nov 2002, OEA: 2002c). However, the overlap of forms of employment regulation makes it difficult to ascertain the exact change. As noted by Plowman (ACIRRT working paper 2002) many awards are supplementary awards, and many certified agreements are supplementary to awards. AWAs can therefore exist along side awards and certified agreements in any one organisation.

**Emerging Themes**

The following section presents themes drawn from the in-depth exploratory interviews held with officials of the key Tasmanian Industrial Relations organisations during June of 2002. Tasmanian Industrial Commission (TIC), Unions Tasmania (UT), Tasmanian Chamber of Commerce and Industry (TCCI). Further interviews occurred during December of 2002 involving officials of the Office of the Employment Advocate, and an authorised agent for the lodgement of AWAs in Tasmania. These themes are descriptive but are used to provide a speculative account of the rise and decline of Part IVA enterprise agreements. We treat these as emerging themes from an exploratory study, open to more rigorous investigation and testing in the future.

**EMPLOYER’S CHOICE OF REGULATION:** The major private consultant (Ireland Consulting) assisting small business employers with the lodgement of AWAs in Tasmania reports business owners complain of the ongoing inconsistency in the approach of Commissioners of the TIC. This inconsistency led employers to fear unpredictable outcomes. Compared with Part IVA enterprise agreements, when lodged with private consultants AWAs can be processed within sixteen days and the outcome is certain. Indeed, since the introduction of electronic lodgement and the centralisation of processing in the Sydney office of the OEA, AWAs have undergone a consistent annual growth Australia wide (Department of Employment, Workplace Relations and Education, 2001).

The choice of regulation seems to have been guided by a number of factors. While ‘some’ guidelines were in place for registering enterprise agreements prior to the abolition of the OEC, the newer and more formal guidelines of the TIC aim to increase the awareness of parties to changes in the terms and conditions of employment. These guidelines contain a statutory declaration that must be signed by the parties, guidelines for the conduct of secret ballots, a summary of Part IV of the Industrial Relations Act 1984, and a draft statement of awareness that must be signed by the parties. In essence, the aim of the guidelines is to produce a more rigorous process of approval. The reaction of small business employers appears to have been negative.

The major private consultant reports the introduction of Part IVA enterprise agreements was a boon for employing small businesses. The tendency of unions and employer associations to focus on the needs of larger employers meant the needs of employing small businesses were ‘dealt out’, i.e. locked into the monopoly arrangement of Unions, Employer Associations and an award system that failed to meet the needs of small business. The advent of enterprise bargaining fragmented the monopoly arrangements, providing an avenue for small businesses to obtain more flexible agreements.
Indeed, from an employer perspective, the early years of the enterprise bargaining system were such that the OEC and employers were able to reach ‘reasonable understandings’ without too much concern for procedural fine-tuning. It is clear this is not the position of the unions, who report dissatisfaction with the quality of those early agreements.

For employing small businesses, the turn around position came with The Industrial Relations Amendment Act of 2001. Since then the TIC approach has been viewed as inconsistent in approach and unpredictable in outcome. There have been reports of a wane in employer enthusiasm since the enactment of that Act. Indeed, records of Ireland Consulting show AWAs have dominated since 2001 with 80% of clients now seeking AWAs.

At State level (Tasmania), regional offices of the OEA undertake the marketing of AWAs, promoting the ‘big four’ areas of flexibility and innovation; casual work, flexible hours, work and family, and performance pay. More generally, some of the proposed merits of AWAs include improved employee relations, and more flexibility with manning levels, demarcation boundaries, and the use of contractors. With the restructuring of the OEA in 2002 there was the further development of a policy and research unit in Sydney and an expansive client services network (cns) for the States. CNS provides face-to-face support to industry partners, employers and employees.

**INDUSTRY PARTNERS AND EMPLOYER ASSOCIATIONS**: By contrast, the larger employer associations look set to support both Part IVA agreements and AWAs. The Tasmanian Chamber of Commerce and Industry report an interest in maintaining Part IVA agreements, at least for the benefit of small businesses where there is no representation. At the same time, they look set to follow the trend towards AWAs. This is reflected in the development of their partnership with the OEA. These partnerships aim to smooth the process of registering AWAs.

Other employer associations in partnership with the OEA are the Australian Hotels Association, Tasmanian Logging Association, Australian Mines and Metals Association, and the Tasmanian Chamber of Commerce and Industry (TCCI). The private consultants are Ireland Consulting Services Pty Ltd, and James Graham and Associates.

**THE UNION POSITION**: The union position (TLLC now Unions Tasmania) has always been that Part IVA agreements allow State award conditions to be undercut (Unions Tasmania). As it stands the test applied to enterprise agreements is ‘the fairness test’, as legislated in 1997. This test was maintained as part of a compromise package imposed on labour through the Industrial Relations Amendment Act 2001, but it reflects the continuance of a test that labour opposes. That said the impact of the more recent formalised guidelines, including the recommendation of a comparison of Part IVA and s.55 (industrial agreements) conditions, is seen to go some way towards improving the situation.

The background to the union position is as follows. The Industrial Relations Amendment (Enterprise Agreements and Workplace Freedom) Act 1992 introduced Part IVA agreements and set the minimum conditions that were to be applied. From labour’s perspective, the enterprise agreements approved during the early 1990s’s resulted in agreements with low conditions of employment. The subsequent Industrial Relations Amendment Act 1997 introduced a ‘fairness test’, but Unions Tasmania spokesperson reports a continued failure to lift the low benchmark of conditions. Indeed, in the Industrial Relations Amendment Bill of 1999, labour proposed a ‘no net detriment test’ with the explicit aim of reflecting the ‘no disadvantage test’ that applies to certified agreements and AWAs, federally. Their aim was to introduce a mechanism of protection such that ‘on balance’ Part IVA agreements did not provide a net detriment if comparing the conditions set in industrial agreements (s.55) or awards.

The turn around for the unions came with The Industrial Relations Amendment Act 2001. Unions Tasmania report, when the legislation was drafted the minimum conditions for Part IVA agreements were not specified. On that basis, there was nothing to safeguard workers. Irrespective of whether the change was intended or a legislative oversight, the TIC has had to determine ‘in detail’ how the fairness test is to be applied. The formalised guidelines (2001) are viewed as a means of achieving that protection, and for labour may be a small move in the right direction.
Discussion

The declining number of Part IVA enterprise agreements being registered in Tasmania corresponds with legislative changes. The legislative silence over the minimum conditions of s.61(F) has been a strong incentive for the TIC to develop formalised guidelines for Part IVA agreements. While there is some merit to the argument the tougher approach of the TIC has had a negative impact on the number of these agreements being registered and approved, other factors have also played a role.

The response of employers has been pragmatic. Prior to the Industrial Relations Amendment Act 2001, employers were less attracted to AWAs. As an individual form of regulation AWAs have to be registered for each employee. By and large this has been a disincentive for both small and larger organisations, particularly given the need to register multiple individual contracts. However, following the 2001 amendments, and the more stringent procedural rules for enterprise agreements, AWAs may appear to employers an attractive alternative.

It appears AWAs have a promising future with respect to the State of Tasmania. Industrial relations commentators of the mainland may well see this as unsurprising. Yet, the decline of Part IVA enterprise agreements and the rise of AWAs in Tasmanian is neither confined to employer pragmatism or limited to employees who have the skills and abilities to negotiate a contract, or to employees with little bargaining power.

We believe the more significant findings of this exploratory research concern the procedural and substantive implications of Part IVA enterprise agreements. Employers may avoid the application of the ‘fairness test’ by the TIC by opting for the AWA system. For labour or employees generally the threat of a decline in employment conditions rests with the procedural and substantive outcomes of the fairness test in Part IVA enterprise agreements and or with the no disadvantage test in AWAs. However, the more significant consequences have to do with the declining use of enterprise bargaining structures and the limit on parties to the bargaining process. While the TIC is under increasing pressured to ensure procedural and substantive fairness, the TCCI and Unions Tasmania have been increasingly dealt out of the bargaining processes of enterprise bargaining. What’s different about Tasmanian industrial relations may be the spurious nature of enterprise bargaining structures, which on the surface appear sound but which have become increasingly weak.

In the context of the growing employer preference for AWAs and the increased use of private consultants, it is possible to speculate party pragmatism may at some time urge the TIC, the TCCI and Unions Tasmania to adopt a consensual approach to the management of enterprise agreements. This is a matter of conjecture, but it is one possible avenue. The upshot could be more involvement by traditional employer and labour representatives, arguably a good thing given the tendency of employers to circumvent bargaining structures and processes. However, AWAs do not have direct union involvement and the impact on unionism could be a further decline in membership.

The findings of this study are of course exploratory and we acknowledge the themes from respondents anecdotal. The proposition of spurious enterprise bargaining structures in Tasmania requires a more rigorous investigation. We look forward to further research and to comments on this paper.
References


Industrial Relations Act Tasmania 1984 and Amendments.


Two paths - one road? Creating managerial states in the United Kingdom and Australia

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Cardiff University, The University of New South Wales

ABSTRACT
This paper traces the development of managerial states in the United Kingdom and Australia. It argues that both states followed different paths to similar destinations. In the United Kingdom the managerial state was established by a Conservative government and intensified by New Labour. In Australia managerialism was promoted by Labor and further developed by the Coalition government. Central to the process was the role of organised labour, neither acting as an advocate of these changes nor as a robust opponent of them. The paper explores these changes and to argue that they are predicated on a complex and evolving compromise between organised labour and the new managerial stratum that has emerged as a consequence of the adoption of ‘New Public Management’ in both states. The paper concentrates on the administrative and managerial functions of the state and considers the rise of managerialism; the recentralisation of management; the exploitation of reform of public labour processes and the resulting dilemmas of organised labour.

Introduction
A common feature of both the Australian and British states is the embrace of managerialism in the organisation and operation of the state administrative structures. What is distinctive, however, is that both governments followed different paths to the similar ends. Central to this process is the role of organised labour, neither acting as an advocate of these changes nor being a robust opponent of them. The aim of this paper is to explore these changes and to argue that they are predicated on a complex and evolving compromise between organised labour and the new managerial stratum. In both countries Australia and the United Kingdom the public services, and in particular the core administration, has been recast since the early 1980s, continuing throughout the 1990s. Characterised as ‘New Public Management’ (Hood 1991) although other designations include ‘managerialism’ (Pollitt 1993); ‘entrepreneurial government’ (Osborne and Gaebler 1993); and ‘market based public administration’ (Lan and Rosenbloom 1992), the unifying feature is the recomposition of administrative structures around a set of managerial relations. The rationalisation for these changes is usually presented in terms of ‘modernisation’ of the state administrative apparatus in order to reposition the national economies more effectively in an increasingly globalised world (Fairbrother and O’Brien 2000). While the broad contours of these developments have been documented (Halligan and Power 1992; Zifcak 1994), there has been a relative neglect of the way in which these changes lay the foundations for a remoulding of the labour process implications of these changes for state employees (Fairbrother 1994, 1996, 2000; O’Brien and O’Donnell 1999; Carter and Fairbrother 1999; Australian Journal of Public Administration 1998 and 2000).

The paradox of this process, however, is that the critical condition for these developments is the reluctant compliance of organised labour, legitimating the direction of the modernisation strategy by default rather than its design. The paper argues that the construction of the managerial state rests on a complex relationship between organised labour and management, in part to draw the limits to government enthusiasm to create state administration as a ‘bad’ employer. This paper concentrates on the administrative and managerial functions of the state.

The paper is organised in the following manner.

- The background of the two states;
- Putting managers in place;
- Recentralising management;
- Exploiting labour process reform; and
- Dilemmas for organised labour.
Background

Throughout the post-war period, there was a trend towards the consolidation and centralisation of the British state apparatus (Fairbrother 1994). Similar processes were at work in Australia, initially under the Labor government and subsequently by conservative regimes. Since the late 1970s, governments have sought to impose a sharper financial regime on state services and further the imposition of direct managerial control of work processes. Successive governments transformed these areas of activity from a bureaucratised set of institutions, characterised by standardised conditions of work and employment, to a managerial and commercialised employer.

‘Putting managers in place’

The prime conditions for the transformation of core administrative arrangements were the introduction of managerialist practices. Whilst initially these were hesitant processes, they eventually amounted to a refocusing of the sector. The outcome was a restructured labour process and change in the dominant mode of control of labour in the sector. Class relations at the point of production were recomposed, so that a differentiation between a ‘middle’ class of state managers and a ‘working’ class of state employees became more apparent (Carter and Fairbrother 1995).

The first step in the transformation of the British civil service was the introduction of business-management techniques in order to both redefine and relocate the responsibilities of civil service management. A variety of programs were brought together in 1982, under the rubric of the Financial Management Initiative, developing a managerial form of organisation at a workplace level (Efficiency and Effectiveness in the Civil Service, 1982). During this period, management information systems and devolved forms of organisation, such as cost centres, became relatively widespread (Financial Management in Government Departments, 1983; Progress in Financial Management in Government Departments, 1984; Gray and Jenkins, 1986: 171 - 185). These initiatives were not welcomed, however, throughout the civil service and there was considerable debate about the direction of change at senior levels (Metcalfe and Richards, 1984; Drewry and Butcher, 1988: 204).

These were limited ‘reforms’, aimed at managerial practice, and by implication the relations between managers and their staff. They did not involve the structural reorganisation of the civil service, which that would have allowed the conception of a managerial civil service to be realised. The latter development would require breaking the link between the civil service as an operational institution responsible for the direct provision of goods and services, and the civil service as a policy formulator and adviser of governments and as a contract manager for the privatised delivery of services.

While the primary restructuring of the civil service in the took place under a Conservative government, many similar changes in Australia were initiated by a Labor government, operating within a framework of a Laborist conception of social democracy, but with an accelerating movement in a neo-liberal direction. The initial impetus of the Labor government was to reassert political control over the public service that had, hitherto, operated as a quasi-autonomous instrument of governance.

One of the first actions of the new Labor government in 1983 was to institute a major recasting of the Commonwealth Public Service Act. The White Paper on the Australian Public Service stated that ‘the balance of power and influence has tipped too far in favour of permanent rather than elected office holders’ (Commonwealth of Australia 1983). The changes emphasised cabinet priority setting, ministerial control and input from partisan, as well as public service sources (Halligan and Power 1992). In the period 1984-1987 the focus shifted towards managerialist modes of public service. Managerialism was principally manifested through extensive reforms of budgetary processes that would enable ‘Ministers to involve themselves in the allocation of resources’ (Commonwealth Public Service Board, 1983-4: 4). The assertion of more explicit political control over the public service was symbolised by the redesignation of permanent heads of government agencies as ‘secretaries’ and the creation of senior executive service designed to provide a more mobile, but a less secure, stratum of senior public servants. These initiatives simultaneously asserted political control while creating a senior management elite more consciously separated from the rest of the public service (O’Brien 1999). These initiatives
were reinforced by a number of financial measures that were designed to increase managerial accountability of the public sector with an emphasis on shifting from compliance to a greater degree of performance control (FMIP Diagnostic Study 1984: 37). To this end a comprehensive Financial Management Improvement Program was implemented that included the standard managerialist line-up: corporate and program management, program budgeting, corporate planning and performance evaluation together with a general Management Improvement Program (Halligan et al., 1992).

**Recentralising management**

The introduction of relatively limited sets of managerial practices, with the beginnings of a redefinition of work relations, set the scene for the transformation of the sector. This shift was accomplished through the introduction of decentralised forms of administration. The task was to both to develop operational responsibility while ensuring continued central control over the financial basis of the administration.

In the United Kingdom the decisive step came with the publication of, and subsequent implementation of, the Ibbs report in 1988 (Jenkins et al., 1988). The Ibbs Report, popularly titled 'The Next Steps', addressed the question of the conditions for the creation of a managerial civil service, proposing the establishment of a series of semi-autonomous management units, known as Agencies, working to the parent Departments (Jenkins et al., 1988). These enterprises were organised as enterprises with their own management strata, recruitment policies and terms and conditions of employment. By April 1999, there were 107 Agencies (covering more than 356,520 permanent employees, 77 percent of the civil service workforce (Government Statistical Services, 2000).

While these initiatives were taken by Conservative Governments during the 1980s and first half of the 1990s, with the election of New Labour in 1997, the restructuring of the civil service intensified. There was further privatisation of the civil service, the continuation of the Next Steps project, but of even more significance was the elaboration of the Modernising Government Program (Modernising Government, 1999). The program outlines a form of public service management that rests on an adaptation of private sector business practices. These reforms involved competition for senior civil service management positions, the introduction of more comprehensive performance management and performance-related pay systems, and the re-examination of business planning systems in the main departments (Cabinet Office 2000). The result is an attempt to graft onto the civil service a process of governance that encompasses a form of public administration that is cast as more responsive to citizens, and also more significantly to ‘business’.

In Australia, in the 1990s the Labor government moved to further decentralise management functions in the Australian Public Service (APS). In 1994 a government-appointed recommended a major revision of the Public Service Act and the industrial regulation of public service employees along lines that characterised private sector workers (McLeod 1995). Before these changes could be implemented, however, the government changed in 1996. The new Coalition government attempted to radically recast the Public Service Act, but the Senate initially rejected the changes, although a modified legislation was passed in 1999. In the meantime the government, relied had to rely on the new agreement-making provisions under the Workplace Relations Act to be the prime instrument of ‘cultural change’ in the APS. The Public Service and Merit Protection Commission, Peter Shergold, declared that there was

a need to remove central control that is premised on the false assumption that the APS is a single labour market in which every decision is driven by the relentless pursuit of uniformity. We need to free ourselves form the red tape that binds management decisions in layers of prescription. We need to wind back the cumbersome mechanisms of bureaucratic control (Shergold 1997).

The first bargaining round under the new legislation was to be the prime arena for the articulation of the ‘new public management’ arrangements in the APS.
Two distant governments drove this initial stage in the process of reorganising and recomposing the state administrative structures. Building on the somewhat limited, but necessarily first stage, these governments promoted a comprehensive re-institutionalisation of the state administrative structures. This was a profound step since in each case the twin objectives of an operational depoliticisation and centralised financial control were realised.

**Exploiting labour process reform**

The marketisation of state administrations led to a reconfiguration of class relations within the state, with implications for labour representation and collective state worker activity. The primary focus for this was the recomposition of the labour process with the explicit definition of a ‘frontier of control’ between a ‘new’ stratum of managers and a more proletarianised workforce. In this respect, the ‘frontier of control’ was made both more explicit. Central to this process was the achievement of a new settlement between state managers and unions.

**The United Kingdom**

As the restructuring of the British Civil Service proceeded, the prospects for unions went through some dramatic shifts. Initially, the devolution of managerial responsibility to the office level opened up the prospect of wider bargaining opportunities at this level of organisation. The Inland Revenue Staff Federation (IRSF) embraced this opportunity, but it was regarded sceptically by the two main unions at the time (National Union of Civil and Public Servants - NUCPS and Civil and Public Services Association - CPSA) who were committed to maintenance of the centralised forms of bargaining. As a result, the moves made to broaden the bargaining agenda at a local level were something that took place in the absence of national leadership involvement, and occasionally, outright hostility.

The importance of the first stage of union response was that it produced a new generation of members who became used to a more direct involvement in union affairs at the local level. It coincided with a series of reviews within the civil service unions about the ways they should organise and operate (Drake *et al.*, 1982). The aim of these reviews was to reorganise the unions so as to provide the basis for a more sustained mobilisation of members in the face of increasingly hostile governments. In doing so, the model of the workplace steward was promoted, although often against a background of debate about how to best direct the activity of such representatives (Fairbrother 1984: 88 - 95). This was a period in which local bargaining and disputes became more common, accompanied by the emergence of more activist workplace stewards in greater numbers than previously (Fairbrother 1994). The density of these unions was maintained during this period, workplace unions became part of the representative structures, and office-based negotiations became common, particularly over working conditions (Marsh, 1992, Carter and Fairbrother 1995; Fairbrother 1994 and 1996).

It was only with the second stage of reform, under the auspices of the Next Steps program and the associated fragmentation of the Civil Service, that these embryonic workplace-based representative structures came into their own as the basis for the aggregation of union interests. With the break-up the centralised bargaining arrangements and their replacement with Agency-based arrangements, the memberships could continue the uneven process of developing forms of unionism in which interest representation could operate effectively at Agency level. Although there was an episodic aspect to this process of union reorganisation, focused on particular issues and involving sections of the memberships, the foundation has been laid for effective mobilisation and the organisational articulation of interests in the relatively harsh conditions of Civil Service reform during the 1980s and 1990s. Even so, devolved bargaining was still largely conducted by paid union officials, although elected lay officials found themselves with greater responsibilities for pursuing workplace issues and personal grievances (interviews, Public and Commercial Services Union officers, 15 & 17 September 2001).

Nevertheless, these developments must be viewed against the pressures for older forms of union activity to reassert themselves. A feature of unionism in the United Kingdom was the apparent inability to integrate effectively local union organisation within the broader national union structures. Nevertheless, the devolution of managerial hierarchies and the fragmentation of civil service institutions created the conditions for more varied and localised union initiatives, and
thus provided the basis for union recovery and renewal. It was possible that unions in the civil service could begin to reorganise and refocus their activities both structurally and ideologically, developing union forms where the emphasis was on local initiative, where members were able, and encouraged, to participate (Fairbrother 1996; 2000). In practice, such a rebalancing of relationships went some distance, but ran up against the entrenched power of national leaderships, who continued to take the view that the parochialism and localism of the workplace was such that disassociated national leadership was the only way forward.

During the late 1990s, with the election of the New Labour government, the gains of the earlier period were undermined by union attempts to reposition as a ‘partner’ of the state as employer, with the contradictory consequence of stalling the moves towards union renewal. On its re-election of the Blair government, gave priority to the reform of the civil service, as part of the process of presenting the state as the handmaiden for Labour's policies toward the economy and the community. Central to the realisation of this objective was the program outlined in the White paper on government modernisation and the reform strategy developed in 1999-2000 (Modernising Government, 1999 and Cabinet Office, 2000). These were preceded by the Employment Relations Act 1999, which provided a legal framework for securing union recognition.

The civil service unions secured a partnership agreement as part of the government's modernising strategy, advocated by the government. This Agreement, between the Cabinet Office, Public and Commercial Services Union (PCS), Institute of Professionals, Managers and Specialists (IPMS), and the Association of First Division Civil Servants (FDA), and the Council of Civil Service Unions (CSSU) is seen by the government as the means to achieve ‘continuous improvement’ in the civil service. This objective was to be realised through work reorganisation, increased use of information technology, and the delivery and provision of public services (PCS, nd.). The union leaderships saw it as the means of securing the position of the unions, as well as providing the basis for influencing the modernisation process, at a time when many unions expressed disquiet about the government's agenda for the public sector, particularly the extension of public-private initiatives in the delivery of public services.

The reality of Labour in power, however, has highlighted the limited possibility of a social democratic imperative in the current period. There is considerable evidence that the Labour government has little intention of accepting anything other than a limited agenda of industrial citizenship. Moreover, it could be argued that the Labour government position that sets the agenda for the reforms undermines any more radical view of social partnership. Such a vision would entail an emphasis on organisation as the precursor of an authentic partnership. In general, the focus on social partnership presupposes effective organisation, otherwise partnership relations are unequal and the unions become supplicants rather than partners. The solution for many is the promotion of a managerialist unionism, centralised and professional, as necessary to secure the benefits of partnership while maintaining the integrity of the union. In this perspective, the future for unions is clear; it emphasises the importance of centralised, effective union organisation, achieving a fruitful and productive balance between active workplace unionism and forward-thinking centralised leaderships (Heery and Kelly 1994; Terry 1996). To the extent that the civil service unions embrace this perspective, the gains made in the late 1980s and 1990s, in laying the foundation for participative forms of unionism are compromised (Fairbrother 2000).

**Australia**

Two models emerged in Australia.

**LABOR’S HYBRID MODEL:** Changes in personnel management in the APS tended to lag behind financial reforms, changes in general management and political co-ordination. After 1987 the Public Service Commissioner and individual agency secretaries carried out many of personnel functions previously exercised by the Public Service Board. Staff establishments and industrial relations remained under the control of the Departments of Finance and Industrial Relations respectively. From 1983 to 1987 changes to personnel arrangements were largely legislatively based and encompassed alterations to personnel policies and practices. These changes were management-driven and were located within a wide-ranging recasting of the Commonwealth sector. From 1987 changes in employment relations took place in a more explicitly industrial context.
In 1984, the Public Service Board embarked on a major review of the public service classification system. This process involved an extensive broad banding and simplification of the classification systems in the APS (Dorrington 1992). This process required the active involvement of public service unions. It suited the parties to negotiate centrally, although the new arrangements could be subsequently implemented to meet the specific requirements of individual agencies. This ‘managed decentralism’ of the industrial relations system generally enabled the processes within the Commonwealth sector to be integrated into broader industrial relations changes. The second tier and the structural efficiency wage principles required unions to negotiate with employers on issues of efficiency and productivity in exchange for access to arbitrated wage adjustments. By tying management-initiated organisational changes to the wages system it was possible to incorporate unions into management agendas, while limiting the capacity of management to impose changes without negotiation. The industrial democracy model of consultative management, employee participation and limited codetermination gave way to a more traditional industrial relations model of negotiated change through the wage system. (O’Brien and O’Donnell 2002).

In 1991 both the Labor government and the ACTU argued for the institution of workplace bargaining that would further develop the model of managed decentralism that had required unions to negotiate about workplace change in exchange for wage increases granted by the Industrial Relations Commission. Labor maintained a central place for unions in the process whereas the Opposition Coalition parties articulated a model that would deny unions a guaranteed role in workplace level industrial negotiations. Thus, Labor had a political imperative to demonstrate that its model was preferable to that being promoted by the Coalition (O’Brien 1995).

In December 1992, the government signed an agreement with 27 public service unions. It provided for the development of more flexible employment conditions at the agency level in exchange for an overall wage adjustment. Agency managements could make an agreement with unions operating within the agency. Those agencies that made an agreement were required to return some part of the savings wrought by the agreement that a central fund that would be used to pay wage increases to agencies that had not been able to reach an agreement. This became known as the ‘foldback’ mechanism. The unions would have preferred the maintenance of a completely centralised system, but they could live with a system that guaranteed that all public servants a share in a wage increase, even if it was not applied simultaneously to all agencies. The leadership of the Public Sector Union, was constantly attacked by sections of its membership for its concession to a moderate degree of decentralisation (O’Brien 1997). This internal disputation also had the effect of delaying a reconstitution of internal reorganisation to meet the exigencies of a more decentralised environment.

For the leadership of the Public Service Union the organisational priority was the merger with the state-based public service unions that was realised in 1994. Moreover, many agency managements thought that the arrangements did not give them sufficient scope to negotiate genuine agency-specific employment agreements. In the view of those agencies, the foldback mechanism provided too much incentive for other agencies to avoid making agreements (Halligan et al., 1996). It was hardly surprising that in the lead up to the 1996 election the government and the unions agreed to return to a more centralised arrangement. There would be a service-wide agreement and agencies were free to bargain on a range of agency-specific employment arrangements, without needing to negotiate about wages. There were few agency-level agreements made within this framework (Yates 1988).

**THE COALITION ‘LOOSE - TIGHT’ MODEL:** The Coalition government was determined to have ‘real’ agency level agreements without providing opportunities for some agencies to rely on central funding arrangements (Reith 1997). Given its general in industrial relations policy, it could not appear to maintain a tight degree of control over its own employees. Yet the government needed to ensure that its agencies conformed to those policy directions. Its instrument for appearing to loosen supervision, while maintaining overall control (a ‘loose- tight’ model) was its parameters for agreement making. The key provision of the parameters was that any agreement needed to be consistent with the government’s general industrial relations policy. Of particular note here was that unions were to lose their ‘privileged’ role as the exclusive bargaining agents for employees. Moreover, agreements were to be funded within the appropriations made to each agency(O’Brien and O’Donnell 1999b).
It took some time for the CPSU to respond to these developments. Its first response was to make do with an industrial relations system that was operationally decentralised, but where the Department of Workplace Relations enforced the government's bargaining agenda. The CPSU also lost some thousands of members as a consequence of 'downsizing' in the APS. Its response to these developments was to centralise the union by reducing the power of the regional branches and replacing them a divisional structure that, in part, mirrored the organisation of the APS itself. It also centralised its finances. Much of its servicing functions were centralised into a Membership Services Centre staffed by organisers. This enabled the national level of the union to re-deploy resources into bargaining. By 2001 about 70 percent of its APS members were covered by agreements negotiated by the union. By 2004, the figure was over 80 percent (O’Brien, Junor and O’Donnell 2004).

The dilemmas for organised labour

The changes in the United Kingdom took place within the context of a comprehensive assault on trade union power by Conservative governments in the 1980s. In Australia, however, the union movement had been partially incorporated into the Labor's government's broader state restructuring agenda through the quasi-corporatist Accord arrangements. National-level pay bargaining came under threat in Britain, whereas in Australia, the centralisation of bargaining did not begin generally until the early 1990s and in the state sector, in any real sense until the latter 1990s. In both countries, state sector unions had developed in the context of standardised employment and industrial arrangements, largely characterised by national level pay bargaining in the United Kingdom and service-wide arrangements in Australia. The more agency focus of public service reform and the reconstitution of managerial structures presented a challenge to unions in both countries. In the United Kingdom, the public service reforms were a reflection of a wider exclusion of unions and a radical recasting of labour market regulation. In Australia, it occurred within a context of the managed decentralisation of the industrial relations system that was predicated on union co-operating with work reorganisation in exchange for wage increases. On the surface, the system in Australia was more benign for unions, whereas in Britain unions were put much more on the defensive.

The reforms in the United Kingdom were driven from the centre and were premised on the marginalisation of trade unions and their members from the process of recasting the standardised and uniform work and employment relations. Policies were implemented to reconstitute the forms of control and the organisation of the labour force in these sectors. The concern to modify the standardised and detailed work routines and patterns characteristic of much of this work led to an intensification of work and increased managerial discretion. From a relatively anonymous position within an extended administratively controlled hierarchy, managers were transformed into highly visible and identifiable actors involved less in a collective labour process and more in the control and supervision of the work of others. This signified the ending of a unified Civil Service, characterised by standardised work and employment conditions, and the beginning of the creation of an enterprise or commercialised employment structure, within which there is a more highly visible state ‘middle’ class of managers, and ‘working’ class of employees (Carter and Fairbrother 1995).

The pattern of change in Australia was different, reflecting the particular version of social democracy elaborated during the 1980s (Dow 1993). Drawing on a long labourist tradition, the successive Labor governments elaborated a view of the state that should be both responsive to the citizenry as well as being a more participatory and enabling (Beilharz 1994). The aim was to reorganise the state sector so that the stultifying and conservative practices of the past were to be replaced by a 'modern' public service. Central to this program was the view that some form of industrial democracy was desirable, if not necessary, for the accomplishment of the type of reforms envisaged. So, rather than weaken union influence, the premise was that union involvement in the process should be active and involved, affirming the place of workers and their unions as positive proponents of change. In this case, managers became more and more involved in the collective labour process. This was a social partnership, between a management that sought to establish managerial prerogative and labour as an active contributor to and participant in the process of change.
This tentative settlement was shattered, however, with the election of the Coalition government in 1996. Its more determined path towards the managerial state is predicated on the marginalisation, rather than the incorporation of, state sector unions. The Coalition government's public service reforms are, the application of its broader industrial relations policy to its own employees.

**Conclusion**

The restructuring of the core state sector in both countries has been in process for over two decades. These processes took place against two civil and public services that had long been organised in centralised and hierarchical ways. In the context of increasing difficulties with private capital accumulation, growing trade union militancy in the state sector and a shift in government ideology, governments began to impose more stringent financial regimes on state services and to re-structure the control of work processes. The processes and trajectories of change in both countries were, however, different involving distinctive approaches to the perceived problem of labour inclusion or exclusion. Nonetheless, the overall outcome is two managerial states developing in parallel ways as modern capitalist states.

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Economic unionism and labour’s poor performance in Indonesia’s 1999 and 2004 elections

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ABSTRACT

There has been a rapid expansion in the number of trade unions in Indonesia since the fall of President Suharto in May 1998. Since then, unions have gradually increased their ability to influence industrial relations at the national level and to bargain on the shop floor. In the 1999 and 2004 general elections, attempts were made to convert labour’s increasing industrial power into a presence in the national parliament. Both failed miserably for a complex range of reasons. This paper argues that while labour’s political failure can be partially attributed to electoral immaturity, its primary cause lies in the labour movement’s ambivalence towards political models of unionism.

Introduction

Freedom to organise is not new in Indonesia, which had a long history of independent unionism during the first two-thirds of the twentieth century (Elliott 1997; Ford 2003; Ingleson 1986). However, current laws that permit as few as ten workers to form a union represent a dramatic departure from Indonesian labour policy under Suharto’s New Order regime (1966-98), which sought to contain the labour movement through its authoritarian state corporatist system of industrial relations.

During Suharto’s 32 years of rule, organised labour experienced severe repression in the name of socially responsible economic unionism. Unions that survived the anti-Communist purges of 1965-66 were effectively replaced by a federation of industrial unions (The All-Indonesia Workers’ Federation, FBSI) in 1973, which was in turn forced to restructure in 1985, when FBSI was transformed into single union with nine departments (All-Indonesia Workers’ Union, SPSI). SPSI was officially again restructured as a federation (Federation of All-Indonesia Workers’ Unions, FSPSI) in 1993 and unaffiliated enterprise unions were permitted from 1994; however, in practice Suharto’s New Order government maintained its one-union policy by preventing alternative unions to organise above plant level.

After the legislative and policy restraints on free trade unionism were relaxed following President Suharto’s resignation in May 1998, there was a veritable explosion in the numbers of trade unions registered in Indonesia. By the end of the Habibie interregnum in October 1999, there were twenty federations registered at the national level alone (FSPSI n.d), and three years later, the Department of Manpower had registered 61 federations, one confederation, almost 150 labour unions and some 11,000 enterprise unions (SMERU 2002, p.vi). Five years after the fall of Suharto, there were three main union confederations in Indonesia. The first two grew out of the single state-sanctioned union of the Suharto period. The Indonesian Trade Union Congress (KSPI), which has enjoyed the confidence of important international actors, including ACILS and the ILO (Interview with Sofyan, KSPI Executive, 1 July 2003; Interview with Puthut Yulianto, ACILS Program Officer, 15 July 2003; Interview with Alan Boulton, Director of the International Labour Organisation’s Jakarta Office, 16 July 2003) is a break-away from what was FSPSI. The second is the ‘status quo’ part of FSPSI, which has since changed its name to Confederation of All-Indonesia Workers Unions (KSPSI). The third major union confederation is Muchtar Pakpahan’s Confederation of Indonesian Prosperous Workers’ Unions (KSBSI), formerly the Indonesian Prosperous Trade Union (SBSI), the most influential of three ‘alternative’ unions established outside official industrial relations structures in the late New Order period.

While Indonesia’s new unions have faced many challenges since 1998, it is indisputable that conditions have dramatically improved for organised labour. New Order state corporatism has been replaced with a liberal-democratic system of industrial relations, which combines a North American-style focus on enterprise-level collective bargaining with the tripartite structures favoured by the International Labour Organisation.
Under the New Order, SPSI, and later FSPSI, had only a token presence on national committees and even less influence in most workplaces, but since the fall of Suharto, significant progress has been made towards better representation of workers’ interests both on the shop floor and at national level within Indonesia’s tripartite and bipartite structures.

To what extent has unions’ success in their campaign for industrial recognition been matched by advances within formal politics? This paper argues that labour’s industrial victories have not been matched by success in the political arena, and that unionists’ and other labour activists’ suspicion towards what they see as ‘political unionism’ has been a major contributing factor to labour’s poor performance in the 1999 and 2004 General Elections.

‘Political unionism’ in Indonesia

The relationship between the labour movement’s industrial and political wings is often taken for granted in Europe and Australia. However, in Indonesia, there is a sharp divide between the two, which can be attributed to the legacies of labour movement structures in the post-Independence period (1945-1965) and the manner in which the Suharto regime demonised the involvement of the organised labour movement in elections and formal political processes.

In the 1950s and 1960s, scholars of Indonesia labour used the concept of political unionism to explain the connections between unions and the Indonesian nationalist movement in both the late colonial and post-Independence periods (cf Tedjasukmana, 1958; Hawkins, 1963; Hasibuan 1968), at a time when, internationally, the concept of political unionism was very influential. International proponents of theories of political unionism argued that the activities of unions in developing countries were more likely to be political than economic, because of unions’ involvement in nationalist movements and their lack of industrial bargaining power (Bates, 1970). There is a vast literature on political unionism, but two relatively old models of political unionism in developing countries are quite useful in the Indonesian context. In the late 1950s, Galenson (1958) suggested that a ‘duality’ of purpose is common in developing-country union movements because unions must balance members’ interests and the requirements of nation building. In a survey of unionism in former British colonies published in 1980, Decades later, Gladstone (1980) proposed a closely related model, which identified a transition from a honeymoon period shaped by the ‘real or presumed role of trade unions in the independence movements and the identification of prominent trade union leaders with those movements’ to a state-sponsored restructuring of unions into a ‘tool of development’ (see also Essenberg, 1981).

Gladstone’s model is particularly pertinent to Indonesia, where the politically active unions of the post-Independence period were restructured by the New Order regime to serve the ‘national interest’, which was expressed in terms of development goals. Indonesia’s New Order regime (1966-98) sought to contain the labour movement through its authoritarian state corporatist system of industrial relations, under which organised labour experienced severe repression in the name of socially-responsible economic unionism. After the New Order was established in 1966-67, it introduced the idea of Pancasila Industrial Relations as part of a developmentalist, corporatist state system ostensibly built on the ‘family principle’ and the ‘traditional’ values of ‘mutual help’ and ‘deliberation to reach a consensus’, built on the concept of functional groups formulated during the Guided Democracy period (1959-1965) (Bourchier 1996; Reeve 1985). The architects of Indonesian corporatism set out to eliminate the legacies of pre-New Order unionism by forcing the non-communist unions that survived the transition to restructure as a federation of industrially-based unions (FBSI). New Order ideologues argued that unions must be ‘renovated’ in order to avoid repeating ‘the mistakes of the past’, when organised labour had eschewed its socio-economic responsibilities in favour of a divisive political unionism in which ‘outside’ interests (primarily the interests of political parties) were prioritised over members’ needs and the national interest (Soekarno 1984). In the words of Moertopo (1980, p.23) the chief architect of New Order corporatism:

In the past, the Indonesian labour movement was divided and difficult to unify because of ideological differences between its leaders, who emphasised the political struggle and neglected the struggle to improve the socio-economic welfare of its members...The FBSI’s struggle emphasises the socio-economic struggle to improve workers’ welfare, and
the achievement of better working conditions and social guarantees. In doing so, FBSI is returning the function of the labour movement to that of labour union rather than of political organisation.

Moertopo’s corporatist vision was tempered by contemporary international ideas about unionism—concepts supported by unions in Western Europe and by the ILO, which promoted a system of tripartism based on social-democratic principles. Non-communist international labour bodies, notably the ICFTU, the AFL-CIO and the German Friedrich Ebert Stiftung (FES, Friedrich Ebert Foundation) were influential in Indonesia at the time when the New Order’s labour regime was taking shape: although their hopes for a strengthening of existing non-communist unions were considered unpalatable by the Indonesian government, the models of unionism they promoted were influential in the establishment of the FBSI. Within Indonesia, moderate socialist union leaders were involved in the restructuring of the labour movement. More prominent, however, were the leaders of religiously-based unions, who generally employed a conservative version of social-democratic rhetoric in which workers’ interests were deemed to be best protected within a harmonious employment relationship predicated on Muslim or Christian morality. One of the most influential union leaders in Indonesia in the early 1970s was Agus Sudono, the leader of the Muslim union federation, GASBIINDO. Sudono, who chaired FBSI from the time of its formation in 1973 to the time it was restructured as a single union in 1985, defined labour unions in social-democratic terms:

A trade union is a permanent, democratic organisation that is formed voluntarily from, by and for workers, to improve the protection afforded to them in their work, to improve their working conditions through collective bargaining and their life situation, and as a means of expressing workers’ opinions about issues that arise in the community (Sudono 1979, p.26).

However, Sudono, like Moertopo, repeatedly emphasised the difference between political organisations’ ‘ideological, long-term, socio-political struggle’ and unions’ ‘real, short-term, socio-economic struggle’ (Sudono 1977; Sudono 1979). In New Order Indonesia, this meant not only that unions should not be controlled by political parties, as European social democrats have argued (see Bernstein 1975) but that labour should not be involved in formal politics at all.

The New Order’s emphasis was reflected in its labour historiography. Having introduced Pancasila Industrial Relations as an ‘indigenous’ model of labour relations in 1974, the New Order regime was anxious to create an historically continuous sense of workers’ desire to be united to achieve improvements in their own economic conditions while participating in national development and eschewing political unionism. At the same time, it wanted to differentiate itself from the previous regime. New Order labour historiography achieved these aims by building a story of continuity with a purported minority of labour unionists who struggled to achieve ‘pure’ (economic) unionism in the colonial period and through the Sukarno years. In that story, the ambitions of members of historically ‘pure’ unions to achieve unity were repeatedly frustrated, because the majority of unions had been ‘subverted’ from their economic and nationalistic purposes by political parties in general, and the PKI in particular (Ford 2003).

New Order labour histories argued that unions were unable to achieve their desire for unity because of their links to political parties in the late colonial period (1900-1945) and the post-independence period. They claimed that these factors distracted unions from their ‘true’ (socio-economic) purpose, which meant that members’ interests—and the national interest—were neglected (see for example Kertonegoro 1999). Furthermore, most New Order authors were silent on the economic credentials of the trade unions. Instead, they emphasised unions’ historical neglect of the ‘socio economic interest’ of workers (SPSI 1995; Simanjuntak 1992; Mukadi 1992). They argued that political trade unionism made unions ‘too weak to fight for the interests of their members’ (Batubara 1991, pp.76-77), leaving ‘the main objective of improving the welfare of workers and of their families’ unattended (DoM 1997, pp.2-3). These New Order accounts claimed that when political parties and other labour intellectuals were eliminated under the New Order, trade unions were ‘freed’ to unify and resume their rightful place as defenders of workers’ socio-economic interests and the national interest.
In a country where relatively few labour histories are available, and access to historical documents is extremely limited, the assumptions that underpin New Order accounts of unionism in the late colonial and post-Independence periods were surprisingly influential, even amongst the informal labour opposition. As a result, although independent labour activists vehemently rejected the outcomes of New Order labour policy, and encouraged demonstrations against the regime, many remained ambivalent towards the possibility of developing direct links with a political party because they shared the New Order's view that unions were likely to be captured by the interests of the political parties concerned, leaving them unable to successfully fight for members' interests. This is reflected in the alternative labour histories written by labour activists and unionists during the last decade of the New Order period, which highlight the class aspects of struggle of unions in the colonial period, but are silent on the strength and variety of unions after Independence. Despite extensive historical evidence that communist-aligned Central All-Indonesia Organisation of Trade Unions (SOBSI) was in fact closely linked to the Indonesian Communist Party (Elliott 1997), Razif (1998), for example, celebrates the formal declaration of non-alignment as the exception to the general pattern of union weakness resulting from unions' ties to political parties.

**Attitudes of the labour opposition to political unionism**

As in other exclusionary corporatist systems, the New Order's single union was primarily an instrument of control rather than a representative body (Ford 1999; Hadiz 1997). Labour opposition began to grow after 1985, when the FBSI was replaced by the unitary All-Indonesia Workers' Union (SPSI). By the end of the Suharto period in 1998, two of the three major 'alternative' unions of the period—the social-democratic Indonesian Prosperity Trade Union (SBSI) and the radical Indonesian Centre for Labour Struggle (PPBI)—had become significant forces for change. A number of NGOs concerned with labour issues had also become heavily involved in labour organising during this period (Ford 2003; Hadiz 1997).

The key players in labour opposition in the late New Order period had widely differing views on union involvement in formal politics. Dita Sari and other PPBI activists argued for political unionism along Leninist lines, where unions' role was to support a revolutionary party in the achievement of the dictatorship of the proletariat. In contrast, SBSI's founder Muchtar Pakpahan publicly eschewed connections between political parties and unions, arguing that unions' primary purpose was to achieve socio-economic change on behalf of their members, and that this was best achieved by non-affiliated unions. Similarly, some dissident members of the government-sponsored SPSI (later FSPSI) who privately supported links between unions and political parties were publicly supportive of union independence from political parties. Meanwhile, although independent labour activists associated with many of the better-known labour NGOs firmly rejected the New Order's attempts to limit workers' freedom of association and the right to bargain collectively, they largely accepted the New Order's negative interpretation of political unionism, arguing that involvement in formal politics would hinder unions' ability to serve their members' interests (Ford 2003).

Muchtar Pakpahan's involvement in SBSI, although by no means the only example, provides an excellent illustration of labour activists' ambivalence towards political unionism (and therefore the involvement of intellectuals in union executives) during the last decade of the New Order. One symptom of this ambivalence was activists' rejection of outsiders' involvement in the labour movement, the strength of which was demonstrated in their criticisms of Pakpahan's continuing involvement as General Chair of SBSI. As Tom Etty (1994, p.9) of the Dutch Trade Union Federation (FNV) confirmed in 1994, labour NGO activists:

> hold the view that setting up a union and being active in it is only workers' business. They are, for that reason, very critical vis-à-vis the trade union movement as it manifests itself currently in Indonesia: 'outsiders' play the leading role there. Clearly, their main target is the SPSI. But remarkably enough some of them are also somewhat weary [sic] of the SBSI, whose General Chairman is a lawyer by profession.

Pakpahan's chairmanship also presented a dilemma for the founders of SBSI themselves. According to Amor Tampubolon of YFAS (the labour NGO to which Pakpahan previously belonged), Pakpahan was only intended to be a short-term, transitional leader (Interview with
Amor Tampubolon, 29 March 1999). His decision to continue in the post caused tension between SBSI and his former colleagues, who believed he should step down and allow a worker activist to fill the position.

More predictably, Pakpahan’s involvement in SBSI was opposed by the government and members of the official union. Government bureaucrats and union officials criticised SBSI, arguing that it was an NGO, not a ‘real’ labour union because its officials were not members of the working class. Even stronger criticisms were made of Dita Sari and the FNPBI, whose preference for mass political action over grassroots organising was described as an indisputable return to an era when unions served the interests of political parties rather than the interests of their members and the nation.

**Political developments since 1998**

Has labour activists’ antipathy towards political unionism survived in the post-Suharto period? It seemed as if labour had embraced new opportunities for political engagement when four of the forty-eight parties that contested the 1999 General Election claimed to represent labour’s interests. Two of those parties—Muchtar Pakpahan’s National Labour Party (PBN) and Wilhelmus Bhoka’s Indonesian Workers’ Party (PPI)—had trade union connections. As noted earlier, Muchtar Pakpahan was the founding Chair of the major independent union of the late Suharto period, SBSI (now KSBSI), which was finally permitted to register as a union after the fall of Suharto. Wilhelmus Bhoka, on the other hand, was a pre-New Order trade unionist who had continued working within the state-sanctioned union during the Suharto era. Within days of Suharto’s resignation, Bhoka, along with other New Order and pre-New Order labour figures, including Trimurti, who was a trade unionist, Indonesia’s first Minister for Labour (1947-48), a member of the Indonesian Labour Party (PBI) and head of the Women’s Labour Front (BBW), established the PPI, which was formally registered in February 1999 (KPU 2004c). The other two labour parties that took part in the 1999 Election, the All-Indonesia Workers’ Solidarity Party (PSPSI) and the Workers’ Solidarity Party (PSP), were rumoured to be fronts for Suharto’s interests. A fifth party, the Workers’ and Students’ Party of Struggle (PPP) was registered with the Department of Justice and Human Rights, but did not contest the election (KPU 2004a).

However, labour’s advances on the industrial front were not matched in the political sphere in 1999. Pakpahan’s PBN, the most successful of the four labour parties that contested the ballot, received just 140,980 votes, or 0.13 percent of the national total, significantly below the two percent threshold required to maintain formal party status. The other three ‘labour’ parties attracted a collective total of 174,846 votes, or 0.17 percent. If the 78,730 votes cast for the radical, pro-worker Democratic People’s Party (PRD) are included, the five parties received a total of 394,556 votes, or 0.37 percent of votes cast (KPU n.d.).

In 2004, there was only one labour party in the twenty-four parties listed on the ballot paper: Pakpahan’s re-constituted Social Democratic Labour Party (PBSD). According to Indonesian Electoral Rules, parties that attracted fewer than the two percent of the vote required to maintain formal party status after 1999 were not permitted to contest the 2004 election. Consequently, a number of parties who had not passed the threshold re-registered under different names, including PBN, which re-registered as PBSD on 1 May 2001 (KPU 2004b). A number of other ‘labour’ parties also registered or re-registered after 1999—including the curiously named Party of Indonesian Businesspeople and Workers (PPPI)—and a total of three, including PBSD, passed the Department of Justice and Human Rights’ administrative verification procedures. The other two labour parties were the Indonesian Labour Force Party (PTKI), the Indonesian Workers’ Congress Party (PKPI) (KPU 2004c; KPU 2004d). Only PBSD passed the final stage of verification required to participate in the 2004 election, in which it was determined that Pakpahan’s party had a presence in 22 Indonesian provinces (KPU 2004b). Although the PRD-linked National Front for Indonesian Labour Struggle (FNPBI), the successor of the PPBI which remains an important force in informal labour politics, identified the Election as its major concern for 2003-2004 (Interview with Dita Sari, Chair of FNPBI, 13 July 2003), PRD’s successor, the People’s United Opposition Party (PPOR) did not appear on the Electoral Commission’s official lists for party registration process, although it was listed in at least one newspaper article listing parties that had failed the third stage of verification (Kompas, 4 October 2003).
Despite the fall in the number of labour parties contesting the election, the labour vote in 2004 was marginally better than in 1999. Pakpahan’s PBSD attracted 636,397 votes, or 0.56 percent of the vote (KPU 2004e). Nevertheless, in the context of the Indonesian labour force statistics, this result was extremely poor. Indonesian Bureau of Statistics figures indicate that in 2001, just over twelve million Indonesian (over thirteen percent of a total workforce of approximately ninety-one million) were employed in the manufacturing sector alone (BPS n.d.). While a large proportion of workers are not union members, he three main union confederations claim a total membership of around ten million. KSBSI, which is now affiliated to the WCL, claims 2.1 million members in 287 branches (Interview with Timbul Simanungkalit, Member of Central Leadership Council of KSBSI, 3 July 2003), while KSPSI claims 4 million members (World Bank 2003). Meanwhile, KSPI’s 12 union affiliates collectively claim some 3.1 million members (ICFTU-APRO n.d.). Although no firm figures are available on what percentage of members is regularly paying dues, and numbers of due-paying members are definitely lower than these estimates, these figures suggest that hundreds of thousands, and perhaps millions, of unionists in Indonesia are not voting for the parties that claim to represent labour.

Explaining labour’s poor electoral performance

The reasons for labour’s poor turnout are complex. Some of them relate to the political immaturity of the electorate in general, and others stem from the characteristics of the workforce. There are strong internal ties in particular working-class suburbs, but there is little sense of community amongst Indonesia’s waged workforce as a whole. Instead, a rigid hierarchy exists between different groups of workers, and there is little recognition of their common interests (Ford 2003).

However, much of the problem lies with unions themselves. There are fierce, ongoing debates about the ‘proper’ function and composition of unions in Indonesia (Confidential Interviews 2003), but most of the current generation of labour activists have been strongly influenced by socio-economic definitions trade unionism, as demonstrated by attitudes within the labour movement towards ‘labour’ parties in the 1999 and 2004 Elections. The post-Suharto government continued to mobilise the anti-political unionism rhetoric of the New Order period in its critique of political labour. For example, on the occasion of the foundation of Bhoka’s party, PPI, Minister for Manpower Bomer Pasaribu’s expressed concern that PPI would be exploited as a vehicle for its founders’ political interests, thus recreating the conditions of the Old Order era, when workers ‘were used as political targets in general elections and then they were left behind’ (Jakarta Post, 29 May 1998). Meanwhile, and more significantly, there was demonstrable disquiet when Pakpahan announced that he would form a labour party for the 1999 election within the labour movement itself. Labour activists, some of whom were unionists from SBSI itself, continue to publicly and privately question his motives, accusing him of using workers for his own purposes (Confidential Interviews 2001, 2003).

Conclusion

Formal politics is an effective mechanism through which labour can increase its ability to influence society in general and conditions in the industrial relations arena in particular. Under Suharto’s New Order regime, labour was strictly prohibited from developing ties with political parties or becoming involved in other ways in electoral politics. The New Order’s aims were both pragmatic and ideological: the regime wanted to harness Indonesian workers to achieve national development, and it feared a return to the ‘political chaos’ of the post-Independence period when unions were closely linked to political parties. The New Order justified its concerns in terms by invoking an indigenous philosophy of state corporatism and a unique interpretation of contemporary international ideas about unionism, which emphasised the socio-economic function of unions. It supported this stance by producing a body of labour history that demonised politically-affiliated unions in the post-Independence period—a literature which was influential amongst the labour opposition.

With the exception of the radical PPBI, the ‘alternative’ unions of the period formally rejected the possibility of developing ties with political parties in the late New Order period. Although Muchtar Pakpahan and a number of other labour activists have since embraced formal politics, the majority of unionists remain reluctant to make alliances with existing political parties or establish
their own, and do not approve of those attempts that have been made to do so. While members of Pakpahan’s own union appear to be voting for PBSD, other unionists and workers have failed to rally behind their self-appointed political representatives—a fact demonstrated by the poor levels of support for labour parties in both the 1999 and 2004 elections. As a consequence, although the New Order’s policy forbidding labour’s participation in formal politics has been revoked, labour has little chance of being represented in the national parliament or other elected bodies for some time to come.

1. Department of Manpower is a short form for the official Indonesian translation of Departemen Ketenagakerjaan dan Transmigration.
2. Indeed, a special feature of New Order labour policy was the contradiction between its emphasis on the official union’s socio-economic aims and its separation from Golkar, the ruling political organisation, and the strong links between the two in practice. Many in the union’s central leadership were members of Golkar with no background in union affairs. Retired bureaucrats and retired members of the military were also strongly represented at lower levels of the union hierarchy (Hikam 1995; Kusyuniati 1998).
3. As Hadiz (1997) points out, many other alternative labour histories adopted the New Order’s orthodoxy.
4. SBSI was formed under Pakpahan’s leadership in April 1992, not long after the first ‘alternative’ union, the Solidarity Free Trade Union (Serikat Buruh Merdeka–Setia Kawan, SBM-SK) collapsed.
5. Bhoka died before the election was held.
6. I attended the party’s launch on 13 July 2003 in Jakarta.

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Encouraging employment equity for women: Can ‘diversity’ programs make a difference?

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ABSTRACT
At issue is whether diversity programs promote employment equity for women or merely offer a panacea without any substantive change. A study into equity management strategies for women in Australian workplaces was designed to identify approaches to equity management and related outcomes for women. Four equity management approaches were identified. While findings indicate that there is little evidence that broad-based diversity programs create more equitable outcomes for women generally or women in management, specific strategies designed to support women and acknowledge differences in their work and life roles do encourage increases, specifically in gaining access to management levels.

Introduction
Operating in rapidly changing domestic and global markets challenges organisations to seek competitive advantage on a continual basis. In recent years calls for stronger links between competitive advantage and strategy, structure and systems, have been joined by arguments for competitive advantage through strategic human resource management. One human resource management strategy encouraged is the increasing of employee diversity. The aim of diversity is to achieve cultural and gender difference throughout organisations that will translate into strategic advantage through the development of a committed and motivated workforce (Thomas, 1991; Cox, 1991) with a potential for increased organisational effectiveness (Miller, 1998). While the links between a committed, motivated and diverse workforce and increased productivity and quality as a means of competitive advantage have been tenuous and mostly case based, this link continues to be widely encouraged.

The increasing diversity within organisations has brought with it renewed calls for fair and just treatment of individuals in organisations (Strachan and Burgess, 2001). The term equity management is used to refer to all the practices and processes utilised in organisations to ensure fair and just treatment of diverse individuals (French, 2000; Strachan and Burgess 2001; Ng and Chiu; 2001). Yet traditional management practice and ethnocentric cultures continue to operate as though the workforce was relatively homogeneous in nature. Increasing representation across all parts of organisations for many people classified as members of minority groups remains limited to those organisations able to be proactive in their equity management process (French, 2001; French and Maconachie, 2004).

There has been a lack of evidence classifying strategies and any results in substantive or effective change for achieving equity within diversity (Konrad and Linnehan, 1995; French, 2001; Naff and Kellough, 2003). This paper uses data from a study into equity management strategies for women to identify strategies for managing diversity and related outcomes. Until now research has focused on the causes of disparity between different groups in the workplace and argued for various strategies to change that inequality. In addition, the current situation of various groups in the workplace has been measured and reasons postulated for the employment profile of minority groups, but few studies have linked equity strategy and any outcomes for minority/identity groups (see Konrad and Linnehan, 1995). This study differs from others in several important respects. It distinguishes different approaches used in managing equity and identifies the relationships between them and the variations in the measures of the employment status of women. It also examines variants in contextual issues in which equity management approaches are implemented and determines that there is little evidence that diversity programs have created more equitable work environments for women.
**Strategies for achieving equity in diversity**

Encouraging equity within diversity has been determined as requiring changes in various areas of organisations including structural decision-making (Konrad and Linnehan, 1995) policy type, (Kanter, 1977; Sheridan, 1998) and justice perspective (French and Maconachie, 2004). Evidence has also been provided that the context of the change is important including management support; industry type and gendered type of organisation also affect strategic equity management (Konrad and Linnehan, 1995; French, 2001; Ng and Chiu, 2001; French and Maconachie, 2004).

Links between different types of decision structures and change in the measures of employment status of disadvantaged groups have been identified. Identity-conscious decision structures recognise gender and/or race throughout decision-making and identity blind structures do not. Identity conscious decision structures rather than identity blind structures have been found to be positively related to increases in the numbers of women and people of colour, employed (Konrad and Linnehan, 1995).

As well as decision structure, policy type is noted as having a procedural effect on equity management and ultimately its outcomes. Kanter (1977) identified three different policy types used in equity management including social structural policies, temperamental policies and role related policies. Social structural policies include strategies that address bias and structural disadvantage, temperamental policies include strategies that address perceived inadequacies or limited training of women and role related policies utilise strategies that acknowledge differences in social roles and their impact in the workplace. However, Sheridan (1998) found policy types today to be somewhat different and suggested that the overuse of social structural policies in Australia may limit substantive change because changing structures to overcome bias is not enough on its own. French and Maconachie (2004) note that equity management policies that recognise role-related differences and policies which support women and their different experiences in the workplace do predict increases women in management, whereas, policies that change structures and processes do not. Indeed, an equity management approach designed to achieve equity that includes a predominance of social structural policies (to change bias in policies and structures) and development policies (to address the so-called “deficiencies” of women) is negatively associated with increasing numbers of women in management.

The distinction between equality and equity further confounds the issue of addressing any disparity between groups in the workplace. Deutsch (1985) noted that the use of equity or equality as the principle of distributive justice is associated with different social contexts and psychological orientations. Equality is a distributional notion based on the equal value of individuals and their right to benefit equally in any benefits and burdens. Equity is concerned with procedure and distribution based on individual inputs as well as opportunity. French and Maconachie (2004) note the principle of justice is related to change in outcomes for minority/identity groups when managing difference to encourage fair outcomes. Equal access, opportunity and treatment encourages equal outcomes for all individuals no matter their differences, whereas, equitable access, opportunity and treatment encourages different outcomes for different individuals.

In summary, research shows that structure, policy and justice perspective proffer various strategies to encourage equity within diversity. However, any genuine change in outcomes for disadvantaged groups within the workplace will differ comparative to the strategy type selected, the outcome desired and the context of the culture within which the change is to occur.

**Context for achieving equity in diversity**

Organisations have always managed diversity, but previously, strategies included exclusion, segregation and/or assimilation. The results were organisations distinguished by a segregated and concentrated workforce offered limited access to the benefits and a greater share of the burdens to some individuals/groups (French, 2000). Today, legislation, social policy and management practice have combined to foster an appreciation of difference although many of the difficulties and challenges remain in ensuring fairness and opportunity.

Research shows that the context for managing equity in diversity influences the acceptance of the strategies and may influence outcomes for members of disadvantaged groups. Senior management commitment; industry type; industry size and gendered organisational type vary the outcome.
from specific strategies. Senior management support has been acknowledged as important in maintaining organisation culture and values (Schein, 1985). Equity and diversity management influences the values of the organisation; consequently management support has long been recognised as critical (Blanchard, 1989; Morrison, 1992; Konrad and Linnehan, 1995).

Organisational size has been considered to be a significant predictor of the employment status of protected groups (Powell, 1991) and associated with the highest ranking for a person of colour and percentage of people of colour employed Konrad and Linnehan, 1995). The gendered culture of management and organisations where women are culturally and structurally excluded from certain roles, and thereby denied access to the same terms and conditions of employment, has encouraged under-representation of women in certain areas and particularly in senior positions (Still, 1993; AAA, 1998). Further the gendered type of an organisation can affect the acceptance of different approaches to equity management (Ng and Chiu, 1997) and the construction of gender generally in organisations (Ely, 1995). While manufacturing has a negative association with the percentage of women in management and the percentage of female employees generally (Konrad and Linnehan, 1995) there is limited information on gendered organisational type and its effects on equity management outcomes generally.

**Methodology**

This study developed information from two prior analyses to investigate specific outcomes within organisations for the change in concentration and segregation of women in the workplace along a number of employment measures. The independent variables were four different equity management approaches taken by 1971 Australian organisations.

**FIGURE 1**

**Management approaches**

<table>
<thead>
<tr>
<th>Traditional Approach</th>
<th>Anti Discrimination</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Affirmative Action</strong></td>
<td>Equal and Equitable treatment structures through gender blind and gender conscious decision making addressing internal organisational issues of disparity</td>
</tr>
<tr>
<td><strong>Traditional</strong></td>
<td>No discernable equity management strategies or policies implemented</td>
</tr>
<tr>
<td><strong>Gender Diversity</strong></td>
<td>Equal and Equitable treatment structures through gender blind and gender conscious decision making addressing internal and external issues that cause disparity between men and women</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td><strong>Distributive Structure</strong></td>
</tr>
<tr>
<td><strong>Equality</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Traditional Approach** – below the mean use of any equity management strategies across all variables for implementation - 244 organisations utilised this approach to equity management.

**Anti-discrimination Approach** – above the mean use of equal treatment factors and identity blind strategies (factors 5 and 7) as well as significant use of developmental policies and social structural policies (and below the mean use of proactive equity management factors 1, 2, 3, 4, 6, 8, 9, 10 and 11) - 699 organisations utilised this approach to equity management.
**Affirmative Action Approach** – above the mean use of proactive equity management factors including identity conscious structures, equitable treatment; as well as significant use of role related policies and support policies (2, 3, 4, 5, 6, 7, 8, 10 and 11) but below the mean use of social/external consultation factors 1 and 9) - 618 organisations utilised this approach to equity management.

**Gender Diversity Approach** – above the mean use of all equity management variables including social/external consultation factors – 401 organisations utilised this approach to equity management. See Figure One. Further information on this analysis is identified in French (2001) and explained prior to the Findings and Discussion Sections.

The dependant variables included the number of women employed; number of women in specific job classifications (eight (8) types); number of women in management (tiers 1, 2 and 3); and number of full time, part-time and casual positions held by women.

The control variables include organisational size and gendered organisational type. Organisational size is a significant predictor of formalised HRM structures and the employment status of protected groups including women (Konrad and Linnehan, 1995). Organisational size was determined as the number of employees using four categories 1=100-500 in size; 2=500-1000; 3=1000-2000 and 4=2000+. Gendered industry type is a significant predictor of acceptance of different strategies in equity management (Ng and Chiu, 1997). Gendered industry type was coded using the Agency standards where industries employing more than 60% females were coded as female, while those employing more than 60% males were coded as male.

Multivariate analysis of covariance (MANCOVA) was chosen as the analytic technique for this study. In this case MANCOVA asks if various measures for women in employment, occupational areas, levels of management and employment type, differ across the four equity management approaches after adjusting for organisational size and gendered industry type. Three one-way MANOVAs with post hoc testing were conducted to distinguish between groups where any difference(s) actually existed. The post hoc tests aid the interpretative process by providing tests of each pairwise combination of groups. Tukey’s HSD test was used and reported as the most conservative and appropriate test (Tabachnick and Fidell, 1996).

### Measures and analysis to determine equity management approaches

The research was undertaken using data gathered from information provided by one thousand nine hundred and seventy one (1971) organisations reporting in 1997 (published in 1998) to the Equal Opportunity for Women in the Workplace Agency on their equity management processes. Reports consisted of a standardised survey form and included details of the reporting organisation and its equal opportunity support systems, employment statistics for women and men, current human resources policies and practices and strategic planning for equal opportunity (Affirmative Action Program 1996/7). For most items the respondents tick a box to indicate whether or not the organisation has such equity management structures or processes in place. For the items identified as employment status and statistical profile, respondents are required to provide accurate numerical details for certain groups and percentages for others.

The report includes 33 items identifying managerial commitment to and support systems for affirmative action, equal employment opportunity and non-discriminatory processes in three categories namely, organisational commitment to anti-discrimination, affirmative action and equal employment opportunity; (13 items); consultation with employees; (11 items) and consultation with unions (9 items).

The report includes 46 items describing formalised HRM structures in three categories, namely, recruitment selection, promotion, transfer; (11 items); conditions of service; (19 items); training and development (16 items).

Exploratory factor analysis and confirmatory factor analysis of these 76 items revealed eleven (11) factors designed to address equity management issues through two decision structures - identity blind and identity conscious structures; two equity perspectives - equal treatment and equitable treatment perspectives; and four different policy types - social structural policies, role related policies, developmental policies and support policies.
**Eleven equity management factors**

- Consultation with unions on EEO;
- Consultation with Employees on EEO;
- Anti-Discrimination training;
- Overcoming organisational disadvantage;
- T and D for Women;
- Equal treatment in reward systems;
- Equal access to study opportunities;
- Addressing bias in organisational policies;
- EEO in enterprise bargaining;
- Flexible work and family practice;
- Gender specific EEO Structures and Strategies

Cronbach’s alpha was used to assess the internal reliability of the factors. Reliability ranged from .48 to .85. Further information on this analysis is in French and Maconachie (2004).

Cluster Analysis of the 1971 organisations based on their use of these eleven (11) equity management factors identified the four different equity management approaches utilised in Australian organisations. Differences between the clusters were tested using multivariate analysis of variance, univariate analysis of variance, and discriminant analysis. Results of the multivariate analysis of variance indicated a significant overall difference between the clusters (p<.001). Univariate F-tests of differences between clusters were significant (p<.000). Discriminant analysis using the original eleven clustering variables in a single block assigned ninety-three percent (93%) (1823/1962) of the organisations to their correct clusters including ninety-five percent (95%) of the traditional types; ninety-three percent (93%) of anti-discrimination types; ninety-five percent (95%) of affirmative action types; and eighty-eight percent (88%) of diversity types.

**Findings**

1: The first MANCOVA procedure was performed using the equity management approach categorisation identified in figure one as the independent variable and employment numbers of women and women in job classifications (nine items), as the dependent variables. After adjustment for differences on the covariates, the dependent variables were found to be significantly related to the covariates and significantly affected by the type of equity management approach utilised by organisations. Both industry size and gendered industry type provided significant adjustment to the numbers of women in specific classifications within organisations, particularly management, the professional and para-professionals, clerks and sales.

Post hoc tests identified that those organisations using a *gender diversity approach* to equity management (with an average of 18.06% women managers) or a *traditional approach* to equity management (with an average of 18.45% women managers) had a significantly lower percentage of women managers than those organisations taking an *affirmative action approach* to equity management (with 23.00% of women managers). This result supports Still’s (1993) assertion that participation rates for women in management within the private sector are changing due to affirmative action policies adopted in organisations. A further possible explanation involves the use of identity conscious strategies in the affirmative action approach (Konrad and Linnehan, 1995). However, this does not explain why the *gender diversity approach*, which uses similar strategies, does not have similar results. A possible explanation involves the broad application of diversity strategies, which can result in limited practical outcomes (Hall, 1995). Another explanation is that the diversity approach to equity may take up to twenty-five years due to the slow pace of cultural and structural change without direct affirmative action strategies (Thomas, 1996).

2: A second MANCOVA procedure was performed using the equity management approach categorisation identified in figure one as the independent variable and the numbers of women in three management tiers (three items) as the dependent variables. After adjustment for differences on the covariates, the dependent variables were found to be significantly related to the covariates and significantly related to equity management approach utilised by organisations. Both industry size and gendered industry type provided a significant adjustment to the numbers of women across all management tiers.
In order to identify between the equity management approaches to determine where significant differences existed, a MANOVA with post hoc tests was performed. Each variable is discussed in turn.

a. Tier one management is classified as those who direct and are responsible for the organisation and its development and includes CEO, president, executive director, and general manager. Organisations using a traditional approach to equity management had significantly fewer numbers of women in tier one management (5%) than those undertaking an affirmative action approach which comprised 10% women in tier one management. Other approaches were not significant. A possible explanation for the result is that the type of equity management approach is important when encouraging women into higher levels of management. Proactive strategies that involve fair and equitable treatment rather than merely equal treatment may be required to provide opportunities encouraging women into top tier management.

b. Tier two management is classified as those who are directly below the top level of management including divisional management or state managers who are answerable to level one management. Organisations using a gender diversity approach or a traditional approach to equity management were both statistically significantly lower in the numbers of women in tier two management (15%) than organisations using an affirmative action approach, (19%). Again, one explanation is similar to that offered for the tier one management group. For women within the management system, the affirmative action approach to equity management appears to provide an appropriate means to overcome bias within the system and may assist their continued rise in management.

c. Tier three management includes managers responsible for a functional division including accounting, computing, training, or specific project managers. Organisations using the traditional approach to equity management had significantly fewer women managers in tier three, (22%), and organisations using an anti-discrimination approach had significantly fewer women managers in tier three, (23%), than those organisations using an affirmative action approach, (28%). The gender diversity approach was not significant.

3: A third MANCOVA procedure was performed using the equity management approach categorisation in figure one as the independent variable and three types of employment (3 items - full-time, part-time and casual employment) as the dependent variables. After adjustment for differences on the covariates the dependent variables were found to be significantly related to the covariates and significantly affected by equity management approach utilised by organisations. Industry size provided significant adjustment to the percentage of women in casual employment whereas the gendered industry covariate provided significant adjustment to the percentage of women in full time employment and the percentage of women in part time employment. In order to identify between which of the equity management approaches differences existed, a MANOVA with post hoc tests was performed. Those for women in full time and part time employment were not significant. However differences were identified for women in casual employment.

Significant differences between two groups of different approaches, the traditional approach and the anti-discrimination approach, as well as the traditional approach and the gender diversity approach were noted. Organisations taking a traditional approach to equity management had significantly fewer numbers of women in casual employment, (49%), than those organisations using the anti-discrimination approach to equity management, (58%), and those organisations using a gender diversity approach to equity management, (58%). One explanation is that the traditional approach to equity management does not help to increase the number of women in casual employment. Casual employment is currently a growth area in employment (Preston, 2001). Those approaches to equity management that encourage equal or neutral treatment appear better linked to increasing women’s access to employment of this type. It may be that women returning to work after maternity or family leave have greater opportunities for employment in those organisations with an equity management approach other than the traditional approach. Of course, a second issue is the ghettoisation of women in casual work and further research is needed to determine the full effect of these two approaches and their links to increased numbers of women in casual employment.
The study found that gendered industry type did influence the number of women in sales and clerk positions, the numbers of women in all levels of management as well as the number of full-time women employed and the number of part-time permanent jobs were filled by women. However the study found no indication that the type of approach to equity management used by an organisation was related to gendered industry type. Industry size does influence the number of women in all levels of management and the number of women in casual positions. There was evidence of an association between the equity management approach taken by the organisation and organisational size. Larger numbers of smaller organisations (<500 employees) implement equity management through the use of an anti-discrimination approach or an affirmative action approach while large organisations do not. A greater proportion of large organisations (2001-3000 employees) use no equity management strategies at all. Moreover, there was a smaller proportion of these large organisations using the affirmative action approach than could be expected by chance.

**Discussion and conclusion**

A number of approaches for managing equity are predictors of increases in the measures of the status of employment for women including; the percentage of women employed in different job classifications; the percentage of women in management tiers; and, the percentage of women in different types of employment.

Organisations classified as undertaking a traditional approach to managing equity, due to their lack of implementation of any factors associated with equity were not predictors of any increases on any indicators of the employment status of women. Indeed, organisations using a traditional approach to equity management were significant predictors of fewer casual positions open to women, thus reducing opportunities for women with family responsibilities to undertake this approach to flexible work if required. Further, organisations using this limited approach to equity management had significantly fewer numbers of women in any of the three management tiers.

Organisations classified as utilising an anti-discrimination approach to managing equity, due to their implementation of equal treatment strategies, specifically in the area of access to further development, were not predictors of an increase in the employment status of women. Indeed, the results indicate that organisations using this approach are negatively associated with one of the indicators of the employment status of women, specifically, significantly fewer women in the supervisory level of management than those organisations. This result suggests that rather than equal treatment of men and women it may be that equitable treatment of men and women through different but fair treatment is needed to ensure substantive change in the numbers of women gaining access to the beginning rung of management. The equal treatment of men and women may be detrimental to the progress of women into management. Equal treatment has been championed as fair to both men and women but in reality, men and women are not equal in our society or in its organisations. Trying to treat men and women exactly the same may have adverse repercussions for women.

The affirmative action approach to equity management was found to be significantly positively associated with a number of indicators of the employment status of women. Of the four types of equity management approaches the affirmative action approach was consistently the best predictor of increasing numbers of women managers and women managers in various tiers. Those organisations implementing both gender conscious and gender blind decision structures as well as a range of developmental, role related, social structure policies and support policies and equal and equitable treatment strategies had significantly more women managers across all three tiers than either those organisations undertaking any other equity management approach. These findings indicate that positive opportunities and equitable treatment may be needed to address the disadvantages of the past and ameliorate the biases of the current systems and decision-makers in order to encourage substantive change.

Organisations classified as using a gender diversity approach to equity management were not predictors of significant increases across any of the indicators of the status of women’s employment except increases in casual employment for women. These organisations implement equity through the use of all the identified equity management strategies. Further, the use of this approach is a significant predictor of fewer women in management and middle management.
The broad application of diversity strategies appears to result in limited practical outcomes for women. Overall, the various equity management approaches offer managers a frame for conceptualising purpose and values with regard to equity in addressing workplace disparity. Findings support the proposition that different equity management approaches result in different outcomes in different situations, and broad-based gender diversity programs may, in trying to do everything, achieve nothing substantive for women.

References

Legislative inertia: New Zealand’s reaction to the issue of redundancy

Alan Geare, Fiona Edgar and Ian McAndrew
University of Otago

ABSTRACT

As a consequence of major restructuring of the economy and ‘reworking work’, New Zealand has experienced considerable redundancies over the last 20 years. During this time, however, there has been no specific redundancy legislation giving protection and compensation to workers being made redundant. The paper examines the consequential level of judicial activism, whereby the Courts attempted to create de facto entitlements for redundant workers, and how Courts and tribunals progressively interfered in the employer-employee relationship creating a high level of uncertainty as to the outcome of any redundancy situation.

Introduction

The theme of this conference is ‘reworking work’ – an activity with which New Zealand has become very familiar over the last 20 years, following the 1984 Labour Government. This paper does not look at ‘reworking’ per se, but rather at the flow-on effects, namely restructuring and redundancies, the legislative response and the consequences.

The restructuring of the New Zealand economy and the New Zealand Public Service led to many redundancies and a sharp increase in unemployment. In 1985 New Zealand’s unemployment rate was half that of Australia (4.1% compared to 8.2%), but by 1990 New Zealand’s unemployment rate (7.8%) had overtaken that of Australia (6.9%) (Geare, 2000:443). Employment in the Public Service dropped from 89,505 at 31 March 1986 to 58,038 at 30 June 1989 (Yearbook, 1990:72).

Notwithstanding the extent of the redundancies, particularly through the 1980’s and 1990’s, succeeding Governments have displayed marked inertia in their response to redundancies.

This inertia is more than somewhat surprising, given that the 1972 Labour Government put forward a Severance and Re-employment Bill near the end of their term in 1975. The Bill was minimalist – the maximum it guaranteed was only six weeks pay for redundant workers with five to forty years service – and was never enacted. Since then there has been no attempt at an explicit piece of legislation, rather there has been the occasional indirect reference to the issue in the not inconsiderable number of industrial relations acts in force during this period. In 1984 the Industrial Relations Act 1973 was the principal legislation. This was followed by the Labour Relations Act 1987 (LR Act); then the Employment Contracts Act 1991 (EC Act); the Employment Relations Act 2000 (ER Act); and currently the Employment Relations Law Reform Bill 2004 (ERLR Bill).

With the exception of the ER Act which was basically cosmetic, each Act, and the Bill have all introduced or proposed quite radical industrial relations changes. In the ERLR Bill there has been some limited proactive legislation – in the other instances there has been negligible explicit reference to redundancy, although some legislation has been indirectly of significance.

The research objective of this paper is to examine the consequences of this legislative inertia in the area of redundancy. The past inertia has led to:

1. Significant interference by Courts and lower level committees/tribunals in the employment relationships of employers and employees;

2. This involvement later developed into judicial activism of a quite extreme level, perpetrated in the main by the specialist Court (Labour Court 1987-1991, Employment Court 1991-present). The Court of Appeal has, under some Presidencies been almost as extreme, while under others, has tempered the activism to some degree.
It is believed that the limited protection for ‘at risk’ workers provided in the ERLR Bill will possibly lead to a quite unintended consequence:

3. Strong demands for improved performance, leading to constructive dismissals, or discipline and actual dismissals.

**Opportunity for judicial involvement in redundancy situations**

During the past twenty years Courts and committees/tribunals have been able to become involved in redundancy situations through two basic avenues:

1. Through the general unjustified dismissal procedures in the statutes; and to a lesser extent:
2. Through their statutory ability to settle ‘rights’ disputes – that is a dispute over the ‘interpretation, application, or operation’ of an industrial agreement, employment contract or agreement.

**Unjustified dismissal procedures**

When workers lose their job in a redundancy situation they have been dismissed. It is clearly open to them to make use of the general statutory protection against unjustified dismissal which has been available in all the industrial relations statutes over the past twenty years. Until 1991, this protection applied to union members only, under the EC Act and current legislation this protection applies to every employee, including senior managers. The wording of the statutes has been basically similar, although common law has obviously developed over the years.

Initially the Courts determined that for a dismissal to be justifiable it had to be:

- a. substantively justified, and
- b. procedurally fair.

From 1990 the approach followed that of the Court of Appeal (Airline Stewards and Hostesses of NZ IU W v Air New Zealand Ltd [1990] 3 NZLR 548) in that:

… dismissal was justifiable if the employer has shown that the decision to dismiss was in all the circumstances and at the time a reasonable and fair decision (at 555-6).

By 1992 the Court of Appeal considered that the question was essentially whether (Northern Distribution Union v BP Oil NZ Ltd [1992] 3 ERNZ 483) ‘The decision to dismiss is one which a fair and reasonable employer would have taken in the circumstances’ (at 487).

In the recent *Oram* decision, the Court of Appeal (W & H Newspapers Ltd v Oram [2000] 2 ERNZ 448) acknowledged (at 457) that ‘there may be more than one correct response open to a fair and reasonable employer’ and stated they preferred ‘to express this in terms of ‘could’ rather than ‘would’.

The ERLR Bill however, has stated the approach should revert back to ‘would’.

Whether this change has any effect remains to be seen. It is probable it will result in careful wording in decisions by some – but this brevity has never met with Chief Judge Goddard’s approval and he clearly prefers to be left more scope for his discretion. This is reinforced in *Phipps v NZ Fishing Industry Board* [1996] 1 ERNZ 195 which came some years after the Court of Appeal’s rulings cited above:

it is misleading and therefore unhelpful to draw a distinction between substantive and procedural shortcomings … (the approach should be) whether, on the evidence the employer gathered following a fair, honest and adequate process, the employer had reached a conclusion that was just and fair at the time and thereafter treated the employee in a way that was fair and reasonable in the circumstances (at 200).

This clearly leaves (and equally already was intended to leave) considerable discretion for the Courts to decide whether or not the process used by the employer and the treatment afforded the employee was sufficiently fair and reasonable.
‘Rights’ disputes procedures

The Courts and tribunals have always had the power to settle a rights-type dispute. That is, a dispute over the interpretation, application or operation of a term in a union-management document. If a clause concerning redundancy was unclear, then the rights procedure would apply.

Judicial activism

In simplistic terms, it is the role of the legislature to pass laws and the role of the Courts to apply and interpret those laws. Interpretation of legislation by Courts creates the so-called ‘common law’ or ‘judge-made law’. The interpretation should be a genuine and honest attempt to discover the true meaning of the words used in the legislation. Judicial activism is a pejorative term used when it is considered the Courts have gone beyond legitimate interpretation and are, in effect, writing legislation, or creating rights and obligations into union-management agreements. The matter is always one of degree, with a blurred boundary between acceptable ‘interpretation’ and unacceptable ‘judicial activism’.

This paper will now examine the extent to which judicial activism has occurred by exploring both the unjustifi ed dismissal procedure and the rights-disputes procedures under three regimes: the IR Act/LR Act; the EC Act and the ER Act and ERLR Bill.

IR Act/LR Act

Research shows that in the early 1980’s, less than 10 percent of collective documents had full redundancy agreements. Geare (1983) showed that in 1980, of 851 collective documents:

<table>
<thead>
<tr>
<th>Clause Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Made no reference to redundancy</td>
<td>59.8%</td>
</tr>
<tr>
<td>Specified only that notice be given</td>
<td>31.9%</td>
</tr>
<tr>
<td>Required negotiation</td>
<td>0.9%</td>
</tr>
<tr>
<td>Full redundancy agreements</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

Some of the 271 documents requiring that notice be given specified that the notice was to ‘allow discussions to take place.’ The Arbitration Court in *Cornhill Insurance Co. Ltd v NZ Insurance Guild IUW* [1981] ACJ 443, considered a clause with similar wording and ruled that the employer could not be compelled to do more than what was in the clause: ‘notify and discuss.’ The Court stated (at 444) that the employer ‘cannot be compelled to do anything further, however unsatisfactory the results may be to the union and to some of its members.’ This was clearly a non-judicially active Court.

There was legitimate involvement in *Wellington Local Bodies’ Officers’ IUW v Wellington Hospital Board* [1983] ALJ 1047, where the clause stated (at 1049) the employer ‘shall negotiate with the union a mutually agreed redundancy contract. In the event of any dispute hereunder the matter shall be dealt with under Clause 18 (Disputes).’ The matter was not settled in negotiation and went to the Disputes Committee, then the Arbitration Court and finally on to the Court of Appeal.

However, assuming the percentages of clauses requiring negotiation remained at approximately the 1980 level (0.9%) this would leave little scope for judicial involvement. Possibly coincidentally in *Wellington Local Bodies v Westland Catchment Board* [1988] NZILR 1708, judicial activism began. The clause in that case required nothing more than notice to be given to the union prior to the employer informing the redundant worker. Cooke, P., as he was then came out with:

It is true that paragraph (b) makes no express provision beyond the requirement for notice, but it is of some significance that notice is required to be given to the union before notice is to be given to the affected officer. Plainly the intention must have been to allow negotiations to take place between the union and the employer (at 1711).

It is our contention that to convert a simple agreement to give notice, to an agreement to negotiate redundancy payments and further, to agree to allow the Courts to determine the level of redundancy payment – is blatant judicial activism. An interesting fact about that case was that the counsel for the appellant was Mr T E Goddard – soon to become Chief Judge Goddard – who clearly has strong views about the rights of workers to redundancy payments no matter if they have a redundancy agreement, or clauses or not.
Chief Judge Goddard played a leading role in the so-called Hale trilogy of cases, which involved a cleaner who was dismissed for redundancy as the company was in financial difficulties. Cost saving could be made by replacing the employee with a contract cleaner. Goddard, C. J. appeared to have a strategy that he would be extremely judicially active, with his decisions almost certainly being overturned on appeal. However, he could count on openings being left by the decisions of the Court of Appeal which would allow him creative interpretations in the future. So in Wellington Caretakers IUW v G N Hale & Son Ltd [1990] 3 NZELC 97,696, he ruled (at 97,719) that since the dismissal ‘was not, at the time, commercially necessary to ensure the ongoing viability of the respondent. It was, therefore, unjustifiable.’ As expected this assertion was rejected by the Court of Appeal in G. N. Hale & Son Ltd v Wellington Caretakers IUW [1990] 2 NZILR 1079 (CA), who pointed out (at 1084) that ‘a worker does not have the right to continued employment if the business can be run more efficiently without him.’ All five justices chose to speak. While most emphasised that so long as the employer genuinely believed there was a redundancy situation then any dismissal was justified, and it was not for the Court, or the union, to substitute their business judgement, two of the five also gave the view that justification for a dismissal could also turn on whether the circumstances called for reasonable compensation and whether it was given.

When the case went back to the Labour Court (Wellington Caretakers IUW v G. N. Hale & Son Ltd [1990] 3 NZELC 97,697) Goddard, C. J. of course decided that compensation was needed in this case, and that what had been offered ex gratia (and refused) was inadequate. Compensation was set at $5000. Judicial activism thus created the situation that it was accepted that:

a. There was no statutory right to compensation for dismissal on the grounds of redundancy, and no right unless conferred by a collective document or redundancy agreement.

But,

b. for the dismissal to be justified (and thus avoid having to pay compensation for an unjustified dismissal) compensation for the original dismissal ‘may’ (i.e. almost always, ‘would’) be required.

**EC Act**

The legislature in the EC Act tried to make redundancy agreements a matter for employers and employees. Section 46(3) stated:

> Where a provision of any contract deals with the issue of redundancy but does not specify either the level of redundancy compensation payable or a formula for fixing that compensation, neither the Tribunal nor the Court shall have the justification to fix that compensation or specify a formula for fixing that compensation.

Section 46(3) did not even slow the judicial activism. In the next major case (Bilderbeck v Brighouse Ltd [1993] 2 ERNZ 74) Goddard, C. J. ruled that the employment contracts did not even mention redundancy so s.46(3) did not apply and the Court could set compensation. He also claimed (at 91) that s.46 applied only to ‘dispute proceedings’ (interpretation, application or operation of an employment contract) and not to personal grievances. Under that logic, virtually any dispute to which s.46(3) applied could be reformatted as a personal grievance rendering s.46(3) inappropriate.

Goddard, C. J. ruled that although there was a genuine redundancy situation, and although the employees had no redundancy agreement, and had been given the required notice (and, indeed, that three of the four were re-employed by the new owner of the company) because there was no consultation and because the compensation offered was deemed by Goddard, C. J. to be inadequate, he could determine the level of compensation that should be paid. When the case went to the Court of Appeal (Brighouse Ltd v Bilderbeck [1994] 2 ERNZ 243 (CA)) there was a unanimous ruling (at 251) that ‘There is no general requirement for an employer to pay compensation in every redundancy situation.’

Notwithstanding, a 3:2 majority of the Court of Appeal upheld the Employment Court’s decision, and judicial activism, was again, confirmed.
However, Brighouse was not allowed to stand, and was later deemed 'bad law.' One of the dissenters in Brighouse, Richardson, J., became President. A similar case to Brighouse (Aoraki Corp. Ltd v McGavin [1998] 2 NZLR 278) came to the Court of Appeal. Again, the redundancy situation was genuine, but the compensation was deemed inadequate and there were procedural deficiencies. Richardson, P. called all seven permanent Judges to, in effect, review Brighouse.

In a valiant (but vain) attempt to curb the judicial activism the Court of Appeal made a number of significant rulings:

a. It cannot be mandatory for the employer to consult with all potentially affected employees in making any redundancy situation … (However) in some circumstances an absence of consultation where consultation could reasonably be expected may cast doubt on the genuineness of the alleged redundancy … So, too, may a failure to consider any redeployment possibilities (at 294).

(The caveats in the above would be snapped up by the judicially active as loopholes.)

b. … except where the employment contract requires payment of compensation when an employee becomes redundant, in which case the Court will enforce that contractual obligation, the statute does not empower the tribunal or Employment Court to require any such payment (at 295).

In addition, the Court of Appeal pointed out that compensation for a grievance is only for that specific grievance. In some dismissal cases procedural deficiencies may cast doubt on the substantive justification for the dismissal. Compensation in those cases will be for hurt and humiliation and the loss of the job. But:

In a genuine redundancy the remedies for procedurally flawed dismissal are compensation for the resulting hurt and loss of benefit. They are necessarily limited to the effects of the procedural deficiencies. So there can be no compensation in a genuine redundancy situation for the loss of the job except as provided in the employment contract itself (at 296).

While commentators at the time saw the decision as one which ‘marked a sharp break with the Court’s activist approach to redundancy in the Brighouse decision’ (Harbridge & Kiely, 1998:60) – it simply required more creativity on the part of activists. Every comment in a decision provides a possible loophole and opportunity for those inclined to be judicially active.

In Aoraki the Court of Appeal said consultation ‘may’ be needed in ‘some’ circumstances. Chief Judge Goddard appears to believe consultation will always be needed. In Phipps he ruled that the question is whether a redundancy is genuine and unavoidable. He claims (at 200) ‘It could not be either and certainly could never be both in the absence of the necessary consultation with the employee.’

The Chief Judge also has firm views as to what constitutes consultation. This he outlined in Cammish v Parliamentary Service [1996] 1 ERNZ 404:

Consultation is to be a reality, not a charade. The party to be consulted must be told what is proposed and must be given sufficiently precise information to allow a reasonable opportunity to respond. A reasonable time in which to do so must be permitted. The person doing the consulting must keep an open mind and listen to suggestions, consider them properly, and then (and only then) decide what is to be done. However, consultation is less than negotiation and the assent of the persons consulted is not necessary to the action taken following proper consultation (at 417).

The period of notice will also come more into focus. In Rolls v Wellington Gas Co. Ltd [1998] 3 ERNZ 116, a Mr Rolls was made redundant. While his title was Commercial Sales Manager, he was the only employee in the department and was basically a salesman. When made redundant he was paid according to the formula and given four weeks notice. There was nothing in his contract which stipulated notice.
Nowhere in the Tribunal decision, is there any indication that Mr Rolls or his advocate had any complaint about the notice period. Goddard, C. J., however, determined that, in his view, the appropriate period should have been three months or 13 weeks. He also determined (at 126) that ‘It was of course distressing and humiliating for the appellant to be dismissed without being given his contractual period of notice.’

And consequently granted a further $5000 compensation.

**ER Act and ERLR Bill**

As mentioned earlier, the ER Act was largely cosmetic although it brought under statute law, the well-established common law principle that there should be ‘good faith’ in all employment relations dealings.

Notwithstanding, the Employment Court in *Baguley v Coutts Cars Ltd* [2000] 2 ERNZ 409 attempted to use the change in law to distinguish *Aoraki*. If successful they would be unrestrained in terms of activism. When the case (*Coutts Cars Ltd v Baguley* [2001] 1 ERNZ 660 (CA)) was appealed, the Court of Appeal ruled (at 672) that ‘it has long been the law that the special nature of the employment relationship incorporates mutual obligations of trust and confidence’ and that they did not see the obligations on employers ‘as differing significantly from those referred to in the judgements of this Court in *Aoraki Corp Ltd v McGavin*’ (at 671).

The ER Act, however, failed to replicate s.46 of the EC Act which had effectively prevented the Court from determining the outcome of ‘failed’ negotiations over redundancy issues. In the Canterbury Spinners cases (*Canterbury Spinners Ltd v Vaughan* Unreported CA 270/01 Judgement 23 October 2002 (CA); *Vaughan v Canterbury Spinners Ltd* [2001] ERNZ 399), there was a clause requiring the employer to ‘negotiate a level of redundancy compensation.’ The employer and the union failed to agree and the matter went to the Employment Relations Authority (latest version of grievance committee, tribunal) which ruled that it did not have authority to set the amount, as s.161(2) states:

The Authority does not have jurisdiction to make a determination about any matter relating to -

a. bargaining; or

b. fixing of new terms and conditions of employment

The Employment Court reverted back to the line of cases discussed above under the IR Act and LR Act and determined that the Authority did have jurisdiction. They ruled that it was not fixing new terms and conditions (i.e. settling an interest dispute), but was settling a rights dispute since the clause had established a right to redundancy compensation and the Authority was simply to determine the level. This view was supported by the Court of Appeal.

The ERLR Bill has made some proactive moves towards redundancy legislation – but in a piecemeal, half-hearted fashion. The Bill (which is to take effect from 1 December 2004) considers redundancies in particular for ‘specified categories’ of workers, namely those in:

- Cleaning services, food catering services, caretaking or laundry services, in the education, health or age-related residential care sectors and more limited in public sector and aviation.

These ‘specified workers’ are to be protected in that if it is decided to make them redundant and bring in contractors, the workers may chose to transfer to the new employer and if so, are entitled to redundancy pay from the new employer should redundancy occur, resulting from the restructuring.

While the provisions may protect the vulnerable workers specified, it may possibly work against them. Given the new provisions make it increasingly difficult and unattractive to replace what are perceived as inefficient or low-productive workers with an outsider contractor, the probability is, that employers will simply become more demanding of their existing employees. Some will resign (and possibly claim constructive dismissal); others will be disciplined and possibly dismissed. Replacements will not be hired until there is only a small core of the workers who will be acceptable to the outside contractor. No redundancies will officially occur.
Discussion

The judicial activism referred to in this paper was probably motivated more by a genuine desire to ensure employees who were made redundant got satisfactory compensation for being made redundant, than by a feeling of superiority and that they were able to create better law than the legislature. Basically judicially active judges were creating a common law which would find favour with many of a liberal disposition.

However, while we may support the sentiments behind the judicial activism, the practice is, in our view, to be wholly condemned. One obvious problem with supporting, or ignoring judicial activism when it suits us (because, for example, it is creating a common law we favour) is that it makes opposition to future judicial activists (who may create common law we find repugnant) much more difficult.

Judicial activism should also be condemned for creating a high level of uncertainty into redundancy situations. As Richardson, J. (as he was then) said in Brighouse:

Redundancy is an area of employment law and industrial relations where those concerned, employee and employer, ought to be able to determine at the time what their respective rights and obligations are. They should be able to plan with confidence (at 256).

New Zealand legislatures need to stop treating redundancy with such trepidation, like a child facing a large vicious looking nettle and follow the adage – grasp the nettle – and provide satisfactory and comprehensive legislation. This will enable both employers and employees to know what are their minimum entitlements and responsibilities, and they should also know the outcome should they fail to agree. This will not remove judicial activism, but it should significantly curb it.

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The introduction of good faith bargaining in Western Australia: Policy origins and implications for collective bargaining

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ABSTRACT

The Australian Industrial Relations Commission ruled in 2003 that there was no legal duty on parties to bargain in ‘good faith’. In Western Australia, the Gallop Labor Government has introduced good faith bargaining provisions as a redress available when a party is considered to be negotiating in ‘bad faith’. What does this rhetoric mean? The aim of this paper is to unravel what is meant by ‘good faith bargaining’ and to consider how this provision has been used within Western Australian industrial relations thus far.

Introduction

The decentralisation of the Australian industrial relations system during the 1990s was characterised by a historic shift towards enterprise level bargaining (Deery et al. 2001: 247-253). The consequences of enterprise bargaining in terms of efficiency and equity outcomes have been widely discussed and analysed (Burgess and Macdonald, 2003). However, the implications of decentralised bargaining for negotiation processes and the strategic response of relevant actors have been comparatively under-explored (Fells, 1998a). In particular, the expansion of direct negotiations between parties at workplace level over wages and conditions of employment have led to concerns over bargaining “asymmetry” between actors (Fells, 1998b) and the possibility that bargaining relationships can be re-oriented or terminated through a process of excluding unions or shifting towards individualised arrangements (Australian Workplace Agreements) under the federal Workplace Relations Act (1996) (McCallum, 2002; Peetz 2002). In relation to these concerns and with a view to the future role of collective bargaining in the overall agreement making regime, the Australian Labor Party and sections of the trade union movement have explored and promoted the idea of “good faith bargaining” as a necessary adaptation (rather than a rejection) of enterprise level bargaining. The notion of facilitating “good faith” in negotiations and in employment relations also matches with the general ideological sway of ‘third way’ perspectives for centre left parties that now embrace key aspects of neo-liberal agendas for promoting labour market flexibility and enterprise competitiveness while, at the same time, promoting a commitment to cooperative ‘social partnership’ relationships (Howell, 2004).

This paper provides an overview of the principle of ‘good faith bargaining’ (GFB) and notes its international origins within North America’s relatively decentralised model of industrial relations and its recent emergence as a policy innovation in New Zealand. In Australia, GFB has been a recurrent, if marginalised, feature of industrial relations and the paper firstly outlines the history of the principle within the federal arena. It then focuses on the recent introduction of the “good faith” principle in Western Australia as a central component of the industrial relations reform agenda of the Gallop Labor government. As the first state to introduce “good faith” provisions that are widely applicable (Toten, 2002) and in light of federal Labor’s support for similar provisions (Skulley, 2003), the West Australian ‘case’ provides for a preliminary examination of the implications of such measures and the response of employer organisations and unions to this policy innovation. It is argued, however, that to date the ‘good faith’ provisions in Western Australia have not been widely utilised and where they have been brought into effect, their scope has been relatively circumscribed.
**Good faith bargaining: Definition and its significance in labour relations in the United States and New Zealand**

Herman (1998: 527) defines GFB as “negotiations in which two parties meet and confer at reasonable times, minds open to persuasion, with a view to reaching agreement on new contract terms. GFB does not imply that either party is required to make concessions or reach agreement on any proposal.” In essence, GFB attempts to establish a normative framework for bargaining processes and relationships. In doing so, its proponents typically represent GFB as contributing to a shift in collective bargaining processes and relationships towards less adversarial “interest based” negotiations (McAndrew and Penn, 2003).

GFB is an established principle within North American industrial relations (Bagchi, 2003; Davenport, 2003; Forrest, 1986). In the United States, the GFB principle works in conjunction with formal processes for recognising a union as a legitimate bargaining agent at enterprise level, typically through secret ballot elections overseen and certified by the National Labor Relations Board (NLRB). In this environment GFB has been used most typically in ‘first contract’ negotiations as a means of bringing otherwise reluctant parties to the bargaining table. A party that believes that their counterpart is failing to bargain in “good faith” can then seek a remedy through the courts, although the difficulties of gaining a decisive determination are often evident given considerable interpretive scope as to what constitutes a breach of the duty to bargain in good faith (Dannin, 2001).

In the Southern hemisphere GFB has been a notable recent innovation in employment relations in New Zealand (Davenport, 1999; Annakin, 2003; Hughes, 2001; McAndrew and Penn, 2003). Treanor and Rasmussen (2003) have noted that while GFB in New Zealand has sought to promote a “new spirit” of more cooperative bargaining relationships and outcomes, GFB is defined loosely in the relevant legislation which “leaves the practical application to codes of Good Faith and legal precedent” and which has created “considerable uncertainty”. In comparison to the United States, the New Zealand legislation also adopts a different approach to union recognition and the requirement to bargain in “good faith” (McCallum, 2002). Ultimately, as Dannin (2001) has noted in relation to the migration of GFB from North America to New Zealand, each IR environment is “unique and is coloured by its context” which means that the implications of innovations such as GFB “will have to be worked out in local terms”. GFB, therefore, is now present in several IR systems, however, the significance and impact of this general principle is mediated by specific collective bargaining conventions and IR institutions in these countries. In this regard, the specific composition of GFB and its implications for IR actors vary significantly between different labour regimes, variations that necessitate empirical investigation of each GFB ‘case’.

**Good faith bargaining in the federal system**

In Australia, amendments relating to GFB were introduced for the first time in industrial law under provision s170QK of the Industrial Relations Act 1988. Under s 170QK, the AIRC could make orders for the purpose of ensuring that the parties negotiating an agreement do so in good faith. The term ‘good faith’ was not defined in the Act. However, section 170QK (3 and 4) gave some guidance as to the term’s meaning as it directed the AIRC to consider the conduct of the parties, in particular, their agreeing to meet at reasonable times, attending agreed meetings, complying with agreed procedures, capriciously adding or withdrawing items for negotiation, disclosing relevant information as appropriate for the purposes of negotiation, refusing or failing to refuse with one or more of the parties, or refusing or failing to negotiate with employee representatives (Bartlett and Sheehan: 1996; ALAEA Newsletter: 2000). Whilst there was no official recognition of enterprise-based bargaining as yet, the 1988 Act was struck at a time when national wage case bargaining was linked to productivity improvements and structural efficiencies at the workplace level. Thus as Naughton suggests (as quoted in Arsovska and van Barneveld: 2001), the 1988 amendments were introduced to ensure that this ‘enterprise’ bargaining process between the parties was a ‘genuine one’.

Arsovska and van Barneveld (2001) suggest that the concept of GFB was strengthened in the subsequent Industrial Relations Reform Act 1993. Under this, the Bargaining Division was established in the AIRC to facilitate the development of enterprise agreements. Amongst its
varied responsibilities, the Division was bestowed with the power to ensure that bargaining was done in good faith. Again, while not defining good faith, the Bargaining Division could intervene on its own motion or at the request of any of the parties to conciliate. Subsequently, the Commission could make an order if either party was unwilling to negotiate (ACTU: 1994).

However, while appearing expansive, subsequent jurisprudence acted to limit the scope of the GFB provision, in particular the Asahi and ABC cases. In the Asahi case, Asahi Diamond Industrial Australia Pty Ltd did not employ any members of the Amalgamated Metal Workers Union (AMWU) and used this to refuse to meet with the AMWU to negotiate a collective agreement. The union sought and obtained bargaining orders from Commissioner Hodder requiring Asahi to meet and negotiate with the AMWU. However, the Full Bench of the AIRC overturned this decision and determined that it would not make orders obliging the parties to bargain in good faith. An alternative form of order would be made instead specifying what the person is to do to meet the ‘good faith’ obligation, for example, regarding meeting times (Naughton as quoted in Arsovksa and van Barneveld: 2001; ACTU: 1995). This judgement clarified that no legal mechanism existed mandating employers to bargain with trade unions (McCallum: 2002).

In the ABC case or rather Public Sector, Professional Scientific, Research Technical, Communication, Aviation and Broadcasting Union v Australian Broadcasting Commission, the Full Bench of the AIRC for the first time more clearly stipulated what was meant to ‘negotiate in good faith’ when stating: (as quoted in Bartlett and Sheehan: 1996):

“The determination of whether or not a negotiating party is ‘negotiating in good faith’ may depend on the conduct of the party when considered as a whole. For example, if a party is only participating in negotiations in a formal sense, but not bargaining as such, then they may not be ‘negotiating in good faith’. Negotiating in good faith would generally involve approaching negotiations with an open mind and a genuine desire to reach an agreement as opposed to simply adopting a rigid, pre-determined position and not demonstrating any preparedness to shift.”

Nonetheless the Commissioner’s orders under s170QK of the 1993 Act again limited intervention to procedural aspects of the negotiating process rather than seeking to force the parties to bargain in ‘good faith’ (Naughton as quoted in Arsovksa and van Barneveld: 2001).

Any reference to GFB along the lines of the 1988 and 1993 Acts was subsequently eliminated from the Workplace Relations Act of 1996. Under section 170N of the Act the Commission cannot arbitrate or make orders for negotiating in good faith. It can only use its conciliation powers or rely on the goodwill of the parties to be satisfied that GFB has occurred. That the Commission’s role was limited to this scope was most recently confirmed in the CPSU vs Sensis case. Quoting statements from then Minister for Workplace Relations Peter Reith on why the GFB provision was removed from the WRA 1996, Commissioner Smith’s initial interpretation of Minister Reith’s statements was that ‘while the Commission cannot order parties to negotiate, it can ensure that negotiations occur in good faith and issue orders for that purpose’ (PR927827: 14). However, upon appeal to the AIRC Full Bench, it was found that Commissioner Smith had ruled ‘incorrectly’ and there was no legal duty to bargain in good faith. Instead, the Bench re-affirmed the limited role of the AIRC in these matters: “But because the Commissioner has indicated an intention to consider the merit arguments in the context of a duty to bargain in good faith it is necessary to ensure that does not occur and that the discretion is exercised having regard to the relevant statutory considerations.” (PR939704: 36); thus, relegating the GFB provision to the Asahi and ABC interpretations.

The Australian Labor Party (ALP) identified GFB provisions as one of six core principles supporting new industrial relations legislation if it was elected to government in the 2001 federal election. Then leader Kim Beazley introduced a private members’ bill into the federal Parliament in 2000 proposing the insertion of a general obligation to bargain in good faith in the WRA 1996. The proposals in this bill replicated section 170QK of the IRA 1988 legislation (Forsyth: 2001). Again, in March 2004, Opposition spokesperson for Labor Relations, Dr Craig Emerson, introduced a Workplace Relations Amendment (Good Faith Bargaining) Bill into the House of Representatives and the ALP included a provision for GFB in its industrial relations policy platform for the 2004 Federal election (ABC Online: 2004).
At state level, the election of Labor governments has seen renewed interest in exploring GFB provisions. In Queensland, Section 146 of the Industrial Relations Act 1999 ‘requires’ the parties to negotiate in good faith. It refers to examples of good faith as being agreeing to meet at reasonable times and disclosing relevant information for the negotiation (McGowan: 1999). However, in practice, it appears that GFB has only been enshrined in the public sector, where a Protocol for GFB jointly developed between trade unions and the Queensland government came into effect in December 2002. Again, this lists matters such as an agreed bargaining process, meetings, bargaining behaviour, breach of good faith, timeframes and reporting processes, a provision for conciliation and arbitration and a review process as indicative of ‘good faith’. In South Australia, a proposed ‘Industrial Law Reform (Fair Work) Bill 2004’ is pending and may include provisions for ‘best endeavours’ bargaining. As the state commission is empowered to ensure that parties conform to a ‘best endeavours’ approach, the proposed reforms in South Australia appear to be broadly similar to the GFB model introduced in Western Australia in 2002 (DEWR, 2004).

The introduction of good faith bargaining in Western Australia: The Labour Relations Reform Act 2002

Following the election of the Gallop Labor government in Western Australia in 2001, there was a re-orientation of state industrial relations through the Labour Relations Reform Act (LRRA 2002) which aimed to restore the interventionist powers of the West Australian Industrial Relations Commission (WAIRC) and the primacy of collective bargaining. A key aspect of the Act was the abolition of the former government’s individual employment instruments and their replacement with more regulated ‘Employer-Employee Agreements’ (Todd, Caspersz & Sutherland, 2004). Another central component of this re-orientation were measures designed to promote GFB in negotiating employment agreements. The primary intention of the reform bill was to restore collective bargaining to the heart of the WA IR system. In line, however, with the general ‘third way’ political orientation of the state government, these changes were framed in terms of allowing for the possible exploration of interest based, mutual gains bargaining to occur. The GFB provisions included in the act were cited by the government as evidence of a practical commitment to fostering ‘positive’ employment relationships, which would be furthered by the overseeing and independent role played by the state Commission in bargaining processes (Kobelke, 2003).

According to an explanatory memorandum on the introduction of LRRA 2002, the GFB provisions were intended to “encourage parties to negotiate openly and honestly. It is intended that this will lead to more successful resolution of negotiated outcomes.” In terms of actual bargaining processes and behaviours, this encompassed an expectation that all parties must state their position on matters at issue, and explain that position; meet at reasonable times, intervals and places for the purpose conducting face-to-face bargaining; disclose relevant and necessary information for bargaining; act honestly and openly, which includes not capriciously adding or withdrawing items for bargaining; recognise legitimate bargaining agents; provide reasonable facilities to employee representatives necessary for them to carry out their functions; bargain genuinely and dedicate sufficient resources to ensure this occurs; adhere to agreed outcomes and commitments made by the parties (DOCEP, 2002).

Under the legislation, GFB can apply once a party initiates the bargaining process by informing another party or parties of an intention to commence bargaining. When bargaining for a replacement agreement, the Act allows for a bargaining period to be initiated up to 90 days prior to the expiry of the current enterprise bargaining agreement to allow time for the relevant parties to settle before the agreement’s expiry date. Notably, where there is no existing enterprise bargaining agreement the GFB obligations are open-ended and can be initiated ‘at any time’. Relevant parties can also be requested to bargain as a group, thus allowing for unions to bargain and access the GFB provisions on a multi-employer basis, however, there are also provisions for parties to request that the state Commission allow them to bargain separately rather than as part of a group.

After a formal notice to initiate bargaining is issued, the receiving party must respond within 21 days. A positive response means than bargaining begins and all parties are obliged to abide
by GFB obligations during the course of the negotiation process. If, however, a party fails to respond within the 21-day timeframe then the initiating party may apply to the Commission for an enterprise order (an arbitrated outcome). The Act clearly indicates that parties operating under the GFB provisions are in no way obliged to reach an agreement, nor does the state Commission have interventionist powers to compel acceptance to a particular proposed settlement. The state Commission is provided with powers, however, to direct and guide parties by developing a general ‘code of good faith bargaining’ and via the ability to issue orders to ensure GFB throughout the process, including rulings that parties desist from using particular tactics incompatible with GFB. Notably, industrial action during the bargaining period does not necessarily equate to parties acting in bad faith. However, industrial action may be relevant in so far as the Commission is directed to examine the totality of the parties conduct in determining whether actions and strategies are consistent with GFB.

**Employer and union response to the introduction of good faith bargaining in Western Australia**

These interventionist powers to ensure that all parties are acting in good faith are the most contentious aspect of the introduction of GFB in Western Australia. Clearly, the measures are an attempt to deal with power imbalances, in particular in relation to fair access to information and avoidance of collective bargaining altogether under the current enterprise bargaining regime. Employer groups, however, have directed public criticism towards the empowerment of the WAIRC through the GFB provisions and the associated ability to issue a binding ‘enterprise order’ on non-compliant parties. As these measures allow for a degree of coercion in directing the process and bringing parties to the negotiation table, employer organisations with a strong preference for individualised arrangements or the removal of ‘third party’ (union or Commission) intervention have continued to argue that they represent an impediment to the emergence of “genuine” bargaining (CCI, 2004: 2).

In a presentation to the H.R. Nicholls Society, a representative of the Chamber of Commerce and Industry of WA (CCCI) argued that the 2002 legislative changes in Western Australia had led to the state moving from the ‘best’ industrial relations in Australia to the ‘worst.’ The reforms were depicted as a return to an ‘old’ system of inflexible and unproductive workplace relations ‘dominated by adversarial relationships and with the involvement of third parties unconnected to the workplace’ (Williams, 2003). Specifically on the issue of GFB, the CCI complains that GFB could apply to multiple employers and thus that the measure would stimulate a series of pattern bargaining claims (Williams, 2003). The formal response of the CCI to the GFB measures was outlined in the Chamber’s submission to a 2004 review of the LRRA 2002. In particular, the CCI submission centred on complaints that the central intention underlying GFB was to ‘coerce’ employers into collective bargaining with unions. According to the submission:

> “The effect of these provisions has been to coerce employers into collective bargaining through the threat of arbitrated enterprise orders rather than promoting genuine bargaining based on good will. These provisions call into question the notion of genuine agreement making as being a process in which both parties voluntarily reach agreement on industrial matters” (CCI, 2004: 2)

The submission also raised a specific concern on the alleged tactic of unions (unnamed) simultaneously utilising both the federal and the state act to allow for both protected industrial action (under the federal jurisdiction) and the possibility of compulsory arbitration (an enterprise order through the state commission), tactics which the CCI complained that both commissions had failed to prevent. However, while the CCI suggested that the creation of dual bargaining periods under state and federal jurisdictions was an unfair means maximising bargaining leverage, as previously noted, industrial action is not automatically incompatible with the principles of GFB.

Understandably, unions supported the introduction of the GFB provisions. In the months surrounding the election of the Gallop government, GFB was a component, along with the abolition of individual agreements, right of entry issues, and improved protective provisions for casuals, of the UnionsWA agenda for repealing and replacing Court government legislation enacted during the 1990s (‘Gallop Govt cops flack over IR delays’, 2001).
However, the strategic objectives of UnionsWA in regard to the reform bill of 2002 were not realised in their entirety, as the Act did include a new form of state based individual agreement mechanism (Employer-Employee Agreements). While unions expressed a degree of discontent as to the limitations of the ‘rollback’ of the Court government’s industrial relations policies, GFB was welcomed as a necessary regulatory improvement in a framework where enterprise level (collective) bargaining was envisaged as a central plank of the state industrial relations environment. Nonetheless, there is Union concern about the fact that LRRA individual agreements in the form of employer-employee agreements can, in fact, be offered during the period of GFB. Given this confusion, it is thus not surprising that there is relatively little evidence that Unions WA or individual trade unions have taken a proactive stance and utilised the provisions in a widespread or coordinated manner.

Therefore, who uses GFB? A review of relevant documents and WAIRC determinations and hearings after the introduction of the measures in 2002 reveals relatively few cases where GFB provisions have been cited or utilised by parties to a dispute. As the following review of these cases illustrates, the GFB provisions appear to have been utilised infrequently by unions, and where GFB has come into effect, it has been relevant as a necessary component of union efforts to gain enterprise orders from the Commission. Alternately, it is notable that in two cases the GFB provisions were cited or utilised by employers in dispute with unions.

**CPSU/CSA and the West Australian Government**

In mid 2003 the Government of Western Australia and the CPSU/CSA (Community and Public Sector Union/Civil Service Association WA) began negotiating public sector replacement agreements due to expire by the end of the year. The union launched an industrial campaign to mobilise members in support of its claim ‘CPSU/CSA Valuing Working Life 2003’, which aimed for salary increases of 6% or sixty dollars per week. The CSA then rejected as unacceptable four Government offers between October and the end of the year. There was also ongoing disagreement over two issues that the Government pursued through the negotiations. Firstly, the Government sought to gain the ability to negotiate directly with certain employees to allow for the creation of a commuted allowance in place of overtime and shift work benefits provided for by the relevant award. Secondly, the Government sought the ability to allow individual employees to cash out up to half of accrued annual leave.

In an apparent attempt to change the dynamic of the negotiation the Government accused the CSA of failing to bargain in ‘good faith’ and on 6 January 2004 the CSA was presented with an official notification that the GFB provisions under Section 42(1) of the Act were applicable to the negotiations. The CSA agreed to observe the GFB provisions for future negotiations over the replacement agreements. Several weeks later, the CSA rejected a prior recommendation from the WAIRC for an initial increase of 3.4% and of 3.5% for the second year of the agreement. However, there was progress in reaching agreement on the commencement dates for various aspects of the replacement agreements, with the parties agreeing to separate these matters from unresolved disputes over pay increases, cashing out of annual leave, and commuted allowances. After failing to reach agreement both parties jointly invited the WAIRC to arbitrate these matters. In late July 2004 the WAIRC determined pay increases of 3.8% and 3.6% for each year of the agreement; denied the Government the ability to negotiate directly with employees over commuted allowances while at the same time obliging the union to begin discussions over these issues (even with non-unionised employees); and, finally, rejected the proposal of allowing for the partial cashing out of annual leave.

**CFMEU versus Hanssen Pty Ltd project management 2003**

In 2003, the CFMEU sought to negotiate an enterprise bargaining agreement with Hanssen Pty Ltd, an employer with a strong preference for excluding unions from its construction worksites. After forwarding to Hanssen a proposal outlining in detail the conditions and matters it wished to include in the agreement, the CFMEU, in accordance with the legislative amendments introduced in 2002, gave formal notice that the employer had 21 days to respond to the intention to commence bargaining. Hanssen failed to issue a formal response to this notice and otherwise flatly refused to negotiate with the union. The CFMEU was then in a position to apply to the WAIRC for
a declaration that bargaining in respect of the claim had ended and that an Enterprise Order should now be issued in light of the non-negotiation stance adopted by Hanssen.

The commissioner, in accordance with the Act, granted the application for an enterprise order that was to be based on the draft enterprise agreement and to apply for a one year period. Hanssen successfully appealed the decision before a Full Bench of the WAIRC, which overturned the original decision largely on a procedural technicality in that the ‘Commission, having relied upon information not put before it in proceedings, did not bring that information to the attention of the parties and allow them to be heard in respect of it’ (2004 WAIRC 12606). A subsequent attempt to have an enterprise order issued was defeated after the WAIRC accepted the argument that an enterprise order was incompatible with the federal WRA in that all of Hanssen’s employees were covered by AWAs.

Ultimately, the GFB provisions were relevant to the dispute in a very limited yet strategically significant sense in that an applicant seeking an enterprise order must be seen to have sought to bargain according to the GFB provisions outlined in the Act. In a different case which resulted in the making of an enterprise order (Sealanes Pty Limited) the GFB requirements of parties were likewise cited with respect to the fact that union applicants had previously bargained in good faith before seeking a formal notice from the Commission that bargaining had ended and that an enterprise order should be issued.

Burswood Resort (Management) Ltd versus Australian Liquor, Hospitality and Miscellaneous Workers Union, Western Australia

In 2002, the union applied to the WAIRC for an award to substitute a 2001 collective agreement with the Burswood casino/resort. The essence of the dispute was the desire of the union to ensure that employees covered by union negotiated collective agreements were provided with equivalent terms and conditions as employees within the enterprise who had signed Australian Workplace Agreements after management began offering these to employees from 1999 onwards. The union submitted to the WAIRC that Burswood management was discriminating against employees covered by union negotiated agreements and both parties agreed that in October 2002 management informed employees on AWAs that they were to receive a 3.2% pay rise. Subsequently, the WAIRC granted the new award to the union to allow for equivalent pay for employees covered by the 2001 collective agreement, noting in their finding that management tactics were inconsistent with the intention of the 2002 legislation to restore the primacy of collective bargaining. Interestingly, Burswood management argued before the WAIRC that the union should not have sought to have the commission make a new award and that rather the union should have indicated a formal intention to proceed with negotiations under the GFB provisions of the Act before possibly proceeding to seeking an enterprise order. However, the WAIRC rejected these arguments finding that “the provisions relating to good faith bargaining and enterprise orders are capable of independent existence under the Act” and suggesting that it was clear the Act did not intend that “where enterprise bargaining fails the only path that a Union can take is to seek the making of an enterprise order rather than the making of a new award.”

Conclusion

While “good faith” principles have occasionally surfaced in the federal arena, GFB has emerged recently as a distinctive feature of industrial relations in several state jurisdictions. In Western Australia, the Labor government’s labour relations reform legislation of 2002 represented perhaps the most wide-ranging attempt thus far to incorporate GFB principles within state level industrial relations. However, the utilisation of these GFB measures in Western Australia appears to have been relatively limited, which may reflect the short period of time since their introduction and the absence of comparable provisions in previous legislative frameworks. As a result, all relevant parties considering the provisions are gradually “learning through doing” as to their character and strategic implications.
More significantly, a review of specific cases also reveals that rather than necessarily transforming the traditional adversarial culture of industrial relations, GFB represents a tactical and strategic option within the negotiation process available to both unions and employers. The preliminary assessment provided in this paper suggests that GFB provisions may be most relevant when one party refuses to negotiate with or recognise another party, in particular, in situations where unions confront employers demonstrating a conscious preference for “union avoidance”. At present, the main strategic option exercised by such employers has been to shift to the federal sphere thus accounting for the rapid increase in AWA approvals from WA after the introduction of the LRRA 2002 (Todd, Caspersz & Sutherland, 2004). In the event of right of entry provisions beginning to take effect and an alignment between the state and federal jurisdictions (in terms of the primacy of collective bargaining over individual contracts), it is possible that the GFB measures could become more widely utilised as a means of compelling anti-collectivist employers to negotiate with unions in ‘good faith’. Alternately, in the absence of this alignment or a far wider utilisation of the measures, GFB may only be ‘lightly’ embedded in Western Australia and this, in turn, would facilitate the abolition of the provisions under a conservative state government.

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His master’s voice – The interplay between non-union and union representation arrangements at Eurotunnel (UK)

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ABSTRACT

The recent introduction of the European Directive on information and consultation and its forthcoming implementation into UK law has increased the focus on workplace representation arrangements. This paper examines the interplay between non-union and union representative arrangements at Eurotunnel (UK) and assesses their effectiveness in representing the needs of employees over a five-year period. Importantly, the paper also examines the pros and cons of both NER and union voice arrangements. The findings show that the effectiveness of non-union structures as bodies representing the interests of employees in filling the lack of representation is questionable. However, union recognition through an employer-union partnership agreement has also raised important issues regarding the effectiveness, impact and legitimacy of unions at Eurotunnel. This perception of the lack of effective voice is particularly important given the recent introduction of the European Directive on information and consultation and its forthcoming implementation into UK law. The main implication of this research is that the existence of a mechanism - union or non-union - for communication between management and employees at the workplace may not be a sufficient condition for representation of employee interests. Effective employee voice over workplace issues may be essential for achieving and maintaining employee satisfaction. Voice, the right to be heard and having influence over workplace issues and at times an acknowledgement of differing interests may be essential conditions for a more effective decision-making process.

Introduction

It is apparent from existing research that little is known about the effectiveness of employee consultation and representation in UK non-unionised firms, in particular, how non-union employee representation (NER) arrangements impact and influence managerial decisions (Gollan, 2000; Gollan, 2001; Lloyd, 1999; Terry, 1999; Watling and Snook, 2003). The importance of NER arrangements in the UK has been highlighted by recent initiatives from the European Commission. On March 11, 2002 a general framework for informing and consulting employees in the European Community was formally adopted and came into force on 23 March. This Directive will eventually apply to undertakings or businesses in Member States with at least 50 employees (or establishments with 20 employees or more), and will require them to inform and consult their employees in good time about issues directly affecting work organisation, job security and employment contracts regarding terms and conditions.

In light of these developments, this research will build on earlier work by the author (Gollan, 2001) and attempt to address these issues by examining non-union and union representative arrangements at Eurotunnel over a five-year period, and assessing their effectiveness in representing the needs of employees.

Thus this paper will attempt to address a number of research questions. First, how effective are NER and union arrangements at representing the interests of and providing voice for employees? Second, are NER arrangements a complement to union representation or do they act as a substitute for union based voice arrangements? Third, what are the positives and negatives of both NER and union based voice arrangements? Fourth, what are the potential implications for employers, unions and NER based voice arrangements in the future?

Eurotunnel (UK)

Eurotunnel has a 99-year lease to operate the Channel Tunnel link between Britain and France. It has a complex structure consisting of two legal entities to meet requirements in the UK and France. The company is owned by private shareholdings in France and the UK. Eurotunnel in total employs a total 3,400 staff, with approximately 1,400 based in Britain on UK contracts. The UK head office is in Folkestone (Longport) with a separate office nearby for some administration activities and the call centre.
According to management, the company’s human resource policy systematically takes into consideration its bi-national balance, whether regarding staff allocation or the fixing of salaries and benefits. The 1999 annual report states:

National differences are taken into account when creating personnel management policies, especially as far as labour laws are concerned, the main objective always being to ensure as far as possible equal status for the personnel of each country. Salaries are competitively fixed in line with the current market conditions of each country, with most of the associated salary benefits (paid holiday, retirement pension, medical insurance) being either identical or directly comparable (Eurotunnel 1999 Annual Report, p.23)

The Eurotunnel (UK) company council was established in 1992 as the sole channel of employee representation. The company council consists of employees who are democratically elected every two years. Importantly, it is the company’s communications forum and has three main aims: to give information and consult on matters of common concern to employees; to manage the social and welfare budget equal to one percent of payroll (approximately £250,000-£350,000 per year); and to represent all employees at Eurotunnel (before June 2000, this also included bargaining and negotiation over pay and conditions).

Until June 2000, Eurotunnel (UK) only recognised the CC for negotiation purposes. In June 2000, a recognition and partnership agreement was signed between Eurotunnel (UK) and the Transport and General Workers Union (T&GWU) to cover all non-managerial staff. Prior to June 2000, one representative and one deputy were elected to the CC from each of eight constituencies, which are geographically or functionally based, including: Technical Engineering, Shuttle Services, Tourist Division, Train Crew, Freight Division, Corporate (Administration), Technical Railway and the Call Centre. Each constituency had a representative and deputy on a joint ticket.

With the introduction of the Employment Relations Act 1999, a recognition and partnership agreement was signed by Eurotunnel management and the T&GWU in June 2000, which conferred negotiation rights, confirmed the acceptance of the existing consultation framework and established a joint management trade union forum. As a result, the agreement created two representation structures. A modified company council with eight representatives meets six times a year and represents all employees at Eurotunnel. The joint trade union forum represents union members at Eurotunnel covering all issues of concern, including sole negotiating rights over UK pay and conditions.

When Eurotunnel management introduced union recognition and signed the partnership agreement between Eurotunnel and the T&GWU, the then Director of HR indicated that the impetus for change was the threat of industrial action by train drivers who members of a rival train union Aslef in late 1999, which had created operational upheaval and a situation of crisis management. This was considered important due to the company’s £6.5 billion debt and the perishable nature of service delivery with industrial action costing potentially millions of pounds a day in lost revenue.

Another important influence was the union recognition requirements under the provisions of the Employment Relations Act 1999. It was felt by management that the legislation could be a catalyst for a number of diverse and complex union-based arrangements within Eurotunnel. The partnership agreement was finalised with little consultation with the workforce and in the face of opposition from the rail union Aslef. It was stated by the HR Director that a mainline rail union would not be appropriate since Eurotunnel was not a mainline rail company. He stated, ‘Jokingly, we are a railway line with two stations. In fact we are partly a process engineering factory, that is what the tunnel is, and partly a ferry service on wheels. We are not comparable to any UK rail companies. On the technical side (terminals, tunnel and rolling stock) we are more like a train factory rather than a rail company’.

Research strategy

The Eurotunnel research was conducted over a period of approximately five years (1998 to 2003) and involved multi-variant case study analysis, using interviews, company documents, employee surveys, focus groups and observation. The rationale for using Eurotunnel as a case study was the impact of the culturally and functionally diverse nature of its workforce on representation
arrangements in a single establishment. The case study also highlighted the complexity of operating a uniform consultation structure across a highly diverse workforce.

In order to assess employees’ responses prior to union recognition, an employee survey was undertaken between December 1999 and January 2000, focusing on some of the issues raised in earlier interviews. In addition, a second survey was conducted 18 months after union recognition during December 2002. The objective of this second survey was to reveal employee attitudes towards the company council and their views on the role of the trade union at Eurotunnel.

The first survey undertaken in 1999 consisted of a self-completion questionnaire of 27 questions and was distributed to almost a third of the UK workforce (400 employees) by company council representatives and deputies. Some 123 completed questionnaires were returned, representing a 31 percent response rate. The second survey undertaken in 2002 replicated the first survey but included additional questions relating to trade union recognition and trade union presence. It consisted of a self-completion questionnaire of 31 questions. It was distributed to all UK employees (1,400 employees) and was attached to employees’ pay slips by the company council. Some 552 completed questionnaires were returned, representing a 40 percent response rate of the total UK workforce.

Research findings

The findings in this section assess the views of employees based on two surveys, one undertaken in December 1999 and January 2000, and the second survey conducted late 2002.

INFORMATION AND CONSULTATION: An important part of both surveys were questions relating to communications at Eurotunnel. Significantly, on the central issue of the effectiveness of communication at Eurotunnel, over 60 percent of respondents in the second survey indicated that they were either not well informed or not informed at all about workplace issues at Eurotunnel. These results were similar to those findings in the first survey (58 percent). Overall, the respondents were generally positive about the usefulness of the various consultation methods, with notice boards, word of mouth, meetings of managers cited as the most helpful. However, nearly 60 percent of respondents indicated that company council representatives were not helpful (50 percent in the first survey) and 70 percent of respondents suggested that trade union respondents were not helpful. This would suggest that neither company council representatives nor union representatives have been effective at communicating with the workforce over issues of concern.

The majority of respondents overall were dissatisfied with the amount, type and timing of information from management. However, the second survey showed an improvement in the provision of information compared to the previous employee survey. Importantly, on the issue of trust in management, when asked the question, “Typically when management communicates with you, to what extent do you believe the information you are given?”, there was little change in employee attitudes with around 40 percent of respondents from both surveys suggesting they did not believe information from management. This attitude was reflected in an interview with one of the representatives, who argued, workers:

With regard to how much information employees received over certain employment issues, respondents from the second survey were less positive than those in the first survey. On average, slightly more (around 10 percent) respondents stated they received none or only a little information on these issues. However, the same two issues did stand out in both surveys - staffing issues (recruitment and redundancies) and working practices. Around two-in-three respondents in both surveys said they received no information or little information on these issues.

Surprisingly, 75 percent of respondents in the second survey (after union recognition) received no or only a little information on union issues. Importantly there was no improvement between the two surveys regarding information on pay and benefits, which could have implications for employees’ perceptions of trade union effectiveness with the lack of information regarding union issues possibly contributing to fewer than expected members.
In regard to the level of influence they had on management decisions, nearly 80 percent of employees suggested that they had no or little chance to influence management at Eurotunnel. This figure was the same as for the previous survey. A respondent from the second survey suggested, ‘Eurotunnel managers might listen to employees, but disregard their opinions and suggestions, unless it makes management shine. Management are arrogant and condescending’.

**WORKPLACE REPRESENTATION:** Only six percent of respondents indicated that they were frequently in contact with their company council representatives. This was down from 20 percent in the previous survey. 45 percent of respondents said they were occasionally in contact with their representatives, again down from 57 percent in the previous survey. More worrying was the 20 percent who did not even know who their worker representatives were. This was an increase from the previous survey when only three percent said they did not know their representative. One respondent commented, ‘Company Council representatives simply do as they are told by the company - no power, no backbone. The union is far more effective but would be better if Eurotunnel followed the rules of the agreement it signed and dealt with the issues raised (Pay and Conditions)’.

Regarding the importance of the company council communicating on workplace issues, respondents to the second survey generally rated communication from the company council as less important than respondents in the first survey. The most important issues for respondents in both surveys were pay and benefits and employee grievances, staffing issues and changes to working practices, with around half to two-thirds of respondents suggesting they were ‘important’ or ‘very important’. Significantly, there was large fall in respondents indicating that it was ‘important’ or ‘very important’ for the company council to be communicating on pay and benefit issues in the second survey, which highlights the influence of trade union recognition and presence. On the question of who would best represent staff on major workplace issues, the strongest support for a trade union was on pay increases. This was reflected in both surveys.

At the time of the first survey, 12 percent of respondents were union members. Only six percent of respondents indicated that there was any active union presence and nine percent had contact with other union members or representatives. However, over 75 percent of the respondents indicated that management should recognise a trade union.

Support for trade union recognition was also reflected in the Eurotunnel Company Council Recognition Survey, which found that 52 percent of the respondents were in favour of trade union representation. In terms of employees’ willingness to join a trade union, half of the respondents in the recognition survey stated they would.

Findings from the first survey (prior to trade union recognition) suggested that many employees believed that trade unions would improve their position on certain issues. As an example, in relation to pay and benefits some 72 percent of respondents from the first survey thought that trade unions would improve their position. There was a similar finding regarding work conditions, with 73 percent of employees suggesting that trade unions would improve their position.

The findings from the second survey (after union recognition) indicated that the T&GWU had some success in recruiting members and increasing its presence. Some 35 percent of employees in the second survey said they were a trade union member compared to only 12 percent in the first survey. Union presence had increased greatly with 55 percent of respondents suggesting they had an active union presence in their workplace compared to only six percent of respondents from the first survey. However, in contrast to employees’ perceptions from the first survey, the second survey revealed the lack of progress the union had made on some important issues. Many employees suggested that the trade union had not met their expectations. When asked how effective the trade union had been in representing general employee interests, only 29 percent suggested that they were effective or very effective. Some 27 percent felt they were not effective at all with the rest of respondents suggesting the trade union was only moderately effective.

Furthermore, when asked if the trade union had improved their position on pay and benefits, only 11 percent of respondents agreed. This view was also apparent in relation to other issues, such as work conditions (13 percent), health and safety (14 percent), training (six percent), individual grievances (19 percent) and job security (11 percent).
PERCEPTIONS OF REPRESENTATIVE EFFECTIVENESS: Two-thirds of all respondents stated that the company council was not effective in representing general employee interests or the interests of employees in the section or area where they worked. The view of one respondent from the first survey (before union recognition) was that, ‘Company Council does well regarding social activities but is unable, through no fault of their own, to influence management decisions’. These views of the Company Council reflect those from the first survey.

This viewpoint was voiced by one respondent in the second survey:

In an ideal world, the Company Council should have a role – other than offering treats like cheap panto tickets and holiday deals. In reality the company council representatives are all paid employees – their power and inclination is limited. It was hoped the union coming in would change all that, not the case I’m afraid. The T&G seem to be more compliant than the company council. I feel this must be poor leadership on their part, as certainly their employee representatives would like to make it work.

Many respondents (around 50 percent) in the second survey suggested that the company council should retain a consultation role. This view was strongest in relation to pay and benefits and employee grievances. Few respondents believed that the Company Council should have no role. One respondent suggested, ‘The idea of the Company Council is a good one. They want the same benefits as anyone else, but they don’t have the power to achieve a great deal. They need to evolve with the company and be given more power on certain issues. Management need to accept them and inform them more than they do now. Work with them not against them’.

The proportion of respondents who felt the union could best represent them in increasing pay dropped significantly from over 70 percent in the first survey to under 50 percent in the second survey. This downward trend over the period was also apparent in relation to other workplace issues. For example, employees who thought that the union would be best at making a complaint about an issue at work fell from 55 percent to 35 percent, representing employees in disciplinary procedures declined from over 61 percent to 43 percent and representing individuals about changes to their immediate workplace decreased from 46 percent to 32 percent. Interestingly, support for the company council on these issues stayed relatively consistent between the two surveys.

Importantly, the proportion of respondents who stated that they themselves were best placed to deal individually with the issues mentioned above increased between the two surveys. For example, 25 percent stated they individually were best placed to obtain pay increases, 38 percent of respondents said they were best placed to make a complaint (up from 15 percent in the first survey), 26 percent felt they were best placed to deal with disciplinary action from managers (up from 10 percent in the first survey), and over 46 percent stated they were best placed to individually deal with changes to their immediate workplace (up from 26 percent in the first survey). The following comments illustrate the views of employees who are evidently not supportive of unions.

Discussion and conclusions

The research at Eurotunnel provides an opportunity to explore the impact of consultative structures on certain processes as well as to assess employees’ attitudes towards the company council and their views on the trade union, both prior to union recognition and in the period following the new arrangements. One of the reasons for management to establish NER arrangements at Eurotunnel was a desire to have a more direct relationship with employees, without the mediating forces of a ‘third party’ through union representation. In this endeavour, Eurotunnel’s union substitution approach failed to stop the forces for unionisation, the catalyst for which was the Aslef presence in the train crew section of the workforce. Consequently, the maintenance of NER arrangements was very much dependent on the threat of unionisation. The findings at Eurotunnel would also seem to suggest that an important underlying driver in the unionisation process was management’s ambivalent behaviour towards employees’ views and concerns rather than any potential financial advantage gained by unionisation. Importantly, dissatisfaction over certain issues considered by employees as important and the lack of trust between management and employees appear to been even more critical impetus to the unionisation process.
Significantly, although their expectations were high, employees were not totally convinced that unions alone would solve these issues. Only when management was perceived as unresponsive did the union become more of a catalyst for collective action. Before union recognition, the T&GWU was seen more as a means to protect existing wages and conditions in a period of cost cutting and spending controls. However, in many ways it could be argued that the partnership between Eurotunnel and the T&GWU protected status quo rather than extracted increased wages and conditions, resulting in dissatisfaction, disenchantment and frustration. This was in the context of the recognition of the T&GWU against the wishes of many employees, with many unconvinced of the merits of trade union representation alone. This resulted in a significant group of employees not becoming members of the T&GWU.

The challenge for the T&GWU at Eurotunnel is that certain achievements such as increased trade union membership and presence have not been accompanied by more positive attitudes towards trade unions by a majority of Eurotunnel employees. More worrying for the T&GWU at Eurotunnel is the lack of belief in the trade union regarding its ability to achieve traditional trade union objectives of increases in pay, fairness and protection in disciplinary action, making a complaint against management, and changes in employees’ immediate workplace – in fact, many felt they were as individuals best able to deal with such issues. This is important, given that these issues would be regarded by many as traditional and core trade union activities. The risk for the T&GWU is that the Eurotunnel employees’ perception of a lack of effective union voice could potentially impact negatively on the influence that unions could have on management decisions and undermine their legitimacy at the workplace. These issues could be seen as the challenge for the employer and union partnership at Eurotunnel and generally for employer and union partnership in the future.

The experience of Eurotunnel would also suggest that some employees are reluctant to abandon NER arrangements altogether, providing management with more diverse and complex representation arrangements. This could be seen as a failure of management and the T&GWU to convince employees of the merits of a single channel of trade union representation. For management, this more diverse representation arrangement could raise concerns regarding employees’ acceptance of management decisions and undermine the effectiveness of organisational change initiatives due to the increase complexity of dealing with a number of representation arrangements. For the T&GWU, failure to persuade the majority of employees at Eurotunnel of the merits of unionisation has potentially undermined the legitimacy and authority of the union in representing all employees at Eurotunnel.

Overall, these results would suggest that employees were satisfied with neither the NER nor union voice arrangements. Furthermore, neither arrangement appeared to address employees’ expectations in providing effective employee voice. There may be a number of reasons and potential implications from this important finding. One possible explanation could be the external environment (Eurotunnel’s financial situation, cost-cutting, competition etc) has restricted management’s ability to address the concerns of employees no matter how capable, motivated or willing management are in developing good employee relations. This could be seen as a basic pluralist industrial relations critique of human relations that voice lacks effectiveness if the external environment is negative. The second implication is that management lacked the capability and experience to address and deal with the complexity of employees’ concerns through either the NER or union arrangements. Third, employees have high expectations which cannot be met under the financial conditions by either the CC or trade unions due to their limited influence over the organisational decision-making process. And finally, the perception of a lack of independent voice by the CC, and the T&GW due to the union-management partnership arrangements, has not increased employee voice and failing to act on employees concerns has further undermined the legitimacy, authority and trust in both arrangements.

While this study is focused on just one company, potentially it could have far reaching implications for employers, unions and government policy regarding the structures needed for providing effective consultation and representation. Significantly, it highlights the potential limitations and dangers for employers and unions of not addressing the needs and expectations of workers. Given the devolution of decision-making in many organisations and the greater focus on employee commitment and effective organisational change, these findings are of particular interest.
They suggest that if employers wish to encourage an alignment of interests between employee behaviour and organisational goals, they need to place greater emphasis on giving employees a greater say in the decision-making process and on addressing the expectations of employees.

The message from this research and the future legislative requirements on information and consultation is that the existence of a mechanism - union or non-union - for communication between management and employees at the workplace may not be a sufficient condition for representation of employee interests. Effective employee voice over workplace issues may be essential for achieving and maintaining employee satisfaction. The Eurotunnel research would suggest that while trade unions may provide greater voice than non-union arrangements, the strength of voice is dependent on the legitimacy and effectiveness of trade unions in representing employees’ interests at the workplace. And that in turn depends on the union being perceived by the workforce as both representative and able to act independently.

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Employer Evasion of Worker Entitlements 1986-95: What and Whose?

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ABSTRACT

Employer non-compliance with workers’ entitlements is an area seldom explored in Australian industrial relations, generally considered uncommon or the province of ‘rogue’ employers. This paper provides a picture of the categories of entitlements against which complaints of evasion were made in the federal industrial relations jurisdiction in Australia, between 1986 and 1995 and the characteristics of complainants. The “top 30” awards ranked by extent of underpayment recovered by the federal enforcement agency (1987-95) are also explored to support arguments that intense competition, reduced union density, precarious employment, youth and being female are strongly associated with employer evasion. The increasing prevalence of these factors in the labour market suggests that employer compliance should be more carefully explored in the Australian context.

Introduction

Minimum labour standards enforcement has been largely ignored within the industrial relations literature. When acknowledged, the discussion rarely exceeds a brief overview of the power of inspectorates and unions to inspect wage records and cite employers for non-compliance. Further, the accepted paradigm is that enforcement agencies are functioning without substantial problems and that non-compliance is limited to a small minority of ‘rogue’ employers (one exception is Bennett 1994). In the aftermath of the 2004 Australian federal election, and with the prospect of further ‘reforms’ in the industrial relations arena increasing the individualisation of employment relations while potentially decreasing union right of entry powers, the issue of employer evasion of worker entitlements is timely. While it is beyond the scope of this paper to consider the role and policies of enforcement agencies, the areas in which non-compliance are occurring and what types of workers are affected can be considered, to provide some insights into employer evasion. In Australia, this is largely related to compliance with minimum employment entitlements contained in awards, determinations, and agreements formalised through federal and state industrial relations tribunals, although only the federal jurisdiction is being examined here, between 1986 and 1995.

In examining the issue of non-compliance, the characteristics of those making complaints to the official agency are explored first, and consideration of why particular groups are under or over-represented is undertaken. The categories of entitlements complained of being underpaid or evaded are then outlined, showing an unsurprising preponderance of claims regarding underpaid wages or overtime. The “top 30” awards ranked according to ‘official’ monetary recovery in the federal jurisdiction in Australia between 1987 and 1995 are outlined. This data supports an argument that competition, precarious employment, youth, gender and union density are key factors in evasion. Since 1995 the impetus for casualised employment has accelerated, and combined with decreased trade union presence affects not only the level of compliance with regulation but also the extent to which underpaid employees recover their entitlements. With potential reforms on the agenda to decrease trade union powers to check employer compliance, it is time for this neglected area to be investigated.

The areas of complaint about employer evasion and the types of workers instituting complaints to the official federal enforcement agency are considered below using data from the Arbitration Inspectorate Management Information System.
Complainants and complaints

The data in Table 1 relates to the federal jurisdiction, and indicates that the majority of complaints were made directly by the employee concerned. It is also clear that unions tend to deal directly with complaints from members and only refer small numbers to the Inspectorate. The sizable percentage of complaints initiated by state inspectorates suggests either an active state enforcement policy or a good relationship between the federal and state inspectorates in those states.

The most common ‘other’ category source is parents of youth employees. The size of the Victorian ‘other’ category is officially unexplained but an inspector suggested that it could include situations where employees made a complaint not only on their own behalf but also another employee(s). These situations were classified as an employee complaint in the other states. Having established that employees are the source of the vast majority of complaints, Table 2 below provides an age and sex breakdown of complainant data.

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<td>1</td>
<td>4</td>
<td>1</td>
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<td>2</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

| SEX               |     |         |    |     |    |     |    |      |           |
| Female           | 30  | 23      | 18 | 28  | 27 | 29  | 37 | 27   | 43        |
| Male             | 70  | 77      | 82 | 72  | 73 | 71  | 63 | 73   | 57        |

Source: Arbitration Inspectorate Management Information System 19987 –1996. The final column contains the average workforce percentage for each age group and sex for the period 1986-95 and is derived from ABS Labour Force data.

In respect of the sex of complainants, four of the seven states/territories generally reflect the national average. Both New South Wales and South Australia under-represent female complainants and the Northern Territory over-represents females compared to the national average. However, the most striking aspect is the overall under representation of female complainants, accounting for only 27 percent of total complaints while comprising 43 percent of the workforce. There could be a range of explanations for this anomaly. For example, women could be more likely to make a complaint to their union rather than the inspectorate, simply be less likely to complain, or work in jobs where there is less likelihood of non-compliance by their employer.
The first possibility suggested above is unlikely. Although female employees are no more predisposed against union membership than their male counterparts (Peetz 1998:79-81), between 1982 and 2001 average female union density was 30.5 percent compared to a male union density of 38.2 percent (ABS Labour Force data). Further, of all female complaints made to the inspectorate 12 percent were from union members whilst, of all male complaints, 10 percent were from union members. Thus, in spite of lower union density rates female union members were more likely to make a complaint to the inspectorate than were male union members. This could indicate difficulties accessing union representatives during working hours. Whilst these facts don’t emphatically disprove the first proposition, they render it a weak explanation at best.

The second possible explanation, that women as a group are simply less likely to complain, is arguably more defensible. A combination of factors such as socialisation processes, the occupational segmentation of female jobs, and patriarchal employment structures which are more likely to place males in supervisory and managerial positions may dissuade women from making complaints on employer non-compliance with award standards (Gough 2002; Kramar 2002). However, given the 16 percent differential between the number of female complainants and their workforce composition, it would appear unlikely that gender issues alone can explain the anomaly.

On the third possible explanation, that women work in jobs where there is less likelihood of non-compliance by their employer, research suggests that due to female labour market characteristics the opposite is probably true (Gough 2002; Kramar 2002). Arguably, the deferential and ephemeral nature of a sizable portion of female employment offers the most realistic explanation for the under-representation of female complainants. The growth in precarious employment increases the likelihood of non-compliance by employers and decreases the ability of employees to complain due to employer retribution.

‘Precarious employment’ is an umbrella term that includes a wide range of employment relationships and accurate estimates of the workforce size of those employed in this manner remain problematic. However, accurate statistics are available for some forms of precarious employment, especially casual and part time work (see Romeyn 1992; Casual Employment 2000). These data show that although the increased use of these forms of precarious employment arrangements has penetrated into the male labour market, females remain disproportionately represented. In respect of enforcement issues, arguments advanced relating to choice are ostensibly irrelevant. Even where a person genuinely chooses a precarious form of employment the underlying characteristics of precarious employment attach a higher premium to making a complaint vis-à-vis a permanent employee.

This brief discussion of precarious employment does not pretend to cover all situations facing female employees, nor is it arguing that all people employed under the arrangements discussed are disadvantaged from an enforcement perspective. Rather the purpose is to demonstrate that, firstly, women are more likely to be employed in the two types of precarious employment where statistical evidence is available, that is casual and part time employment. Secondly, precariously employed women often comprise the most vulnerable sectors of this form of employment, such as clothing outworkers. Finally, the argument advanced is that precarious employment (and to a lesser extent the arguments advanced in the second proposition above) offer the best explanation as to why Table 2 shows fewer females complaining about minimum labour standards non-compliance than males.

The Table 2 data of most concern to age variable arguments is the over representation of complainants in the two youngest age groups (under 20, and 20-24) who comprise 31 percent of complainants but only 24 percent of the workforce. Further, of all casual employees, these two age groups accounted for 25 percent in 1988 (Romeyn 1992:102) expanding to 30 percent in 1999 (Casual Employment 2000). Further survey evidence suggests that younger workers are unaware of work entitlements such as correct wage levels, overtime rates, meal breaks, the right to a pay slip and so on (Australian Young Christian Workers 2001:2). In spite of high casualisation rates and limited employment entitlement knowledge, these two age groups are over represented as complainants. This apparent contradiction is arguably based on a number of factors. One such factor could be that young employees may be faced with higher levels of employer non-compliance. Hence the 7 percent differential between young complainants and workforce composition could under represent compliance difficulties faced by these workers.
Table 3 suggests another factor in the level of young complainants may be the type of alleged breaches contained in complaints. Unsurprisingly, employees are more likely to complain about monetary breaches and the top 13 complaint types were all monetary in nature. However, the complaint types are not always consistent across age groups and the two youngest age groups were more likely to make a complaint alleging direct underpayment of wages than the next nearest age group. Although not as significant, the two youngest groups were also more likely to make an overtime complaint than the next nearest age group. With a more direct and immediate effect on take home pay than many other forms of monetary breaches (e.g. superannuation, long service leave), workers confronted with these types of underpayments may be more inclined to make a complaint. As young workers are more likely to face these breaches the number of complaints would be higher.

Another factor that helps explain this age anomaly is union membership. Examining trade union density data from the five ABS trade union membership surveys during this period (1986, 1988, 1990, 1992, and 1994) shows that union density for the two youngest groups averaged 24 percent and 34 percent, respectively, over the period. This compares to an averaged density of 42 percent for the 25 to 34 age group and growing incrementally to a peak average of 49 percent for the 55 to 59 age bracket. As younger workers are significantly less likely to be union members it stands to reason that, as a group, they would be more inclined to make a complaint to the inspectorate while their older counterparts would be more likely to complain to their trade union.

The final factor regarding the above age anomaly links with job mobility and the established fact that workers are more likely to lodge a complaint after they leave that employer. ABS data (1998 Forms of Employment Survey) shows that, in the under 20 age group, 53 percent have been in their current job for less than 12 months, and 76 percent for less than 2 years. For the 20-24 age bracket the figures are 37 percent and 55 percent respectively. As the age of employees increases so does the length of time in the current job. While these figures indicate a higher job turnover rate for younger workers, some caution must be applied as many in the youngest age group will be in their first job. However, these figures are supported by other sources showing high levels of job mobility both voluntary and involuntary (Australian Young Christian Workers 2001). Thus, the higher job mobility level gives younger workers more opportunities to make complaints and the arguably higher levels of employer compliance (Australian Young Christian Workers 2001) gives them reason. It may also be that mobility from a non-compliant employer to a compliant employer makes workers aware of their previous underpayment.

### Table 3

<table>
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<tr>
<th>Alleged Breach</th>
<th>Age</th>
<th>Sex</th>
<th>Union member</th>
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<td></td>
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<td>25-34</td>
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<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Pro-Rata Annual Leave</td>
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<td>20</td>
<td>18</td>
</tr>
<tr>
<td>Superannuation</td>
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<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Overtime</td>
<td>18</td>
<td>15</td>
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<td>7</td>
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<tr>
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<td>1</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Termination</td>
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<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Long Service Leave</td>
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<td>0</td>
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<td>Allowances</td>
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<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Penalty Rates</td>
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<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Loadings</td>
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<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Sick Leave</td>
<td>3</td>
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</table>

How to read table: Age – of all complaints made by <20s, 67% contained a UPW claim, of all complaints made by 20-24s, 59% contained a UPW claim; Sex - of all complaints made by females 57% contained a UPW claim; Union status - of all complaints made by union members 42% contained a UPW claim.
The next table is more general in nature but provides insight into the arguments advanced above. Table 4 provides a longitudinal analysis of complaints from 1986 to 1995. The first issue of note is the decline in time over complaints relating to payment in lieu of notice, pro-rata annual leave and sick leave. As these apply generally to permanent employees, their decline is positively associated with an increase in precarious employment.

Another issue concerns the Bell-type curve for superannuation complaints. The lack of complaints in the first three years can be attributed to the majority of award employees (almost the entire private sector) not enjoying superannuation entitlements. The initial increase in complaints after 1989 represents both initial employer resistance to its inclusion in awards and employee recognition of its importance. Data in later years reflects the positive effects of the 1991-92 enforcement blitz and the gradual acceptance of ‘super’ as a community standard.

<table>
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<td>Long Service Leave</td>
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<td>2</td>
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<td>2</td>
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</table>

Source: AIMIS 1986-1996

The key reason for employees complaining to the enforcement agent is monetary recovery. Table 5 provides a rich insight into a number of issues raised previously by linking these to monetary recoveries. Linking the award code in column one of Table 5 to the corresponding industry produces interesting results as 22 of the top 30 underpayments recovered awards operate in four industries. The manufacturing industry (including the two main textile, clothing and footwear (TCF) awards) is represented by 9 awards. The transport industry is represented by 6 (5 relating to road transport and one to aviation), tourism (including resorts, hotels, cafes, etc) by 4, and retail trade by 3 (which made the top 30 list even though they only covered employees in the Northern Territory and the ACT).

Whilst varying between industry sectors, a common characteristic of all these industries is the intensity of commercial competition. Quinlan (2001) presented strong evidence that this characteristic strongly associated with award evasion in the long haul trucking industry due to the considerable commercial gains that can be achieved. These characteristics and arguments are also extremely relevant to the number one award, V019 (Vehicle Industry – Repair, Services and Retail Award).

Three single-issue awards are also included in Table 5 (M309 Metal Industry (Superannuation) Award; M160 Metal Industry (Long Service Leave) Award; and B145 Business Equipment Industry (Technical Services) Superannuation Award). Both M309 and M160 have a very low ratio of breach per inspection (0.530 and 0.025 respectively) but have high average underpayments ($413 and $3,754 respectively). Whilst B145 has a high average underpayment ($511) it also has an uncharacteristically high breach per inspection ration of 4.927. This latter point could suggest that a blitz strategy may have been run on that award.
Table 5 also shows that very high average underpayments are not limited to single issue awards as three of the four awards in this category are general awards in the transport industry (two covering road transport and one aviation). The average underpayment recovered under T092 (Transport Workers’ (Interstate Drivers) Award) was $3,626, under P059 (Pilots’ (General Aviation) Award) it was $1,318, and under T091 (Transport Workers (Passenger Vehicles) Award) it was $1,230. An examination of the inspection trends for these awards provides an explanation for these high average wage recoveries. All three awards were subject to low levels of inspection (106, 204 and 274 inspections respectively) and only had modest breach per inspection ratios (1.075, 2.299 and 1.948 respectively). Combined, these data suggest that non-compliance had occurred for a considerable length of time, possibly years. This argument is consistent with Quinlan’s (2001) finding in respect of the long haul trucking industry.

The last issue to be discussed in respect of Table 5 is the breach to inspection ratios. This statistic acts as a proxy for an employer’s propensity towards compliance with the minimum labour standards set out in an award. The higher the ratio the greater the inclination toward non-compliance. All nine awards with a breach to inspection ratio of greater than three, have two important common characteristics. First, all nine awards cover a high percentage of female employees and four of the nine are generally considered female dominated awards. Second, all nine awards operate in industries where high levels of precarious employment are found. This supports arguments made above.

### Table 5

<table>
<thead>
<tr>
<th>Award Code</th>
<th>Number of Inspections</th>
<th>Monetary Breaches Detected</th>
<th>Ratio of Breaches per Inspection</th>
<th>Monetary Breaches Finalised</th>
<th>Amount of Underpaym. Recovered $</th>
<th>Average Underpaym. per Monetary Breach $</th>
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<tr>
<td>V019</td>
<td>13,445</td>
<td>20,995</td>
<td>1.561</td>
<td>23,626</td>
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<td>53</td>
<td>1,660</td>
<td>31.320</td>
<td>1,980</td>
<td>226,671</td>
<td>114</td>
</tr>
</tbody>
</table>
How to read table: Between 1987 and 1995 for award number V019 there were 13,445 inspections that uncovered 20,995 monetary breaches for a ratio of monetary breaches per inspection of 1.56. The number of monetary breaches finalised was 23,626 leading to the recovery of $7,145,752 for an average monetary recovery of $302.

**Conclusion**

Being a young or female worker, working in a female dominated industry or industry with a high proportion of females employees, working in precarious forms of employment, or working in industries with strong competitive pressures, increases the chance of being underpaid across a range of entitlements. The pressures on underpaid workers to not complain while in employment, especially precarious employment, probably result in the figures discussed above being a vast underestimate of non-compliance in the federal jurisdiction during this period. These figures represent the tip of the iceberg, with trade union, individual worker, court settled and other recoveries not being included. In some forms of employment workers would never complain, so strong is the fear of retribution through blacklisting and similar methods. For young workers, job mobility provides opportunities for complaint after employment has ceased and may increase their awareness of payment anomalies. Trade union membership provides another avenue for complaint, but as young and female workers and those working in precarious employment are less likely to be union members, this compounds their problem. Intense competition, reduced union density, precarious employment, and being young or female are all strongly associated with employer evasion of worker entitlements. With increased competition from globalisation, likely increased assaults on unionisation through individual contracts and management practices, continued attempts to create peripheral employment relations, and with increasing feminisation of the workforce the issues raised above should raise concerns about employer evasion in Australia, workers’ ability to recover their entitlements, and the likely effects of further moves to reduce union powers.

**References**


Casual Employment: Commonwealth Government Outline of Submissions, April 2000, Submission to Commission on hearings to vary the Metal, Engineering and Associated Industries Award (the Casuals Test Case).


**Occupation health and safety in the New Zealand call centre industry**

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University of Newcastle and University of Auckland, New Zealand*

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**ABSTRACT**

Although there has been a great deal written on the poor working conditions within the call centre industry, there has been muted discussion on the impact that such conditions have on the health and safety of the workers. There is, nevertheless, increasing recognition that the deficient working conditions in call centres impacts on the health of the workers. Despite this evidence there is still little known about the occupation health and safety (OHS) policies and practices used in these workplaces. There has also been scant research on the health and safety experiences of call centre workers. This paper aims to address these gaps by examining whether the tasks performed and the OHS policies and practices in call centres make the job dangerous or unhealthy for workers. A case study methodology is applied to explore these questions in two call centres, selected to essentially epitomise the amount of diversity that exists in the industry. Key findings based on interviews with case study participants and key stakeholders indicate that the OHS policies and practices in these call centres represent various risks. A number of policy concerns are raised through the data, particularly where negative OHS outcomes can be associated with the lack of organisational compliance with employment legislation.

**Introduction**

Whilst NZ based research on call centres remains limited, a common theme in the international literature concerns the poor working conditions that exist within these workplaces. Overseas researchers have associated call centre employment with 'production lines' and have identified a range of negative outcomes associated with employment in these contexts. The health and safety of call centre employees emerges as one key concern (see Taylor & Bain, 1999; Bain, Bunzel, Mulvey, Hyman & Taylor, 2000; Gilmore & Moreland, 2000; Richardson, Belt & Marshall, 2000; Union Research Centre For Organisation & Technology [URCOT], 2000; Batt & Moynihan 2002; Deery & Kinnie, 2002). Much of the existing research, however, merely draws attention to the OHS risks prevalent in these workplaces. There is little in the way of research that specifically evaluates the OHS policies, practices and outcomes in these contexts. This paper aims to address these gaps in literature by determining whether the tasks performed and the OHS policies and practices in call centre workplaces make the job dangerous or unhealthy. In setting the context for this paper, literature pertaining to the health and safety of call centre workers will be reviewed. The case study research design will subsequently be outlined, followed by an overview of the key findings, and a discussion on the potential implications these represent.

**The extent of the problem**

The call centre industry is frequently described in the literature as engaging in low-profit activities, utilising non-standard employment practices in which wages and conditions are poor and workers are disposable, and where Taylorist principles are ingrained (Wallace, Eagleson & Waldersee, 2000; Paul & Huws, 2002). The call centre industry is also characterised by its high staff turnover. Although there is little consensus on precise figures, European figures are estimated at 20 to 30% per annum (Crome 1998; Richardson et al., 2000); Australian figures at 18% - although as high as 40% in Sydney and Melbourne (URCOT 2000); and New Zealand at 18% (ACA, 2000). Emerging studies are beginning to make linkages between the type of work in call centres, poor employment practices and a high rate of staff turnover and certain OHS problems, such as stress, fatigue and occupational over-use injuries (Richardson 1998; URCOT 2000).
Furthermore, expenditure on employee related issues are considered costs rather than investments, resulting in poor health and safety (Wallace et al, 2000; Paul & Huws, 2002). Paul and Huws (2002) also suggest that call centre employers often fail to take adequate steps to protect their employees’ health and safety because as white-collar workplaces, the potential hazards within these workplaces are not outwardly obvious. The risks “tend to involve cumulative stresses and strains resulting from a combination of causes rather than a single traumatic event” (p.37) making it impossible to pinpoint any one, or rather, any precise combination of factors likely to have caused the harm. Researchers also suggest that the repetitiveness of tasks and the simultaneous use of computers and telephony represent a number of physical hazards for employees (see Richardson, 1998; URCOT, 2000; Paul & Huws, 2002). These include: back/postural problems; repetitive strain injury; voice loss; acoustic shock/hearing problems; eyesight problems; lack of air-conditioning and ventilation; hygiene (germs spread through sharing phones, etc); fatigue and stress (particularly from abusive customers); and headaches. According to URCOT (2000), the poor quality computers and audio-visual equipment and the use of non-ergonomic chairs and desks contribute significantly to these physical health issues.

Stress is the most commonly noted OHS issue in the call centre literature (see Australian Communications Association [ACA], 1998; Richardson & Marshall, 1999; Richardson et al, 2000; URCOT, 2000; Wallace et al, 2000; Batt & Moynihan, 2002; Deery & Kinnie, 2002; Holman 2002; Paul & Huws 2002; Shire, Holtgrewe & Kerst 2002). Studies indicate that stress is caused by the intensive nature of call centre work, and in particular, the constant demands placed on agents to meet overly stringent and unrealistic productivity targets (ACA 1998; Richardson & Marshall, 1999; URCOT, 2000; Paul & Huws, 2002). Stress has also been attributed to the “inconvenience of being literally wired to the desk”; unpredictable traffic peaks; speed-up of job cycles and the high levels of monitoring often present in these workplaces (ACA, 1998; Richardson & Marshall, 1999; URCOT, 2000; Batt & Moynihan, 2002; Paul & Huws, 2002). The pressure of dealing with customers on a continuous basis is another cause of strain, particularly when employees are subject to abuse and harassment from clients with no time to recuperate (Crome, 1998; Richardson & Marshall, 1999; Wallace et al, 2000; Deery & Kinnie, 2002).

There is also evidence to indicate that stress may be associated with the use of non-standard employment arrangements in these organisations (Burgess 1997; Kramar, 1998; Houseman 1999; Tucker, 2002; Quinlan, 2003, 2003a). Quinlan (2003, 2003a) states strong links can be established between non-standard employment and the absence of job security, and higher rates of injury, greater exposure to hazards and a higher incidence of disease and work related stress. Furthermore, Christensen (1998) suggests that some non-standard workers have reported “feeling like second class corporate citizens”, feelings that can easily translate into a diminished sense of self-worth.

**Research design**

A qualitative approach was considered the most appropriate for this research given the exploratory nature of the study and the focus on individual experiences. As part of a case study methodology, two call centres were selected to facilitate a comparative approach. The selected case studies exemplified the homogenous nature of the call centre industry, and allowed the researcher to determine the extent to which employee's experiences with OHS converged or differed on the basis of intrinsic organisational factors.

Five data collection tools and five sources of information were used as part of a triangulated approach (see Table 1); the use of multiple perspectives allowing the researcher to “overcome the intrinsic bias” associated with single method studies (Ackroyd & Hughes, 1981: 137). As the primary data collection tool, interviews were conducted with 50 case study participants, and 9 key stakeholders using a semi-structured approach. Case study participants were asked about OHS training and policies in their organisations; their experiences with OHS policies and examples of any adverse impacts of the work. Stakeholders (which included an OSH Service advisor, a union organiser and three delegates from the Service and Food Workers Union, a union organiser from the Finance and Information Workers Union, a publications editor from the New Zealand Council of Trade Unions, a training advisor from the Electro-technology industry training organisation
and a labour market analyst from the Labour Market Policy Group) were questioned about the extent to which OHS is an issue in call centre workplaces; how managers should address these issues, and the challenges unions and organisations face in promoting greater awareness of OHS in these workplaces.

<table>
<thead>
<tr>
<th></th>
<th>No.</th>
<th>Semi-Structured Interviews</th>
<th>Email</th>
<th>Document Analysis</th>
<th>Archival Analysis</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC Workers</td>
<td>40</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Supervisors</td>
<td>5</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td>Managers</td>
<td>2</td>
<td>√</td>
<td>√</td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>9</td>
<td>√</td>
<td>√</td>
<td></td>
<td></td>
<td>√</td>
</tr>
</tbody>
</table>

**Findings**

As stated above, the two call centres involved in this study differed significantly from one another. Table 2 compares the two case studies in terms of their general structure and design, work design; and employment practices and places them in context relative to call centres in the NZ call centre industry. In summary, TELI is the larger, more established of the two case studies. This organisation is the customer service division of a large company with multiple independent branches throughout NZ and Australia. The second case study, MESO, has been operating in Australia and NZ as a division of a large multinational market research organisation for the past 14 years.

Work within TELI is inbound. Workers experience heavy inflows of calls during certain hours and seasonal periods, although the industry in which TELI operates is relatively stable. As an outbound outsourcer, respective clients provide MESO with scripts (read verbatim) for each campaign. The nature of the market dictates that campaigns change regularly, although work functions remain constant.

TELI recruits workers annually, preferring tertiary students and middle-aged women for call centre positions, although a high concentration of workers are over 50. Workers are employed as either part-timers or casuals, although these are labelled core and non-core respectively. Union presence is relatively strong in this organisation, with almost 60% of the staff represented by the SFWU.

Four large recruitment intakes occur annually within MESO, although employees are also hired sporadically as the need arises. MESO relies exclusively on casual call centre operators, and the majority of its employees are secondary/tertiary students. Turnover rates for this organisation are significant (estimated at 60-70%) and are identified as the most pertinent and costly issue facing the call centre.
<table>
<thead>
<tr>
<th>Organisational Structure</th>
<th>TELI</th>
<th>MESO</th>
<th>NZ Industry Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Sector</td>
<td>Sports</td>
<td>Market research</td>
<td>Majority Gov &amp; IT&amp;T</td>
</tr>
<tr>
<td>Nature of the industry</td>
<td>Stable, little competitive pressure</td>
<td>Very erratic, competitive</td>
<td>N/A</td>
</tr>
<tr>
<td>Structure</td>
<td>In-house</td>
<td>Outsourcer</td>
<td>Growing # of outsourceers</td>
</tr>
<tr>
<td>Age</td>
<td>38 years</td>
<td>14 years</td>
<td>No data available</td>
</tr>
<tr>
<td>Size</td>
<td>160 Seats/ pool of 177 workers</td>
<td>34 Seats/ pool of 132 workers</td>
<td>Average: 32 Seats</td>
</tr>
</tbody>
</table>

**Work Design**

<table>
<thead>
<tr>
<th>Work Function</th>
<th>Customer service</th>
<th>Market Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Types of calls Handled</td>
<td>Consumer</td>
<td>Business &amp; Consumer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consumer: 28%</td>
</tr>
</tbody>
</table>

**Employment Features**

<table>
<thead>
<tr>
<th>Employment Arrangements</th>
<th>Core (part-timers): 32% of workforce (57)</th>
<th>Non-core (casuals): 68% of workforce (120)</th>
<th>Casuals: 100% of workforce</th>
<th>Casuals &amp; Part-time employed by 81% of call centres. Average: 11 casuals/part-timers employed per call centre.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Gender Ratios</th>
<th>Core</th>
<th>Non-core</th>
<th>Total</th>
<th>Casuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>8(14%)</td>
<td>30(25%)</td>
<td>38(22%)</td>
<td>M 49(37%)</td>
</tr>
<tr>
<td>F</td>
<td>49(86%)</td>
<td>90(75%)</td>
<td>139(78%)</td>
<td>F 83(63%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Union Presence</th>
<th>105 staff members (59%) unionised by Service &amp; Food Workers Union</th>
<th>No union presence on site</th>
<th>40% of call centres have unionised staff; Average industry unionisation rate: 13% 3 major unions represent Call Centre's in NZ: FINSEC, PSA &amp; SFWU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core</td>
<td>Non-core</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>M</td>
<td>7</td>
<td>10</td>
<td>17(16%)</td>
</tr>
<tr>
<td>F</td>
<td>32</td>
<td>56</td>
<td>188(84%)</td>
</tr>
</tbody>
</table>

| Tenure                  | Core: 5 - 38 years; Non-Core: 3 weeks - 7.5 years | 3 weeks – 4 years | No data available |

| Turnover                | Turnover under control, Non-Core more transient. | Estimated: 60 - 70% pa. | Overall average turnover: 18%, Average part-time turnover: 10% |
The effects of call centre work on heath and safety of its workers

Employees from both organisations indicated their physical and/or psychological health had been negatively affected by working in the call centre environment (see Table 3).

**FATIGUE:** Although fatigue was not a predominant issue for TELI employees, it was a significant problem for most of the casual employees from MESO. MESO workers drew a strong association between the unconventional working hours and long shifts, and negative OHS outcomes such as tiredness and fatigue. Employees indicated that extended hours are often demanded when the organisation is involved in multiple local or Australian campaigns. Hours regularly stretch beyond midnight, although peak times often feature shifts that run back to back from 5pm to 2am. These late night shifts were identified as a source of dissatisfaction amongst employees and supervisors alike. Some MESO employees stated that the eight-hour day shifts were also too long, particularly given the monotony associated with the work.

**EMOTIONAL STRESS:** Employees from both organisations indicated they had experienced emotional stress on the job because of abusive customers. All the TELI employees interviewed stated they encountered disgruntled customers over the phone once every two or three shifts, experiences that often negatively affected their morale. Non-core employees were more likely to be emotionally affected by the abuse, possibly because of their inexperience.

Table 3: Effects of call centre work on employees’ health

<table>
<thead>
<tr>
<th></th>
<th>Fatigue</th>
<th>Emotional stress</th>
<th>Muscular strain/ fatigue</th>
<th>No effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>TELI: Core</td>
<td>XXXXXXXX</td>
<td>XXXXXXXXXX</td>
<td>XXXXXXXXXX</td>
<td>XXXXX</td>
</tr>
<tr>
<td>Non Core</td>
<td>XXXXXXXX</td>
<td>XXXXXXX</td>
<td>XXXXXXX</td>
<td>XX</td>
</tr>
<tr>
<td>MESO:</td>
<td>XXXXX</td>
<td>XXX</td>
<td>XXXXXX</td>
<td>XX</td>
</tr>
</tbody>
</table>

Negative feelings were, therefore, often internalised, spilling out into non-work hours.

‘You’re not a person you’re just a voice on the phone for customers to vent their frustrations on’.

‘When someone starts swearing at you, you can’t help being affected by it, it really messes with your emotions’.

Another cause of emotional strain was associated with how employees perceived their work. All the call centre employees interviewed described the work as ‘boring’, ‘monotonous’ or ‘repetitive’ and most indicated their only reason for being in the job was the lack of opportunities elsewhere. Older, core workers from TELI in particular, indicated they felt undervalued in the organisation, and had very low levels of morale.

‘We are not the great of the great; we’re the last off the ship’.

‘We’re the peasants and they (the management) are the landowners’.

The non-standard nature of employment in these two organisations could also contribute, in part, to the stress and fatigue felt by most of the interviewees. Employees were dissatisfied about having to work unsocial hours without added penal rates. Furthermore, these employees were unhappy that they were treated as ‘part-timers’ when the nature of their employment and the number of hours they worked were far more akin to permanent full-time work. Most worked hours equivalent to full-time work (spread over five week days and a compulsory Saturday) and the majority had served the organisation for over 10 years (38 years recorded as longest tenure) and indicated intentions of remaining in the organisation indefinitely/until retirement. Furthermore, most of the core workers relied on the job as a main source of income despite the relatively low wage rates, suggesting levels of commitment comparable to those on permanent fulltime agreements (Rosenberg & Lapidus, 1999; Horwitz, Allan & Brosnan, 2000; Smithson & Lewis, 2000; Cranford, Vosko & Zukewich, 2003).
The non-standard arrangements in MESO also created stress for employees. Despite the casual nature of employment, there are a number of employees who have a relatively strong financial reliance on the work. These employees are first to be called in when campaigns commence; have the longest tenures; and have an implicit contract for ongoing employment. The irregular/uncertain nature of employment affects these employees hardest, creating limitations in terms of financial planning and ongoing anxiety.

**Muscle Fatigue:** A significant number of employees reported experiencing strain, fatigue and pain in their fingers, hands, arms, backs, and necks as a result of using the keyboard and remaining seated for long periods of time. Employees blamed the highly repetitive nature of the work, and the absence of ergonomically designed workstations for their muscle strain and discomfort. When questioned about workstations, the field manager and supervisors at MESO acknowledged that their call centre “only has the basics” in terms of equipment, however, the equipment was still considered adequate “for getting the job done”. Management dismissed the notion that the working environment could play any part in diminishing the health of employees, stating that shifts are too short and irregular for employees to be disadvantaged. The manager also stated that few employees had complained about workstations, an indication that the ‘one-size-fits-all’ equipment was “sufficient”.

On the other hand, management and supervisors from TELI stated they were aware of a few cases of Occupation Overuse Syndrome in the organisation but felt they had good OHS practices in place. They did, however, acknowledge that the workstations were outdated and needed improvement. Independent of this study, this call centre was upgraded with ergonomically designed workstations in February 2004. Employees reacted positively to these changes, claiming the new equipment increased the level of adjustability, support and comfort.

**Discussion**

The both literature reviewed and the case study data analysed suggest that the tasks performed as well as the limited OHS policies and practices evident in call centre workplaces may put the health and safety of employees at risk for a number of reasons:

- Non-standard work practices
- Nature of the work (physically intensive; emotional labour, etc)
- Non-compliance with employment legislation.

The use of non-standard employment practices in these, and most call centres, also requires attention. Within MESO, long-term casuals reported experiencing anxiety because of the irregular/uncertain nature of employment. The literature (e.g. URCOT, 2000; Paul & Huw, 2002; Hunt, 2004) not only confirms an increasing number of call centre workers being employed on a non-standard basis, but researchers (such as Brosnan, 1995; Quinlan, 2003a, 2003b) and the HASIE Act have associated negative OHS outcomes with the diminished sense of security experienced by non-standard workers. With the inclusion of stress and fatigue in the amended HASIE legislation, employers are under greater obligation to assess working time issues on a consistent basis. More attention needs to be paid to the needs of employees; in particular, it is unreasonable for organisations to expect employees to make working time sacrifices that surpass those of full-time employees if workers are excluded from the benefits full-timers enjoy. The emotional implications of these issues on employees requires immediate attention, more so given the demographic backgrounds of the majority of workers (older; unqualified).

The stakeholders and employees interviewed noted the employers in the unionised call centre offered employees comparatively better protection than the non-unionised case study, indicating that union representation plays an important role in determining OHS outcomes (also see Weil, 1991; Quinlan, Mayhew & Bohle, 2000a; Walters, 2002). There is a need, therefore, for trade unions put pressure on employers to maintain a good standard of health and safety on those call centres involved in low-profit activities and where lower scale non-standard workers are often involved (Lipsig-Mumme, 1998; Quinlan et al., 2000a, 2000b; URCOT, 2000; Quinlan, 2003a, 2003b). The role of the ERA in improving union access must also be reviewed and strengthened, particularly where it concerns the more contingent workforce.
Researchers (e.g. Richardson, 1998; URCOT, 2000; Paul & Huws, 2002) and interviews with case study participants confirm that the nature of the work in call centres can result in a wide range of health problems (e.g. muscle strain, fatigue). This issue was also found to be more significant within MESO, where employees repeatedly made the connection between sitting for long hours at poorly designed workstations and the increased muscular strain and fatigue they experience. Despite the risks posed by the working environment, the call centre employers have made little effort to minimise/remedy these problems. Management also fails to acknowledge the health risks inherent in the nature of the work.

This was also the case in terms of the working hours in Meso. Management insisted that shifts were too short to have any negative impacts on employees. Employees and direct site observations, however, not only confirmed that the employees were required to work long and unconventional hours, but also there was a strong correlation between the long working hours and fatigue. These findings suggest a serious misalignment between how management thinks employees experience their working environment and how employees actually experience it. The absence of formal hazard reporting and management systems in the organisation may play a key factor in this misalignment. Employees and supervisors are unaware of how to go about reporting hazards in the workplace; complaints about such issues may, therefore, not reach management leading them to conclude that these problems do not exist.

Key stakeholders, the literature (see ACA, 1998; Richardson & Marshall, 1999; Kinnie et al., 2000; Richardson et al., 2000; URCOT, 2000; Wallace et al., 2000; Batt & Moynihan, 2002; Deery & Kinnie, 2002; Holman, 2002; Mulholland, 2002) and case study participants emphasise the issue of stress in terms of three key factors: having to deal with abusive customers; lack of stimulation from the job; and the non-standard nature of employment. The OSH Service (2003a: 15) also highlights the significance of these issues in light of recent changes to the New Zealand HASIE Act. Nevertheless, neither Meso nor TELI have recognised their obligations as employers in these respects. This is a concern given how often workers are required to deal with difficult callers. From the managerial perspective, these calls can hinder an employee’s performance, and lead to greater absenteeism and turnover (Wallace et al., 2000; Deery & Kinnie, 2002; Paul & Huws, 2002). The impacts on the individual workers may however be more significant. It is therefore, imperative that policies be put in place to minimise the psychological consequences of these calls. One important strategy identified by employees is that of time-out, a coping mechanism that FINSEC is also calling for in order to minimise the development of more severe stress symptoms. De-briefing sessions are another possibility, although a remedial rather than preventative strategy.

Employees from both call centres also had low morale because of the highly monotonous, and repetitive nature of the work, factors that Christensen (1998) and the OSH Service (2003a: 15) have strongly correlated with stress. ACA (1998) indicates that the repetitiveness and monotony associated with call centre work needs immediate attention, particularly given the difficulties call centres face in retaining employees. Their research on Australian call centres highlights three specific areas in need for improvement where employee morale is concerned; job variety, performance rewards and recognition and career promotion opportunities (ACA, 1998: 31). Although some measures may not be feasible within this call centre, simple reward systems and incentive programs may go a long way in improving employee’s workplace experiences.

Finally, the lack of compliance with OHS and other employment law was apparent in both case studies, particularly within Meso, where both employees and employers had little or no awareness of their legal rights and obligations. The low level of non-compliance by the Meso’s employers can be explained in part by the smallness of the business (Meso employs approximately 34 people), its actives, managerial incompetence, lack of resources and the use of exploitative work practices (see Lamm, 2002).

The employers of Meso and to a lesser extent TELI, not only breached the HASIE Act (eg not providing safe and healthy working environments and not providing on-going training, etc), but also contravened the ERA in terms of the way they employed their long-term casual workers and part-time staff on a semi-permanent and full-time basis – who incidentally, are more likely to have extensive exposure to OHS risks than the ‘true’ casuals.
However, given the shortage of OHS inspectors in NZ (Lamm, 2002), the notoriously low level of compliance in the call centre industry (ACA, 2002), and the projected growth of the out-sourcing sector, the health and safety of the call centre workers will continue to be compromised.

**Discussion**

Although this study has resulted in the emergence of a number of important themes, it is not without limitations. In particular, assertions made in this paper are based on findings from a small sample, thus the study is limited in terms of generalisability. Nonetheless, findings indicate that the combination of non-standard work practices, the nature of the work and non-compliance with employment legislation can lead to illness and injuries for workers in the two call centres. Employees from the two organisations also identified three specific OHS outcomes of call centre work, namely fatigue, emotional stress; and muscular fatigue.

Given the projected growth of the call centre industry, policy makers need to be mindful of the OHS issues that characterise these workplaces. In particular, regulatory agencies need to take steps to ensure issues associated with stress and fatigue are managed more stringently in call centres, particularly with its recent inclusion in the HASIE Act. Greater attention also needs to be paid to regulating the use of non-standard arrangements in this industry. While the current legislation extends some protection to workers of a non-standard status, lack of compliance leaves these protective mechanisms redundant. Therefore, as shown in the past, rigorous enforcement of employment regulations is essential when combating poor working conditions. Finally, although there is ample research that shows that trade unions play an important role in protecting employees from unhealthy working conditions within call centres, the barriers they experience in gaining access to workers in these workplaces drastically diminishes the amount of influence they can have. The forthcoming reforms that improve trade union access to workplace must therefore also be supported.

**References**


Reworking citizenship: Renewing workplace rights and social citizenship in Australia

Mark Hearn and Russell Lansbury
University of Sydney

ABSTRACT

As a focus of creative self-expression through work, the workplace is key site of identity formation as well as economic reward. A new narrative of social citizenship must be sourced in workplace experience and capable of adaptation to discreet needs. This paper considers the potential for reconstructing this narrative, and reflects on the significant obstacles. Reconstituting meaningful social citizenship in a deregulated economic and social system requires adaptation to the fractious diversity of deregulation; it requires an acknowledgment that workers have legitimate rights to equitable conditions of work and opportunities to participate in civic life – to influence the conditions that affect them both in the workplace and the wider community. Unions have and can continue to play an active and creative role in advancing these rights.

Introduction

Those whose economic condition forces them to labour for most of their waking hours do not have the leisure to be citizens in any proper sense (Oliver & Heater, 1994 p.19).

Work is seldom directly linked to the concept of citizenship in Australian public discourse. Yet recent key contributions to the literature on these issues explore, explicitly and implicitly, the relationship between our function as productive contributors to the economy and our rights as citizens, able to participate in civic or community affairs and enjoy the benefits of time with family and friends. The literature reflects increased concern about the impact of intensified work patterns. Labor politician Lindsay Tanner laments our Crowded Lives:

“We’re working longer and harder, separating from our partners and children more…Many of us no longer live in a neighbourhood, a small world of strong, interconnecting relationships built on trust, informality and respect…With less time for family and community involvement we’re creating a society with less connection, more alienation, and more loneliness. We are leading more crowded lives, but slowly losing our sense of connection with each other (Tanner, 2003 pp.9-10).

Watson et al. (2003 pp.1-2) took up this theme to analyse the ‘fragmented future’ of Australian working life: despite consistent economic growth over the last decade, and the diversification of work regulation, Australia is gripped by a ‘social crisis’ produced by inequality and overwork. Employers may organise their workforce through traditional awards, enterprise agreements or individual contracts. The debate on work and family as outlined in Pocock’s The Work/Life Collision has perhaps generated the most public concern about the erosion of family and community life triggered by longer working hours and increased diversification and casualisation of work, which has most severely impacted on working women. “The Australian “mummy track” of part-time work – with its poor job security and lower rate of benefits relative to full-time work – has entrenched the peripheral status of carers in many workplaces’ (Pocock, 2003 pp.4-5).

The deregulation of the traditional structures of Australian workplace relations, accompanied by the sustained reduction of state funding for education, health and welfare, has unravelled the conditions of social citizenship that many Australians took for granted. Social citizenship has been defined as the ‘adequate standard of life assured by education and social and welfare services’ (Oliver and Heater p.34), and the provision of industrial entitlements – long service and annual leave, restrictions on overtime and shifts – that facilitated worker participation in civic, community and family life. These principles developed from Marshall’s seminal 1949 lectures Citizenship and Social Class. Marshall’s concept has been contested and revised, but remains an influential benchmark for determining ‘the relative success of each western society in empowering its citizens in an equal and inclusive way throughout their lives’ (Hudson and Kane, 2000 p.137).
This paper argues that reconstituting meaningful social citizenship in a deregulated economic and social system requires adaptation to the fractious diversity of deregulation. While generating opportunity and enterprise, deregulation is insensitive to the conflicts and stresses of insecure employment and competitive work environments. Reconstituting social citizenship requires an acknowledgment that workers have legitimate rights to equitable conditions of work and opportunities to participate in civic life. Workers should have the time, and appropriate forms of representation and self-expression, to be able to influence the conditions that affect them both in the workplace and in the wider community.

Unions can play an active and creative role in advancing these rights. For over one hundred years unions have developed the social citizenship of their constituency, by campaigning for working conditions and pay rates that left time for family, community and civic life. We briefly explore the historical development of Australian unions to understand why they have played a vital role in cultivating social citizenship, and why the collapse in workforce union participation so effectively erodes the conditions of civic participation.

**Unions and social citizenship**

From the late nineteenth century the union mobilisation of the workforce, and the democratic structures of unions, reflected an instinctive and powerful idea of citizenship. Unions sought not only to address grievances but to facilitate worker participation as citizens, enjoying both political and industrial rights. Unions offered workers a chance to directly participate in democratic institutions, as rank and file members, delegates and as full-time officials. As Irving and Taksa (2002 p.5) observed, ‘trade unions…have the longest and broadest record of inducting people into the routines of democratic citizenship of any voluntary organisation in the modern state’.

In turn, and as Markey (2002 pp.19, 37) comments of the period, ‘the role of the state was a critical factor in the early 1900s in constructing [a] public place for unions.’ The tolerance of union organisation by the state was a reflection of public sympathy for the union cause. Unions were seen to be playing a legitimate role in representing workers and in the cause of nation building. The policies that the labour movement embraced in the pre-1914 period, including compulsory arbitration in industrial relations, tariff protection and immigration restriction (White Australia), were seen as vital elements of the inclusive strategies of the ‘Australian Settlement’ that lent purpose and meaning to the young Commonwealth of Australia. Unions were helping to make citizens (Markey, 1988 pp.6-14, 312-313; Hearn and Patmore 2001).

State-defined wage structures and industrial entitlements provided a foundation for social citizenship. The concept of the basic or ‘living’ wage articulated in Justice Henry Bournes Higgins 1907 Harvester judgement incorporated specific nation building and citizenship ideals: Higgins sought to provide for ‘the normal needs of the average employee, regarded as a human being living in a civilized community’ (Commonwealth Arbitration Reports Vol.2 p.2). Higgins system privileged the male breadwinner at the expense of women, who were paid only 54% of male wages: as a result women were marginalised as citizens as well as workers (Lake, 1997 p.101). The predominantly male workforce also benefited from sympathetic state intervention in the development of an elaborate system of entitlements across the twentieth century. Long service, sick and annual leave provisions provided workers with rest, recuperation and leisure; shift allowances and penalty rates discouraged excessive overtime and night work (Baird and Burgess 2003; Patmore 2003).

The deregulation of workplace relations which challenged the role of unions as legitimate representatives of workers and traditional notions of social citizenship began in the late 1980s. The New Right advocated economic and industrial relations deregulation and the Hawke Labor Government promoted enterprise bargaining, including a non-union stream (Costa and Hearn 1997). The Workplace Relations Act 1996 (Cth), introduced by the Howard Coalition Government, pursued the established logic of deregulation by limiting the powers of the Australian Industrial Relations Commission to intervene in industrial relations or make awards. The AIRC was restricted to administering twenty basic “allowable matters” – the provision of wage rates and basic entitlements (Birmingham 1997). The Act also established the Office of the Employment Advocate to oversee Australian Workplace Agreements, a new system of individual contracts. AWAs were directly negotiated between employers and unions without the interference of “third
parties” such as trade unions. Research by Peetz indicates that the implementation of AWAs and other individual contracts generally resulted in a loss of union influence and membership (Peetz 2002).

The OEA encourages employees involved in AWA negotiations to “cash out” their entitlements (workSite Autumn 2001). Whether as a specific result of AWAs or enterprise bargaining, the loss of long service, sick or annual leave, the deregulation of working hours and encouragement of unpaid overtime all diminish the ability of workers to meaningfully participate in family life or community and political activities. Recent research has highlighted the growth of casualisation of the workforce under the award system, a pattern intensified in the deregulated workplace relations of the last decade (Pocock et al., 2004 pp.18, 24). As a result of the spread of casualisation ACTU Secretary Greg Combet told a 2003 ACTU organising conference that 2.2 million workers have no sick leave or annual leave entitlements. 2.2 million workers represents 27.3% of the workforce, a higher proportion of workers than those currently organised by unions (Combet 2003). Australian union membership was once amongst the highest in the world, covering 60% of the workforce during the post-Second World War years. Australian trade unions now represent just 18% of the private sector workforce. Even when the traditionally stronger support for unions by public sector employees is included, Australian unions cover only 23% of the workforce (ABS 2002). If membership levels continue to fall to even lower levels, it will soon be difficult for the labour movement to claim to represent a substantial constituency of Australian workers.

A new narrative of social citizenship

At a November 2003 Work and Organisational Studies seminar on ‘Women, Work and Family’ Pocock argued for a ‘new coalition’ of sympathetic interests groups – political organisations, community and welfare groups, unions and employers – to develop and advocate public policy initiatives that restore the balance of work, family and civic life (Hearn 2004). This coalition requires a new narrative of entitlement and social citizenship, one that does not seek to restore outmoded practices or prejudices (for example, discrimination based on gender or race) but balances principles of equity and enterprise. As Yeatman (1998 p.228) argues, the ‘new contractualism’ represented by the Commonwealth Government’s case management of the unemployed in labour market training programs ‘extends the status of individualised personhood to all’. Carney and Ramia (2000 p.28) caution that contractualism and mutual obligation must not overwhelm ‘social and distributive justice’; the dilemma remains that in a decentralised workplace relations culture, a new form of social citizenship must incorporate sensitivity to individual needs and engage with the discrete requirements of a heterogenous workforce.

The idea of a narrative of social citizenship reflects the fact that language and values are critical elements in defining our notions of work and citizenship. We form our sense of identity through our participation in work and society, a formation in which stories about ourselves and our relationship with society play a vital role. As Somers (1997 pp.82, 84-85) argues, it is through narrative that ‘we come to know, understand, and make sense of the social world, and through which we constitute our social identities.’ These ‘ontological narratives’ structure our ‘activities, consciousness, and beliefs’, as they engage with the wider public narratives of the workplace, church, government and nation. We may dispute or feel constrained by these public narratives; nonetheless we are compelled to establish a relationship with them. To lose a job is to lose a strong element in our sense of identity; a loss that also erodes our sense of participation in society. Work is fundamental to establishing that our lives and actions have legitimacy. Somers (1997 p.88) observes that establishing this legitimacy is often disputed. ‘Which kinds of narratives will socially predominate is contested politically and will depend in large part on the actual distribution of power’.

The influence of rhetoric in public policy should not be underestimated. As outlined below, the advocates of deregulation employ a value-laden language to imply that deregulation of workplace practices and economic structures are ‘normal’ developments, reflecting the ‘natural’ forces of progress. Advocates of regulation are cast as dangerously outmoded, promoting restrictive practices which impede or distort the free flow of natural economic growth. Reconstituting social citizenship requires its own positive language and values, set forward as points of principle and cogent argument, sufficiently adaptable to the prevailing tide of labour market deregulation.
It would be premature – if not presumptuous – to advance a defined set of principles and argument in this paper; here we seek to consider the potential for reviving social citizenship and workplace rights, and to maintain a clear focus on the obstacles ranged against this revival.

Bentley and Halpern (2003 pp.72, 88-89, 96) argue that ‘western societies are characterised by social diversity, moral pluralism and organisational complexity’. In these societies a new ‘narrative of progress and shared aspiration’ cannot be generated from top-down government edicts but must derive from ‘the creative power of the citizen’, and find expression in local democratic networks: ‘political strategy must be mediated through people’s everyday experience of institutions’ if it is to receive support. As a focus of creative self-expression through work, the workplace is key site of identity formation as well as economic reward. A new narrative of social citizenship must be sourced in workplace experience.

The dilemma for defining a set of agreed principles of social citizenship relevant to the needs of deregulated workplaces is that as Watson et. al. (2003 p.3) observe, ‘one person’s inequality can be another person’s diversity.’ At Blackburn Motor Body, a smash repair business in Melbourne, the owner and many of his employees have embraced diversity; over thirty employees have signed AWAs to work a four-day working week, in ten hour shifts that start at 3 pm. These staff also enjoy higher pay than a smaller group of employees who elected to remain employed under the terms of the traditional award, and work the standard five-day working week. The owner claimed increased business profitability and quicker turn-around in repairs while avoiding paying overtime rates for night shifts. The staff on AWAs had the advantage of an extra day off (‘Award wins few friends in body shop’, Australian, 29 September 2004).

By contrast Florencia Parajo, a hotel housekeeper in Sydney, has seen few of the benefits that her employer has obtained from the increased casualisation of the Australian workforce. Parajo, a single mother with five children, takes home just $306 a week for 21 hours work. ‘I try to work every second weekend just to get extra money from the penalty rates to help pay the bills. I cannot remember the last time I was able to take a break.’ Her union argues that a single person without children needs at least $550 a week in order to enjoy ‘decent quality of life’ in an Australian city (LMHU 2004). More than a half of all new jobs in the last 16 years have been casual positions; less than half of all casual workers know how much they will earn each week. One in three said that they would prefer to work longer hours (Sydney Morning Herald, 7 June 2004). Campbell’s research (2002 pp.92, 94) has shown that extended working hours has substantially increased in Australia in recent years, in defiance of a general OECD trend to lower hours. The increase ‘seems to be almost entirely composed of increases in unpaid overtime’, contributing to poor occupational health and safety and placing stress on family and community relationships.

The construction of a new narrative of work and citizenship requires sufficient flexibility to avoid an overly prescriptive regime that stifles innovation and diversity, while rejecting exploitative work regimes that turn human beings into little more than poorly paid drones and leave little time for any kind of life, civic or otherwise. The Employee Bill of Rights advanced by Sonnenberg in the United States provides a mechanism for exploring the subjective, negotiated nature of the employment relationship, and a clearly structured framework for analysing individual experience in the context of valid comparative criteria. Sonnenberg’s bill of rights includes the employees right to: ‘be treated as unique individuals’, ‘be challenged’, ‘try and fail’, ‘be treated with dignity and respect’, ‘be informed’, ‘be able to approach management’ (Sonnenberg, 1993 pp.23-26; Birch and Paul, 2003 p.120).

The concept of a bill of rights need not be prescriptively advanced in the Australian context; it provides a starting point for not only asking workers what they require of work, but how work is framed within their overall experience and aspirations as members of civic society. Developing social citizenship requires interaction not only between employers and employees, unions and the state; it requires researchers to embrace the diverse subjectivity of experience. The participation of employees and employers in a program of case studies and interviews would ground the development of a revived social citizenship in actual experience. That such qualitative research cannot claim to be universally representative should not be seen as a barrier to knowledge, but rather provides the discipline of restraining inflated claims and encouraging respect for the discrete needs of the experience under examination. Even on a relatively small scale, such programs would also fill a significant research gap: there has been little previous
research into the linkages between the workplace, rights and citizenship in Australia (Dabscheck, 1997; Peetz, 1998; Callus et al., 1991).

Deregulation of the Australian labour market has compelled unions to focus more intensively on the workplace needs and experience of their members. The traditional arbitration processes and the Accord years of the Labor Governments 1983-1996 tended to disengage unions from the workplace experience of their members. Since the mid 1990s unions have moved towards an increased focus on union agency in organising strategies, with programs such as Organising Works, initiated in 1993 by the Australian Council of Trade Unions. ACTU organising strategies have recognised the key linkage between workplace justice and workers’ ability to participate in family, community life and the political process. The ACTU’s 2003 ‘Statement of Union Values’ elaborated an explicit demand for an acknowledgement of citizenship rights, as expressed through union activism (Davis, 2003 p.245).

There is also a need to develop employer consciousness of citizenship obligations. Birch and Paul (2003 p.110) argue that ‘the vast majority of Australian firms have no formal recognition of their human rights responsibilities’. Only five of Australia’s top 100 firms had a publicly stated commitment to the United Nations Declaration of Human Rights. Worker rights are recognised in the Declaration; the International Labour Organisation is charged with the protection of labour standards, and Australian employers and unions participate in ILO structures and forums.

Sonnenberg’s Employee Bill of Rights provides one benchmark for testing employer commitment to their obligations to consult and respect their employees; it may also be strengthened by reference to the ILO conventions on labour standards, and particularly the 1998 ILO Declaration on Fundamental Principles and Rights at Work. The declaration was framed ‘to ensure that social progress goes hand in hand with economic progress and development’ and commits member states, whether or not they have ratified relevant conventions, to promote freedom of association and the right to collective bargaining, the elimination of compulsory labour, the abolition of child labour and the elimination of discrimination in employment (ILO 1998; ILO 2004 pp.1, 7). The ILO argues that the principle of freedom of association and the right to collective bargaining ‘is a reflection of human dignity’ and ‘an integral part of democracy’, offering workers and employers to defend economic interests and civil liberties (ILO 2004 p.1).

The ILO’s report ‘Organising for Social Justice’ (2004 pp.69-74) outlines the uneven global progress of ratification of ILO labour standards and adherence to the principles of the declaration. The report also stresses positive initiatives to build effective employer-employee workplace co-operation, through processes such as the Social Dialogue and International Framework Agreements (IFAs). The ILO’s Social Dialogue program draws together employers and employees, sometimes with the participation of government and unions, to resolve economic or social issues and promote ‘democratic involvement among the main stakeholders in the world of work.’ IFAs are a specific expression of social dialogue, negotiated between employers, workers and unions and designed to facilitate dialogue and reconcile corporate and employee needs. A recent IFA reached between food industry multinational Danone and unions led to formal recognition of trade unions rights and consultation on business restructuring.

A number of employers have addressed workplace rights or forms of exploitation particular to their industries. Birch and Paul (2003 pp.116-123) point to various companies, including Levi-Strauss, Body Shop, Gap, Berri and Reebok which have embraced principles such as the payment of fair wages, environment protection, racial tolerance and guidelines for contractors on the rights of women and children. Birch and Paul also note that these reforms were often prompted by NGO or union pressure, or ILO initiatives.

**Deregulation and the language of ‘freedom’**

Implementing the rights that Sonnenberg and the ILO recommend requires both a co-operative spirit between employers and employees and government intervention in defence of such rights. Intervention is often represented as an outmoded and prescriptive practice. Yet the advocates of deregulation relentlessly preach and practice prescriptive and interventionist strategies. The Howard Government has intervened in workplace relations to uphold managerial prerogative, although the Government professes to leave the rights of employees to the operation of the market. Yet the market – effectively, employers - is guided by the legislative framework imposed by the Government.
Deregulationists such as Des Moore of the Institute of Private Enterprise urge the Government to new forms of intervention favourable to business and the market. Moore advocates a prohibition of the right to strike, removal of ‘union privileges’ to picket or enter workplaces, and removal of most of the ‘absurd’ 20 allowable matters from wage awards – matters which include regulation of working hours, pay rates, a range of leave entitlements, overtime provisions, redundancy pay, dispute settlement procedures and notice of termination. The AIRC’s defence of these provisions apparently reflects its ‘outdated and erroneous beliefs.’ As the prejudicial language reveals, Moore’s prescriptive and highly interventionist proposals are designed to promote specific policies and privilege an ideological choice. The containment of ‘allowable matters’ as a small range of workplace entitlements as defined under s.89A of the Howard Government’s Workplace Relations Act is designed to curtail and control employee workplace rights; an allowable matter represents, in the context of the Government’s deregulatory intentions, a right reluctantly conceded and whose legitimacy is disputed. Moore simply avoids any acknowledgement of the complexities or negative impact of his interventionist strategy, and its blatant conflict with Australia’s obligations under UN and ILO declarations (‘Right to strike should go’, Australian Financial Review, 12 October 2004). Moore’s views are broadly shared by editorial opinion in the business press and in policy statements by leading employer organisations: for the advocates of market economics, further redistribution of power from the employee to the employer is justified by a narrative of creating a modernised and dynamic economy, in which ‘freedom’ will prevail, albeit freedom of a narrow and regulated form. The Financial Review believes that embracing further workplace deregulation will liberate ‘…employers’ freedom to organise their workforce as efficiently as possible.’ Note the employer-employee relationships recommended by this statement: employers have organisational control; the workforce is a passive instrument waiting to be acted upon by the employer’s ‘freedom’ (‘Turbocharging productivity’, AFR editorial, 12 October 2004; ACCI 2002; BCA 2004).

Governments also actively resist initiatives to re-establish worker protection and rights. The Howard Government’s online information about the Workplace Relations Act offers ‘a guide to employer’s rights’; it is silent on employee rights (Department of Employment and Workplace Relations, 2004). The New South Wales Labor Government has also intervened in the NSW Industrial Relations Commission to oppose the union application in the Secure Employment Test case, which seeks to provide casual workers with greater employment security (Contentions of the NSW Minister for Industrial Relations 2004). By contrast, the federal Labor Party has committed to offering casual workers greater industrial protection including the option of permanent part-time work (Australian Financial Review, 28 January 2004).

Given the legislative and global economic context, unions must engage with rather than resist deregulation. It remains problematic whether the abolition of AWAs by a future Labor government would have much impact; employers may still resort to individual contracts under common law. The growth of individual contractors, and increased opportunities for employees to work from home, also reflect the influence of new technology in opening up work patterns that cannot be tamed by strict regulation. A new narrative of Australian social citizenship needs to draw on elements of the ACTU’s statement of values, Sonnenberg’s Employee Bill of Rights and ILO conventions and declarations to establish a set of principles that are sufficiently adaptable to the needs of diverse workplaces. A new narrative of citizenship and entitlement must acknowledge the limited reach of union organisation. Citizens must be able to obtain satisfaction of their needs and aspirations in the wider framework of public policy and public institutions, and in discrete workplace structures that reflect a spirit of employee consultation and respect.

Conclusion

This paper has argued that a new narrative of social citizenship is required in order to reaffirm workers’ rights to equitable conditions of work and opportunities to participate in civic life. This echoes Somers’ argument that we form our sense of identity through our participation in both work and society in which stories about ourselves and our social relationships play a key role. Reference has been made to an Employee Bill of Rights, based on the 1998 ILO Declaration of Fundamental Principles and Rights at Work, which could strengthen the obligation on employers to consult with their employees and help workers realise their aspirations as members of civic
society. Such a Bill would require cooperation between employers and employees as well as government to intervene where rights were threatened or abrogated.

In our brief overview of developments over the past century, it is clear that the legitimacy of state intervention to support and advance the rights of workers as citizens has been progressively undermined. The ‘new province of law and order’ promised by H.B. Higgins through compulsory arbitration of industrial disputes, was aimed not only at securing wage justice for workers but recognised that unions has a legitimate role in representing workers, while also upholding the rights of managers to manage their workplaces. However, this has been undermined by laissez-faire liberalism which has been reasserted in the name of creating a productive nation at the cost of workers’ entitlements and rights, not only in the workplace but also in their social citizenship. Unions have played an active and creative social role in the past, not only by campaigning for decent wages and working conditions, but also by ensuring that workers had sufficient non work time to engage in family, community and civic life. The rights of unions therefore need to be strengthened so that they can play a more active role in cultivating social citizenship and creating better conditions under which civic participation will flourish. Hence, labour market deregulation which undermines collective forms of activity will, if taken to its logical conclusion, destroy workplace rights and participation in civic life for many workers who lack the opportunity for collective voice and action.

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Professionals, practitioners, peripheral product-deliverers: Contested definitions of contingent TAFE teaching

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ABSTRACT
Within Australian vocational education and training, casualisation has resulted from cost-minimisation and recruitment decisions by public authorities. Policy discourses present this trend as a training contribution by part-time industry experts, as the inevitable emergence of core/peripheral structures – in this case, a divide between professional program designers and less-qualified training ‘product’ deliverers – and as a source of organisational flexibility and individual career or lifestyle choice. These constructions are compared with counter-discourses of inequity and insecurity, and with recent models of decent, quality and sustainable work. New empirical evidence tests these alternative ways of framing casualisation and their policy implications.

Introduction
Since the early 1990s, redefinitions of the economic and social functions of training in Australia have resulted in considerable debate over the roles and qualifications of Technical and Further Education (TAFE) teachers. Casual employment has grown dramatically in the sector, and the dominant construction of this phenomenon is based on discourses of organisational and individual flexibility, and choice. Alternative discursive frames, based on notions of disadvantage, inequity and insecurity, however, call for different policy approaches, consonant with the emerging concepts of ‘quality’ or ‘decent’ work, whilst questions of succession and system sustainability are also linked to sustainable work practices. This study tests these competing ways of looking at TAFE casualisation. It begins by assembling available evidence of the extent of casual employment in the sector. It then outlines the dominant view of TAFE casualisation, presented by public authorities as largely uncontroversial, and sets out more critical approaches. New empirical evidence is provided as to how some TAFE teachers have experienced these varying constructions of their employment status, and the conclusion points to the urgency of adopting a stable approach to staffing a sector central to the securing of national skill requirements.

The argument is based partly on new empirical evidence gathered from responses to a survey questionnaire designed by the author. The first phase of survey distribution was undertaken in late 2003 and the first half of 2004, and the second phase was still in progress at the time of writing. In the first survey round, respondents were kindly recruited by senior managers in four TAFE institutes in two states/territories. In two institutes, the questionnaires were mailed to the home addresses of all casual teachers on the payroll. Responses were returned directly to the author: 33 percent of the casual populations of the two Institutes returned valid responses. In the remaining two Institutes, management distributed an intranet message containing a link to a web version of the survey, and responses (at a rate of 20 percent of casual populations) went direct to a database provided to the author by the consultancy firm SurveyChannel. Only 10 percent of respondents to this management-distributed round were union members. The second round of web-based surveying in two further states/territories was based on the recruitment of respondents through union websites or email circular messages: there were 700 responses at the time of writing. In this paper, the 510 responses from the management-recruited round are used to test dominant and alternative policy views of TAFE casualisation. First, however, an attempt is made to quantify the phenomenon.
**Quantifying TAFE sector casual employment**

In Australia, public sector TAFE is responsible for eighty percent of vocational education and training (VET) provision. Definitions of casual TAFE employment are based on industrial and legal instruments in a variety of state and federal jurisdictions. In NSW, for example, the relevant award defines a ‘part time casual teacher’ as ‘a TAFE teacher engaged by TAFE to teach on an hourly basis’ (IRC NSW 2000 s.2.75). In Victoria, the relevant award defines a casual (‘sessional’) TAFE teacher as ‘a person employed to teach 0.4 time fraction or less and paid on an hourly basis’ (AIRC 2002). The 0.4 time fraction is commonly translated into 320 contact hours per year: designed as trigger for conversion to non-casual contracts where the TAFE work is substantial, this ceiling tends to be applied by management in a way that limits individual employment duration, and rarely results in conversion. In the TAFE sector, ‘paid on an hourly basis’ does not have its customary meaning of ‘engaged by the hour’ – it refers to a pay system, rather than to work organisation. Irregular or emergency engagements are much less common than regularly timetabled engagements to teach an assigned program or class over a period of several months or even a year: a succession of such regular contracts is common.

The extent of this practice of using hourly casual staff to cover ongoing work, is only now becoming clear. Unfortunately, there is an embargo on reproducing recent casualisation figures from the National Centre for Vocational Education Research (NCVER). Caution is, moreover, required in interpreting available TAFE casual employee figures. Double-counting is an issue in Victoria, because of multiple casual jobholding resulting from the ‘320 hour ceiling’ on hourly employment in any institute, and estimates of casual numbers therefore need to be deflated by around 14 percentage points (Gaulke 2002). A smaller deflator is needed in NSW, because casual hours are not restricted, and casual engagements may be either part-time or full-time. In all states and territories, the question arises as to whether to rely on a headcount of casual employees, as the Australian Bureau of Statistics does in other industries, or whether to convert part-time casual numbers to full-time equivalence.

Whilst it is therefore still hard to assemble a current Australia-wide picture of TAFE casualisation, its incidence is clearly above the Australian workforce average. In Victoria, Shah estimated that hourly-paid sessional staff made up 36 percent of TAFE employees (15 percent in equivalent full-time terms), and short-term contract employment made up another 25 percent (Shah 2003: 203-204). Half the casual workforce and a majority of contract staff were women (Gaulke 2002). Shah argued that variations in sessional employment from 15 to 37 percent across the 23 TAFE Institutes reflected human resource and industrial relations policies, not some inevitable market trend (Shah 2003: 205). A training needs survey of Victorian sessional staff in late 2000, to which almost 1,000 sessionals responded, suggested that 39 percent were ‘industry experts’ with other full-time jobs, whilst 46 percent defined themselves as ‘main-job’ TAFE teachers. Sessionals were concentrated in the fields of Adult Community Education, Business Services, Community Services and Health, and to some degree in Hospitality (PETE 2001). Overall 67 percent of TAFE sessionals expected to be still in TAFE in five years’ time, but only half felt they were valued by the organisation. Fewer than a third had access to training and development (Marketshare 2001).

In NSW in 2002, there were 15,446 persons employed as casual TAFE teachers, compared with a non-casual teaching workforce estimated at just over 5,000 (Table 1). At least 35 percent appear to have been main-job casuals, spending eight or more hours per week in teaching, coordination/consultancy and paid duties other than teaching. Extra unpaid preparation and marking time must be added to these weekly paid hours, effectively doubling or trebling them. Conceivably, up to eight paid hours could be combined with another full-time paid job, but those paid for over eight hours per week would find this combination difficult. Table 1 suggests that the most casualised fields were also the most feminised, such as Nursing and Adult Basic Education. These were the fields in which TAFE teaching was most likely to be the main employment source.
### TABLE 1
TAFE casual staff - hours worked per week by gender, NSW TAFE: 2002

<table>
<thead>
<tr>
<th>Average hours worked per week</th>
<th>Headcount of People</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Females</td>
<td>Males</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>Row %</td>
</tr>
<tr>
<td>&lt;0 to &lt;2</td>
<td>2,874</td>
<td>54.8%</td>
</tr>
<tr>
<td>2 to &lt;8</td>
<td>2,523</td>
<td>51.7%</td>
</tr>
<tr>
<td>8 to &lt;12</td>
<td>927</td>
<td>59.2%</td>
</tr>
<tr>
<td>12 to &lt;16</td>
<td>774</td>
<td>65.0%</td>
</tr>
<tr>
<td>16 to &lt;20</td>
<td>656</td>
<td>67.3%</td>
</tr>
<tr>
<td>20 or more</td>
<td>886</td>
<td>58.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,680</strong></td>
<td><strong>56.2%</strong></td>
</tr>
</tbody>
</table>

Source: G. Dobbs (2003), Attachment 2.

Data from elsewhere in Australia are less current or precise. Tasmanian TAFE figures from 1997, which include both teachers and non-teachers, suggest around 28 percent casual and 19 percent temporary employment, although some conversions to permanency were offered in and after 1998. In Queensland, where there is a lower-paid TAFE ‘tutor’ category, 1998 full-time equivalent figures showed 64 percent of tutors and 23 percent of teaching staff to be on temporary fixed term contracts (Forward 2003a and b). In the ACT in 1998, 25 percent of TAFE teachers were permanent and 72 percent (about 39 percent in full-time equivalent terms) were hourly casual (Forward 2003a and b) - a situation subsequently addressed through a mechanism for conversion to fractional fixed-term contracts for long-term casuals. In South Australia in 1999, 29 percent of TAFE teachers were thought to have ongoing appointments, 27 percent were on fixed contracts and 44 percent were hourly-paid instructors (Kronemann 2002), but again, a 2003 conversion mechanism for temporary staff has changed these proportions (Gale 2004). The State School Teachers Union of Western Australia is currently working on estimates of 2000 casual staff (70 percent women) in a TAFE workforce of 3,600 (Matussis 2004).

Institutional drivers of TAFE casualisation include a decline in permanent recruitment, perhaps in response to uncertainty over the direction of industry restructuring, and cost-minimisation. Redundancies have outstripped permanent recruitment. Between 1997 and 2000, $149m. was spent Australia-wide on TAFE redundancies (Kronemann 2002). Already between 1994 and 1998 in NSW, permanent recruitment had declined by 86 percent, from 374 to 50 per year (NSW TAFE Commission Board 1999: 14). A 16 percent growth in student numbers between 1997 and 2000 was accompanied by a decline in employee costs from 68.4 percent of total VET expenditure in 1994 to 64.2 percent in 2000 (NCVER, cited in Kronemann 2002). It therefore appears that casualisation has been a policy decision. The discourses by which this policy has been framed, however, tend to present this development as exogenously-caused.

**The policy framing of TAFE casual employment growth**

Chappell and Johnston (2003) define ‘new VET practitioners’ as a subset of a wider group of VET professionals, who include organisational training/development staff. The term ‘practitioners’ embraces ‘full-time TAFE and vocational school teachers, trainers, assessors, and HRD managers, consultants and researchers’, together with ‘...an increase in the number of part-time, casual and contract positions’ (p. 8). Chappell (2001) argues that in becoming ‘entrepreneurial, quality-focused, customer-orientated, efficient and flexible’ (p. 33), TAFE teachers have been required to change their identities (p. 24). Earlier roles of ‘industry practitioners who happen to teach’ (p. 27) and of ‘adult educators’ engaged in the liberal democratic provision of community services (pp. 27-28) have been displaced by those of providers of ‘practical knowledge’ and workplace ‘performativity’ (pp. 30-31). They deliver a product: modules based on national standards and assessment ‘packages’. Seddon and Angus (1999) argue the need to go beyond the stereotypical debates between ‘dinosaur’ educationalists and ‘entrepreneurs’ in responding to this change. Like Down (2000), they argue that greater professional expertise is needed than ever, if the new national training packages are to be turned into learning pathways, and flexible, learner-centred environments.
Cully et al. (2003: 6–7) agree that VET teaching job roles are actually widening, even as they are becoming increasingly part-time and casual. Using ABS data, which cover only main-job TAFE staff, these writers show that in 2001, even amongst main-job part-timers, 53 percent were working part-time, and over 90 percent were hourly-paid and designated ‘casual’ or ‘sessional’ (Cully et al., 2003: 14). Official accounts of this casual professional workforce present some odd contradictions. In the NSW Department of TAFE, where the head-count casualisation rate among teachers is 78 percent (Cully et al., 2003: 14), this very high figure is justified by conflating the old discourse of ‘industry expertise’ and the new discourse of ‘workplace performativity’.

The capacity to respond to rapid changes within and industry and to the needs of new and emerging industries is dependent on an ability to access teachers with very current industry expertise and experience. Industry practitioners supply this expertise by working in TAFE on a part-time casual basis (Dobbs 2003: 10).

This statement begs the questions of the appropriate casual/permanent staff mix. The ‘cutting edge expertise’ argument sits oddly with Dobbs’ evidence that casualisation is highest in adult basic education and nursing, and lowest in technical and trade areas other than IT.

VET sector policy documents on casual employment present themselves as reporting an uncontroversial academic analysis of the inevitable growth of the ‘flexible firm’, with its low-skilled peripheral labour market. Conflicts between this narrative and that of an increasingly skilled teaching force seem to go unnoticed. For example a ‘meta-analysis’ conducted for the recently-abolished Australian National Training Authority (ANTA) sees a ‘VET context’ driven by market forces, efficiency requirements and user choice, as necessitating a downsized ‘…core of full-time permanent staff and managers and a periphery of part-time, casual and contract staff who may have affiliations with more than one provider’ (ANTA 2003). Claiming that ‘there is some evidence to suggest that the percentage of full-time TAFE teachers within the system will continue to fall’, Chappell and Johnston (2003) see this trend as ‘consistent with general employment patterns in many economies worldwide’ (p. 9). Describing ‘casual, part-time or sessional’ work as ‘…often either less skilled or more narrowly skilled’ than the sort of ‘non-standard’ work that is highly skilled, well-paid and done on a contract/consultancy basis for one employer, they state that casuals are ‘…employed to deliver specific courses and usually require qualifications at a lower order than their full-time counterparts’ (p. 9). Another study for ANTA describes the VET labour market as ‘changing dramatically’ through work intensification to a ‘full-time, permanent core of highly skilled staff … supported by a larger body of casual, sessional and part-time workers, …supplemented by outsourcing and labour hire arrangements’ (Quay Connection 2003: 7). This study invokes the model of the ‘free agent or portfolio worker’ pursuing ‘employability skills rather than a role in any single organisation’. It presents ‘young (and increasing numbers of older people) as opting for ‘quality of life and family responsibilities’: they ‘…will not commit to a career for life, but will work in several careers, and across employers – over time and even simultaneously’ (Quay Connection 2003: 7). Such ‘literature reviews’ gloss over both their own internal contradictions, and the highly contested nature of the flexibility debates on which they draw, deploying concepts as if relaying social reality.

**Alternative ways of framing TAFE casualisation**

In the policy literature, Schön and Fein (1994) distinguish between rhetorical and action frames. The former legitimise official policy and institutional practice. People contesting such policy and practice may invoke an alternative rhetorical frame, and can enhance their influence by finding a ‘metacultural’ frame allowing contending policies and practices to be resolved through a process of reciprocal translation. We have seen that TAFE casualisation was legitimised by managerialist policy frames of efficiency and performativity, and relied heavily on the core/periphery ‘flexible firm’ rhetorical frame. One of the main literatures on the growth of temporary and casual employment, by contrast, aligns ‘flexibility’ with ‘precarious employment’, seen as manifested in both job insecurity and work intensification (Heery and Salmon 2000; Burchell et al., 2002). The most elaborated insecurity frame is Standing’s (1997) widely-used itemisation of insecurity in the labour market (lack of attachment to an employer), in the job (fear of loss of employment), in work (lack of control over job requirements), in income, in skill reproduction (limited access to training and to skill recognition) and in representation (lack of workplace participation and union rights). The ‘precarious employment’ rhetoric tends to link itself to discourses of ‘disadvantage’ or ‘vulnerability’, which are useful if describing social positioning, but easily contestable by
economic individualists as deficit-model stereotyping. Of course the discourse of positional or structural disadvantage does not imply individual deficit, and can be translated into rhetorics of 'equity': teacher unions and, as we shall see, TAFE casuals, use this discourse.

Recently, new rhetorical frames of ‘decent work’ (Bonnet et al., 2003) and ‘quality work’ (Pocock et al. 2004; Rubery 2004) have been adopted by those wishing to shore up arguments for job security based on equity, justice or fairness. Equity arguments have both legal purchase and mobilising potential, but they have often been trumped on ‘economic’ grounds. The security discourse has a strong experiential appeal, and is also translatable into the frames of individual, organisational and social risk-avoidance, thereby providing a possible ‘metacultural’ link to new rhetorics of sustainability. On deciding on the utility of these various frames, let us hear how TAFE teachers articulated their situations, both in response to survey questions designed to test the flexibility, choice, and insecurity frames, and in their own choice of language in responding to open-ended questions asking what they liked and what they most wanted to see changed in their casual jobs.

**Framing experience and testing frames**

We turn now to the 510 survey responses, rich with annotations and open-ended textual responses. Demographically, women made up 52 percent of the respondents from the four participating TAFE Institutes. The average age of casual respondents was 45, a little younger than that of non-casual TAFE teachers. Just over half (51 percent) had dependent children, and 11 percent were caregivers for frail or disabled relatives. Against these demographic factors, we start by testing claims about casual employment and career choices.

Table 2 suggests that whilst the main reasons for working casually in TAFE were economic, the choice of TAFE work was related to the strong intrinsic attractions of teaching. Comments such as ‘Teaching is my passion’ (TAFE sessional, 2004) were common. Fully half the survey respondents were hoping to make the step to a permanent teaching position, although 47 percent agreed that only casual positions had so far been available. When asked to nominate the goal that best defined their career aspirations five years hence, 36 percent indicated that they hoped to have a permanent career in TAFE, 30 percent preferred to continue their current casual working arrangement, and 19 percent intended to pursue a career in an industry not related to education, with the remaining options, teaching in another education sector and leaving the paid workforce, being minority choices. Family commitments were a reason for working casually for 56 percent (Table 3), and the freedom of casual work appealed to 53 percent.

**TABLE 2**

Possible reasons for undertaking casual work - relevance to TAFE teachers in four institutes, 2003–2004

<table>
<thead>
<tr>
<th>Reason</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderat.</th>
<th>V. much</th>
</tr>
</thead>
<tbody>
<tr>
<td>The work is an important income source</td>
<td>56</td>
<td>98</td>
<td>130</td>
<td>226</td>
</tr>
<tr>
<td>(n=510)</td>
<td>11%</td>
<td>19%</td>
<td>25%</td>
<td>44%</td>
</tr>
<tr>
<td>Hopefully this job is a step to a permanent teaching position (n=505)</td>
<td>170</td>
<td>83</td>
<td>88</td>
<td>164</td>
</tr>
<tr>
<td>54%</td>
<td></td>
<td>16%</td>
<td>17%</td>
<td>32%</td>
</tr>
<tr>
<td>Casual work is a step back into paid work after a career break (n=487)</td>
<td>352</td>
<td>32</td>
<td>50</td>
<td>53</td>
</tr>
<tr>
<td>27%</td>
<td></td>
<td>10%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>I like the freedom that casual work provides</td>
<td>136</td>
<td>94</td>
<td>130</td>
<td>133</td>
</tr>
<tr>
<td>(n=493)</td>
<td>28%</td>
<td>19%</td>
<td>26%</td>
<td>27%</td>
</tr>
<tr>
<td>The job keeps me in touch with ideas</td>
<td>102</td>
<td>89</td>
<td>145</td>
<td>156</td>
</tr>
<tr>
<td>(n=492)</td>
<td>21%</td>
<td>18%</td>
<td>29%</td>
<td>32%</td>
</tr>
<tr>
<td>The job lets me make an intellectual/ cultural/contribution (n=493)</td>
<td>54</td>
<td>52</td>
<td>143</td>
<td>244</td>
</tr>
<tr>
<td>11%</td>
<td></td>
<td>11%</td>
<td>29%</td>
<td>49%</td>
</tr>
<tr>
<td>The job fits well with my family commitments</td>
<td>132</td>
<td>83</td>
<td>129</td>
<td>149</td>
</tr>
<tr>
<td>(n=493)</td>
<td>27%</td>
<td>11%</td>
<td>26%</td>
<td>30%</td>
</tr>
<tr>
<td>As a retiree, I like this work</td>
<td>397</td>
<td>19</td>
<td>19</td>
<td>53</td>
</tr>
<tr>
<td>(n=476)</td>
<td>83%</td>
<td>1%</td>
<td>4%</td>
<td>11%</td>
</tr>
<tr>
<td>Only casual work has been available</td>
<td>229</td>
<td>31</td>
<td>47</td>
<td>178</td>
</tr>
<tr>
<td>(n=485)</td>
<td>47%</td>
<td>6%</td>
<td>10%</td>
<td>37%</td>
</tr>
</tbody>
</table>
Flexibility was an important issue for respondents, with three-quarters considering control over the number and distribution of hours to be important, and 60 percent wanting flexibility to deal with emergencies. Around 70 percent were moderately to fully satisfied with the capacity of the casual job to provide these flexibilities.

Just as a choice of available TAFE teaching work need not imply a preference for its casual conditions, so a desire for flexibility need not imply a preference for the casual employment mode, or even for its associated hours of work. Table 3 indicates that 80 percent of survey respondents wanted the greater security of either permanent work (60 percent) or a fixed-term contract (20 percent).

<table>
<thead>
<tr>
<th>Preferred employment mode (n=491)</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent part-time work</td>
<td>192</td>
<td>39%</td>
</tr>
<tr>
<td>Permanent full-time work</td>
<td>103</td>
<td>21%</td>
</tr>
<tr>
<td>Casual work</td>
<td>97</td>
<td>20%</td>
</tr>
<tr>
<td>Part-time contract work</td>
<td>83</td>
<td>17%</td>
</tr>
<tr>
<td>Full-time contract work</td>
<td>16</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Preferred hours of work (n=498)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased hours</td>
<td>275</td>
<td>55%</td>
</tr>
<tr>
<td>Decreased hours</td>
<td>14</td>
<td>3%</td>
</tr>
<tr>
<td>No change to present hours</td>
<td>209</td>
<td>42%</td>
</tr>
</tbody>
</table>

Whilst three-quarters of all respondents wanted part-time hours, over half wanted an increase in hours. This phenomenon was strong in Victoria and was linked to way the 0.4 or 320 hour definition was being applied:

I have to juggle two schools the entire year if I want to earn any sort of decent income to cover mortgage costs and the cost of general living. I know this was put in place to force the schools to give out more contract jobs but it hasn’t worked and they have effectively shot people like me in the foot. (TAFE sessional, 2004)

This quotation suggests that a mix of labour market, employment and financial insecurity, rather than the free-market career entrepreneurship mentioned by official policy analysts, is likely to underlie multiple jobholding. Table 4 shows the distinction between secure ‘industry experts’ for whom casual TAFE teaching was a second job, and insecure ‘multiple part-time casual jobholders’, combining several part-time or insecure jobs. In Table 4, responses to the category ‘other’ were concentrated in Victoria and signified multiple casual TAFE or VET sector jobholding. The long-term implications of this insecurity were serious.

I don’t have any annual leave entitlement. I don’t get paid when I am ill, for my marking and preparation, for the pastoral care/welfare role that I provide to students. I have no income during term/semester breaks. I have worked a full-time allotment for 11 years, in 2 jobs for the last 3 years, and have little hope of securing any long service leave entitlement! (Sessional TAFE teacher, 2004)

<table>
<thead>
<tr>
<th>Other positions held concurrently</th>
<th>Full time</th>
<th>Part time</th>
</tr>
</thead>
<tbody>
<tr>
<td>n=510</td>
<td>No of Respondents</td>
<td></td>
</tr>
<tr>
<td>A permanent or temporary contract VET position</td>
<td>12</td>
<td>28</td>
</tr>
<tr>
<td>A permanent or temporary contract position in another education sector</td>
<td>18</td>
<td>47</td>
</tr>
<tr>
<td>A permanent position in another industry</td>
<td>88</td>
<td>32</td>
</tr>
<tr>
<td>Casual teaching in school of TAFE</td>
<td>33</td>
<td>64</td>
</tr>
<tr>
<td>Casual work outside education</td>
<td>29</td>
<td>84</td>
</tr>
<tr>
<td>Other</td>
<td>16</td>
<td>51</td>
</tr>
<tr>
<td>Not applicable/not answered</td>
<td>80</td>
<td></td>
</tr>
</tbody>
</table>
Clearly, lengthy employment duration does not automatically bring security with it. Of the 510 survey respondents, 29 percent had been in their current TAFE Institute for less than a year, 31 percent had been working casually with the current employer for between one and three years, and 40 percent had been casuals in the Institute for over three years. For ‘main job’ TAFE teachers rather than ‘industry experts’, the discourse of entrepreneurial self-made careers seems quite inappropriate. A number of respondents expressly and resentfully located themselves outside any career stream. They experienced their work as continuous, but taking them nowhere and punctuated by periods of unpaid stand-down: ‘The Institute disengaged casual staff over the breaks, especially Christmas, so they did not have to pay them and then reinstated them in the New Year’ (TAFE: Casual 2003).

Thus TAFE casuals experienced ‘flexibility’ in the form of Standing’s (1997) external labour market insecurity and internal employment insecurity simultaneously: ‘If I could wish for anything it would have to be knowing what hours, days, times and campus I will be teaching next year. At this stage I don’t even know if I have a job’ (TAFE: sessional, 2004). They also report Standing’s ‘work’ insecurity – a sense of arbitrariness in role definition: ‘Knowing what day of the week it will be so as to organise child care’, ‘More notice. (Sometimes I’ve had a day’s notice for a …semester with a class)’ (TAFE: sessional 2004).

Marginalisation, which is an aspect Standing’s ‘representation insecurity’, was a major theme. Casuals experienced a sense of ‘disrespect’; of being ‘an underclass’: ‘I would love some desk or storage space rather than having to lug books, papers, etc. around in the boot of my car!’; ‘I used the Library and was told that the computers for use of teachers, were for email only!’ Isolation was frequently mentioned: ‘No feedback from the TAFE: though and I have never been informed about the success or otherwise of the students in their final year’. Along with gaining welcome access to sick leave, annual leave and adequate paid planning time, a strong theme emerged that permanent part-time work would mean “…that I feel part of a team and can participate (in a paid, legitimate way) in staff meetings, decision making and professional development’ (TAFE: casuals and sessionals, 2003/04).

The sense that hourly pay was inconsistent with the ongoing professional responsibility undertaken by teachers was perhaps most commonly expressed through discourses of inequity. One concept was that of imbalance between reward and individual effort or outlays: ‘The expectation for the hourly rate is, attendance at bi-weekly meetings, preparation, development of materials, assessment and finally…teaching face to face; doesn’t quite work out in reality’ (Sessional, 2004). Some claimed to have done administrative and course design work well beyond classroom teaching: ‘Have written/developed/presented 5 courses with no recognition or remuneration what so ever, and no help, advice or support from current teaching staff ’ (TAFE: casual, 2003).

One reason cited was: ‘My entire section are part-time teachers’ (Sessional, 2004). Unpaid hours were a major theme. Attempts to quantify them included an estimate of four unpaid hours to each paid hour. Others suggested ten unpaid hours per week, fifteen in peak times, or wrote ‘By the end of this year I will have completed in excess of 200 hours’ unpaid work’ (Casual, 2003). Also mentioned was the non-reimbursement of outlays on course materials, or childcare costs for meeting attendance, and on travel to workplaces or other campuses: ‘I would like to be paid a travel allowance – as I travel 180 kilometres once a week to another campus (and have done for 6 ½ years) but receive no allowance – my old Datsun is wearing out!’ (Sessional, 2004).

Respondents who factored all their worktime into their hourly rates made statements such as this: ‘I was paid in the end on average the equivalent of about $10 per hour. I would have done better doing cleaning’ (Sessional, 2004).

Relativities to the remuneration of non-casual TAFE teachers and private sector practitioners were also mentioned: ‘I am paid $45.00 an hour and when I have undertaken similar work …in the private sector I am paid approx. $80.00 an hour’ (Sessional, 2004). Particularly corrosive was the general sense of being an underclass, relative to non-casual TAFE colleagues: ‘Teachers, who at the end of the day have the same qualifications as you, do the same job but are on different salary/award/conditions to you. It makes me very angry. It is grossly unjust. It is economic irrationalism!’ (Sessional, 2004).
Underlying the pay equity issue was the question of skill reproduction and recognition. The irony that this issue has arisen in institutions devoted to national skill development was not lost on respondents. It was experienced as a dissonance between their own skill levels and the limited career paths open to them:

There should be a better process to recognise my skills after three years with TAFE and twenty years in the industry. This would provide some sense of security and stability and also be fair recognition of the work done (Casual, 2003).

Of the survey respondents, a majority were unhappy with their casual conditions. Discontent was greatest amongst those who had chosen a teaching career, and saw themselves as skilled professionals. To summarise: they wanted to be included in decision-making and staff development, but were finding themselves marginalised, insecure and inequitably paid, both in return for their efforts and relative to other workers. In conclusion, let us use the central skill issue, and explore how it might be addressed by the discursive frames of ‘decent’ or ‘quality’ part-time work.

**Quality, skill and sustainability**

The matter of skill recognition and professional development for TAFE casuals relates to the emerging debate over job design in the context of flexible delivery (McNickle and Cameron 2003: 11, 19). At issue is the question of whether TAFE teaching roles should be subjected to an old, Taylorist design/execution divide, currently being framed in discourse through the core/periphery model. We have noted the arguments that training packages actually require higher levels of teaching proficiency than ever. Schofield et al. (2001) appropriated the ruling discourse of TAFE ‘product value chains’ to argue that professional development is a primary value-adding activity, rather than a discretionary cost.

Recognition that the ‘packaging’ of TAFE curriculum into deliverable ‘product’ does not obviate professionalism and skill in classroom interaction is thus linked to the ‘quality’ of teachers’ development and careers. The issue finds expression in the debate over whether the Certificate IV Training and Assessment Package is a sufficient qualification for casual TAFE teachers. Palmieri (2003: 23) argues that the widespread substitution of this minimum credential poses succession problems, as retiring staff leave behind ‘…those with industry skills but with no deep knowledge of teaching and learning processes’. McNickle and Cameron (2003: 20) argue that ‘all’ TAFE managers recognise that ‘succession planning has emerged as a critical issue for the TAFE sector as a whole’.

Thus quality and sustainability appear to be emerging as metacultural frames through which the core/periphery model of casualisation can be debated. The question is whether succession planning will allow career access for the currently marginalised significant minority of TAFE casuals seeking careers in the sector. In a report to the Western Australia Department of Training, David Rumsey and Associates (2003: 53) used the mean TAFE workforce age of about 53 to argue for targeted programs based on clear career pathways and professional development, to allow casual and part-time teachers to become permanent VET practitioner/managers. The Australian Education Union has secured conversion processes in Western Australia, South Australia and Tasmania (Gale 2004). In NSW, a ministerial/union agreement has a secured a limited program of conversions, restoring the proportion of permanent teaching hours in TAFE from less than half to 55 percent by June 2006. A wider definition of equity has however been hard to achieve: an industrial application for pro-rata entitlements for main-job TAFE casuals is still awaiting resolution after a year. Across the Australian TAFE sector, the fundamental ‘decent work’ principle, that ongoing work should be staffed by ongoing employees, still awaits resolution. Unless a consensus emerges on how to achieve this goal, a sustainability crisis, of the sort currently destabilising other public sector areas, hangs over a sector vital to securing Australia’s future skill needs.
This paper is based on research funded by an ARC SPIRT Grant, covering casualisation in schools (with Barbara Preston and John O’Brien), TAFE, and universities (with Iain Campbell, Jennifer Curtin, Margaret Wallace and the late Harry Oxley). I am grateful for the support of two TAFE Industry Partners and two other TAFE Institutes in three states/territories, the ACTU, the Australian Education Union (AEU) and the National Tertiary Education Union (NTEU). The paper has also benefited from time spent in the Political Science Program, Research School of Social Sciences, ANU, during study leave from UNSW. The views expressed in the paper may not reflect those of co-researchers or industry partners.

References


A continuous association …:
AIRAANZ as a scholarly association

Diana Kelly
University of Wollongong

ABSTRACT

Over twenty years ago industrial relations academics in Australia and New Zealand formed a scholarly association as one means of strengthening their field of study. This paper considers the nature and effects of AIRAANZ on academic industrial relations in light of the changing context on the one hand, and the broader literature on scholarly communities on the other hand. The paper concludes that the foundation ideals of AIRAANZ have served the scholarly community well.

Introduction

The formation, development and growth of an academic association will depend on an array of interacting internal and external factors. Moreover the academic association serves multiple uses depending on the nature and structure of the association's epistemic community. In order to understand the development of the Association of Industrial Relations Association of Australia and New Zealand (AIRAANZ), it is useful therefore firstly, to consider the ideal-type purposes of scholarly associations, and identify briefly the processes and needs for the formation of a scholarly association. The importance of changing context will be discussed before a brief overview of the AIRAANZ conferences. In a 'rural' discipline such as industrial relations where members are widely dispersed in small groups, the conference becomes the central site of interaction within the scholarly association and influences the direction and nature of the discipline or field of study. Following a brief overview of the establishment and development of AIRAANZ from the early 1980s, the notion of AIRAANZ as a scholarly association will be revisited in order to analyse what have been the abiding and dynamic attributes of AIRAANZ, and to understand the extent to which it has been an effective scholarly association.

Scholarly Associations – their formation and their uses

An academic association can play a significant role in the development and direction of a discipline. Such an association only develops when an intellectual community has developed sufficient mass and impetus to be able to claim a group interest and capacity for an ongoing network. Of itself an academic or scholarly association gives evidence that the discipline or field of study has sufficient scholars with a shared investment in a particular intellectual territory. Scholarly associations can be likened to speech communities - networks of scholars who share the same vocabulary and shared language in a particular area. In this respect associations become institutions, which have a life of their own, with rules and patterns of interaction which ensures their continuity. Within the scholarly association, rules and norms develop which may act to strengthen or challenge the dominant paradigm or web of disciplinary rules. Elites may form and communication processes develop which may enhance or limit elites, enhance or constrain innovation.

Whether there is a community paradigm, 'a set of beliefs, values, techniques and so on shared by members of a given community ...' (Kuhn, 1977, p.175) is perhaps less important, for a new formal grouping. Rather, in the emergent academic association, a network of scholars agree to formalise communication channels for both cognitive and 'social' purposes, which are linked through the common ground of disciplinary interests. By so doing, the newly formalised institution performs several roles though the formal and informal interactions and channels of communication. Indeed the actual provision of communication channels is a fundamental function of an academic association, especially where members of the community are geographically isolated from each other. Some have argued that this function may alter as use of Internet becomes more sophisticated. Epistemic sub-communities can develop links through Internet groups, where previously scholars may not have been able to develop into a ‘virtual’ community.
Since the early 1990s for example a group of radical organisational theorists in several countries, most of whom are members of larger academic industrial relations associations, have maintained a network for debate and discussion. (Communication, Clive Gilson, University of Waikato, 1995); alternatively, the Internet offers ways reinforcing and sustaining collaboration which begins in debate and discussion in meetings and conferences.

In part, the roles and effects of a scholarly association will also depend on membership rules, especially on who may become a member of the community (see e.g Coats, 1993). Original choices and later changes about who can be a member will influence the patterns of communication, the cognitive and social imperatives and, indeed the direction of the discipline. Some academic associations are open, some closed; some are hierarchical, and some egalitarian; some have strict formal structures, while others are informal in every respect. For example, Goodman and Berridge (1988) note that the founders of British Universities Industrial Relations Association (BUIRA) confined membership to academics, but on the other hand, in assuming the multidisciplinarity of industrial relations did not control the disciplinary area. By contrast, the IRRA in the USA took a different structure, partly related to the geographical size of the USA, but also in acknowledgment of the needs of practitioners (Stern, 1992). At regional Chapter level, practitioners greatly outnumbered academics, which in turn led to the imperatives of practitioners driving the direction and focus of debates. Even more constrained are dual academic-professional organisations such as those of engineers, doctors or accountants, where barriers to membership are further constrained by formal degree and practice requirements.

Regardless of the objectives of the founders and later decision makers, there may be other intended and unintended outcomes of an academic society. With the formalisation of the organisation, concepts and issues can be legitimated or rejected as reputational systems develop. Thus the potential exists for disciplinary association to enhance broadening, dispersion or narrowing, depending on its structure and the goals of the members extant at any point in time. Nevertheless, the basic function of an academic association is to enhance and advance the academic discipline through interaction and collaboration not accessible to the individual academic. Even in the most scientific discipline, however, context is important for the scholars, the discipline and the scholarly association.

The importance of context

The scholars in an academic community do not get their knowledge in a vacuum. Knowledge is obtained by individuals who operate within disciplinary, national and local frameworks. Moreover, knowledge-getting is influenced, not only by communities of scholars in nearby disciplines, or in the same discipline in other countries, but also by social, economic and political changes and the nature and imperatives of higher education and the research systems in a country. This is perhaps more true of academic IR than many other disciplines. This is because of the nature of inquiry in IR. More than most disciplines academic IR has been open to analysis of current and recent events, in the public sphere of employment relations.

Certainly in the last two decades and coinciding with the formation of AIRAANZ, there has been a welter of change in both Australia and New Zealand, reflecting significant shifts in government priorities. In both countries, the overt moves away from welfare statism to wide market economies and the imperatives of business liberalism have been evident in all aspects of legislation. Thus it has not only been the legislation dealing with employment regulation such as Employment Contracts Act (1991) in New Zealand and the state and federal industrial relations acts in Australia. These have been very important for the analysts, but also governments in both countries have sought to establish an enterprise orientation for areas such as health, education and, of course, telecommunications. The process of devolving their responsibilities in these sorts of activities has induced major changes in the administration of employment and the organisation of work, the primary foci for industrial relations scholars.

The other major attribute of much industrial relations legislation from the late 1980s was the marginalising, and often demonising of trade unions – a long-time feature of politics and the media which gained in effectiveness in the latter years of the twentieth century. While the pro-enterprise legislation occurred last in the federal sphere in Australia, the governments of the Australian state and New Zealand all sought in the years around 1990 to enact legislation to lessen
rights and opportunities for trade unions to promote and uphold workers’ rights. It seemed for a while that as employee collectivism was increasingly demeaned, employer collectivism in the name of free markets was enabled. These government actions led to levels of violence against striking or picketing employees that had been notably rarer in Australia and New Zealand, than in many other countries. Moreover, since the early 1980s the more concerted and overt role taken by business in influencing public opinion and government policy has been evident in the expansion of the Business Roundtable in New Zealand, and the Business Council of Australia (BCA) and the Australian Chamber of Commerce and Industry (ACCI now the Australian Business Chamber). The employers’ shift away from ‘historic compromises’ in both Australia and New Zealand was underpinned by more strategic and aggressive management styles at the level of the enterprise and workplace. While couched in the seemingly persuasive terminology of HRM and similar initiatives, the managerial styles apparent from the 1980s can be rather more clearly inferred from the great swathes of downsizing and the growth of casual, part-time and contract work.

The final major contextual feature which has influenced the ‘academic tribe’ of industrial relations scholars since they first formed their scholarly association in 1983 has been the changing role and responsibilities of higher education. As universities have become vocational and market driven in their orientation, the nature of scholarship and teaching has changed to meet new imperatives. The changes in public policy, labour market structures, business agenda and management methods have also become apparent in universities. Unlike the traditional and academically based style of governance that had previously been the practice, universities quickly developed business orientations from the late 1980s. Language such as customer-focus, measurable outcomes and key competences entered university vocabularies, as did performance appraisals and point systems for publications for academics. Whereas professional and vocational education had mainly been just tolerated (aside from the prestige professions and vocations), the structure of university education had by the 1990s become vocationally oriented, thus giving higher priority to employers’ demands (Karmel, 1990). For academic industrial relations researchers, these kinds of pressures were emphasised by the very considerable growth of business studies in the higher education sector. The issue was not only that industrial relations was increasingly incorporated into business courses, where it sat a trifle uneasily, but also because with the emergence of management studies, especially HRM in the 1990s, the very basis for researching and teaching industrial relations seemed to some to be under threat (Kelly, 2003).

Establishment and Growth of AIRAANZ

The first overtly formal gathering of industrial relations scholars took place in Wellington New Zealand in 1978, although there had been meetings of legal, labour studies, trade union and personnel management scholars for much longer. Five years later in Churchill, Victoria, AIRAANZ was formed by a group of self-styled Young Turks who were seeking to strengthen their emergent discipline. Their ideals were reflected not only in the absence of formal titles such as Professor/Associate Professor, but also in the opportunities for informal debate at informal social occasions. The logic was not simply that of individuals maximising their social utility, but rather more that intellectual improvement was nurtured in non-hierarchical, non-threatening situations, leading to the development of a ‘common pool of ideas ... that will strengthen teaching and research in industrial relations’ (Benson, 1983b, p.v).

This fundamental objective of strengthening industrial relations research and teaching was reflected in the aims of the newly formed association. These were very similar to the foundation goals of BUIRA, (Berridge and Goodman, 1988) and included aims to convene conferences, inform members of developments, make periodic surveys of members’ research and teaching activities, lobby for improved statistical sources, and affiliate to other organisations, as approved by the Executive. Most of those original goals remained, although some were not followed through in 1990s.

A Constitution was written after 1983 and adopted at the 1985 Conference. The aims of the Association were incorporated, as was the decision that membership was open to anyone engaged in industrial relations teaching and research, in a similar mode to the BUIRA membership control.
Included in the Constitution were the processes of decision-making and the structure and nature of the Executive. Besides an elected President, the Executive was to comprise Vice-President, Secretary and Conference Convenor, a small Executive committee and such co-opted members as the executive saw fit. The Constitution changed little over the next twenty years until Mark Westcott Secretary- Treasurer from the late 1990s undertook the task of a major redraft in 2003 in order to ensure AIRAANZ met new tax and governance laws.

Thus, from the beginning, effective representation and procedural efficiency were emphasised but with a minimum of formality. The role of the founding members in designing the structures of an organisation is significant. In this respect the impact of the ideas of academics such as John Benson (foundation secretary) and Kevin Hince (later the first Honorary Life Member) in setting up the rules of AIRAANZ should not be under-estimated. The same informality inherent in the initial conference organisation itself remained evident over the next twenty years. Until the turn of the century there were virtually no invited papers after the first Conference and organisers actively attempted to avoid elite sessions. While notions of social collegiality are rarely covered in the literature on disciplines, there is no doubt that such notions can influence disciplinary development. Drawing on some industrial relations literature, it could perhaps be argued that the social interaction at conferences, and patterned behaviour of constructive comment, may generate high trust relations (Fox, 1974). Certainly, where scholars are widely scattered, conferences substitute for department or faculty cohesiveness, which in turn can generate collaboration or open debate. Such an attribute has not been wholly consistent. For example ‘high trust relations’ were not evident in the responses to papers such as Drago and Wooden’s (1989) neo-liberal analysis, or Nyland’s (1987) revisionist Taylorism. Indeed response were only exceeded in what Taylor (1983) had called ‘acrimony and ritual bloodletting’, by the responses to Nyland’s (1990) paper on ‘sex differences in industrial relations’. In other words, even in the informal collegial and actively supportive environment, there were implicit but rigid rules which Wooden and Nyland (twice) broke, a reminder that the role of the invisible college should not be under-estimated.

During the 1990s AIRAANZ Conferences became annual instead of biennial. Parallel sessions became the norm as attendance increased and pressures grew for academics to produce more measurable research outcomes. Where the early conferences had fewer than 60 or 70 participants, numbers have frequently been well over 120 since the large conference at Coogee in 1994. While the annual conference remained the central activity of AIRAANZ, the focus and nature of the papers presented at the conference has shifted over the years reflecting a re-broadening of academic industrial relations. By the end of the 1990s the Young Turks early notions of rejecting elitism were weakening as guest speakers were brought in to highlight the strengths of industrial relations research and government requirements led to the streaming of conference papers into refereed and non-refereed strands. At the same time, however, financial and academic support for postgraduate students attending the conference was strengthened, and in general registration fees have been kept at a relatively low level.

Non-conference activities

Although the central activity of AIRAANZ has been the Conference, a number of other activities and initiatives were undertaken from the first to meet the objectives and Constitutional undertakings of AIRAANZ. For example, the AIRAANZ publications have been a major initiative. The Proceedings have been published before or shortly after every conference, and until 1997, there was no attempt at refereeing. Barring a few problems, papers were printed as long as authors submitted them to the Proceedings editor in time and in the right format. The Proceedings has been the first publication for many novice scholars and has encouraged paper-givers generally to present complete papers. That several overseas university libraries subscribe to the Proceedings attests to their acceptance. As noted above the issue of refereeing arose from about 1997 as governments started to send more rigid requirements on academic performance as part of the corporatisation of the higher education sector.

As well, recording IR literature of Australia and New Zealand has been an AIRAANZ enterprise from the first. Volume 1 of the 1987 Proceedings comprised several literature reviews of aspects of Australian and NZ industrial relations, labour law, labour history and employers associations, as well as a general survey of labour process literature. The commissioning of literature surveys
had begun from the first Conference, and reflected an awareness that there had been little systematic study of the literature of the discipline. Other bibliographies such as Nyland’s on rationalisation of worktime followed in the latter 1980s. As well AIRAANZ has assisted in the publication of indexes of the *Journal of Industrial Relations* (Plowman and Bryce, 1991) and the *New Zealand Journal of Industrial Relations*. (Geare, 1993) By these means AIRAANZ members sought to provide accessible and systematised references for scholars. The Association has also provided some financial assistance to the social science journal, *Labour and Industry* for nearly a decade.

The arrival of the Internet opened up new means for academics to research and to communicate with each other. For industrial relations academics, particularly those outside the larger departments the net offered a means of ready access to current debates and issues. At the 1994 General Meeting, Clive Gilson, then Designate Professor of Strategic Management at the University of Waikato, offered to set up an e-mail Listserver for AIRAANZ members. This would enable email debates and sharing of information among AIRAANZ members. After some discussion this was agreed to by the meeting. Since that time prir-l has proven to be a central means of communicating ideas under the steady eye of Webmaster Gilson. Clive Gilson has also developed the AIRAANZ Home Page which provides details of the organisation, conferences and publications. In 1996 in another ‘first’ for the Association, the entire Proceedings was also put on the Web.

On the other hand the Internet has lessened need and indeed the value of a hard copy directory of members. AIRAANZ published two Directories of AIRAANZ members, although none since 1992. The potential for developing a new directory through the AIRAANZ Home Page may be a possibility. In 1990 another AIRAANZ publication was mooted at the GM. The objectives of the AIRAANZ Review were to provide further resources for industrial relations teachers as well as other material not quite appropriate to journals, such as an index of PhD theses in industrial relations, and humorous but helpful guides to getting published.

### The uses of a scholarly association II

The histories of other academic associations (e.g. Coats, 1993) have revealed the tendency to focus on the changing power relations, the organisation’s role as the invisible college or the paradigmatic struggles. It is difficult to find any such issues in AIRAANZ history. Until 1997 at least, elections for executive positions have been mainly non-events. A role or non-role in AIRAANZ seems to have little correlation with academic success, and there has been insufficient basis for a paradigm, much less a paradigmatic dispute. To be sure there are occasional undercurrents, but these seem rest more on geographic location or perhaps, access to funding.

On the other hand the raison d’etre of an academic association is to promote scholarship within a discipline through encouraging communication, to stimulate intellectual debate and in these commodified times, to enhance increased funding for research through lobbying and other tactics. Certainly AIRAANZ has achieved the first of these criteria. The Conferences themselves have been significant in promoting scholarship. This has been particularly important for industrial relations researchers and teachers, appended as many of them are to the margins of other academic units. AIRAANZ Conferences are notable for their collegiality. Of itself collegiality is a valuable attribute which should not be belittled simply because participants enjoy attending the conference. Similarly, the fact that there is a tradition that feedback is constructive rather than captious should not be portrayed as overly kindly or weak - the assumption that destructive feedback leads to rigour does not appear to be founded on logic. Rather, the very provision of a regular and generally non-hierarchical forum which encourages open discussion, sets standards, (albeit mostly tacitly), highlights new issues and provides feedback is a necessary, though not sufficient attribute of any discipline.

In terms of the discipline’s content, any overview of the AIRAANZ conferences provides a broad picture of the developments in a scholarly community whose discipline is rural and research is mainly applied. Such an overview of AIRAANZ reveals the discipline, which, while not deeply committed to theory, method or technique, draws on multiple methodologies in order to investigate complex phenomena in a scholarly process. Industrial relations is rural because, unlike long-time fields such as English literature or economics, the research terrain is not heavily populated, and the field offers a great deal of choice for the researcher.
This rurality has even increased in the twenty years since AIRAANZ was formed, because as a discipline that is strongly 'applied' and policy oriented, the major changes in markets, governments and notions of social justice have enabled continuous new opportunities for research, even before older areas have been well-studied.

Also evident in the conduct of conferences and decisions taken by members about conferences over the last twenty-two years has been that the underpinning ideals of the Young Turks in 1983 have been in large part retained. The fluid structure of AIRAANZ and the ways in which changes have evolved out of open debate have ensured that, to a fair degree, the original conception of the association as non-hierarchical and cooperative, rather than competitive organisation. This is remarkable given that the association has increased to well over two hundred members, (including tardy subscribers) in an environment where universities have undergone major changes. Even greater have been the changes to the economic, social and political environment of work management, and the employment relationship, and the language used to describe and evaluate these. That AIRAANZ could develop under what has often been a hostile environment perhaps attests to the organisational efficiency of anarchies. More likely, the cooperative and open environment together with an insistence on proper scholarship and the capacity to return to the broad concerns of scholars of earlier years, have ensured a continuing interest in industrial relations.

The change in the wider environment is apparent in the changing emphases of papers at AIRAANZ Conferences. Three changes are notable. First, while many papers have utilised case studies, the methods used in such studies have changed, drawing, with increasing confidence and effectiveness, on useful concepts and techniques from other disciplines. Secondly, devolution of decision making over matters pertaining to work, management and employment in New Zealand and Australia has tended to lead to more focus on the workplace or enterprise. This is not to say that critical analysis of broader legal, social organisational and economic has disappeared, but there has been an increase in studies on the ways in which the broader environment influences the micro-level. Thirdly, there has been a range of responses to the increasing popularity for HRM. The initial response tended to be defensive and inward looking, but then it seems that scholars simply incorporated those ideas from HRM which could prove useful in analysis or policy-making. Nevertheless it is perhaps surprising that HRM was less of a focus for debate as the 1990s progressed. It may be that those scholars most concerned simply took their questions to other organisations. Certainly, the growth of alternative avenues such as the expanded ANZAM, the revitalised Human Resource Institute (AHRI), and another major association which has centred on both industrial relations research and practice, the International Employment Relations Association, (IERA), have all provided new fora for scholars in Australia and New Zealand who preferred different emphases to those apparent at AIRAANZ.

The Australian approach is different from that in Britain, where ‘critical management’ has developed and the US where there has been considerable disciplinary fragmentation with many scholars gravitating back to the larger disciplines of economics or management. Within AIRAANZ, the Conference papers reveal an array of views about the IR/HRM issue, from those who claim that vocational disciplines replicate business practice to those who see HRM as one variable within IR.

An allied continuing difficulty for AIRAANZ scholars lies in the fact there is still no clear, shared agreement of precisely what is industrial relations. The breadth of the papers at AIRAANZ Conferences perhaps attests as much to the lack of a shared core of the discipline as it does to a general (and tacit) commitment to social science analysis of the regulation and management of work and employment. There is no doubt also, that other disciplines have claims to theoretical superiority or more theory, even if such theory is the assertion of evident formulae.

Moreover, the focus of much industrial relations research has been on the impact of public policy on employment, but with the borrowing of analytical tools, albeit often with great effect, from other disciplines. Of itself, this need not be problematic. As a ‘multidisciplinary’ discipline borrowing will always comprise part of industrial relations analysis (Klein, 1990). Nevertheless, in the cold environment where pretensions to ‘theory’ are widely perceived as fundamental as ‘practical relevance’, there is still a great vacant space for industrial relations theory. It is arguable that until there is some shared specific understanding of what is the core of industrial relations, it is unlikely that any broad theory can be developed. Perhaps it is time for a pre-paradigm debate?
The intellectual environment for industrial relations goes beyond the academic climate. Public hostility to concepts of equity and social justice, the continuing popularity of management education, where ideals of profit and control predominate, and the pressures for increasing the quantum of publications inter alia mean that it is likely that the chill environment will remain, particularly in Australia. In this respect the continued broadening of industrial relations scholarship is a worthwhile response, but again stronger analytical foundations will be needed. All of these tensions point to the necessity for a continuing reassessment of the processes. Identifying and retaining the core attributes and objectives of AIRAANZ will be a challenge.

Conclusion

This brief history set out to identify the foundations and attributes of AIRAANZ over its first two decades or so as an academic association. The investigation of the history of AIRAANZ has revealed discontinuities and stresses, most important of which has been the ever chillier environment for research and analysis in any area defined as industrial relations, underpinned by the changing environment for higher education which have put pressure on what is taught in universities, especially in Australia. However, there have also been continuities, including not only a number of long-standing members, but also cultural continuities such as a commitment to a broad notion of industrial relations and a conference atmosphere best characterised as collegial, non-elitist, and supportive. This perhaps partly explains why a discipline whose star has sometimes waned in recent years has retained members over a long period as well as had many new registrants each year – AIRAANZ has indeed proven to be ‘a continuous association ….’

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The rise and fall of the Rugby League Players’ Union: 1979 – 2000

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ABSTRACT
The Rugby League Players’ Union has existed for 25 years. However its existence has been marred by internal power struggles, competing organisations that divided the market, no recognition from the ruling body, no blanket support from the professional players’ and poor management. The situation in rugby league was in distinct opposition with the happenings in other sports. During the late 1980’s right through to the 1990’s, the professionalism of athletes highlighted a number of vulnerabilities, associated with a player’s ability to negotiate a fair days pay for a fair days work: and as a result players’ in various leagues looked towards forming collective bodies to improve their overall working conditions and wages. In the sport of rugby league, however, players’ were not looking for a collective organisation to join; they were looking for avenues to end their membership of a collective organisation. Player support for a collective organisation in the sport of rugby league was in decline and it seemed that in 2000 the players’ union would no longer have the membership support or an executive in place to continue its original objectives. This paper will discuss the rise and fall of the players’ union in the period of 1979 to 2000 and evaluate the reasons why the players’ union was marred with negativity during this time.

Introduction
The formation of the Association of Rugby League Professionals, has been argued to have eventuated from a meeting called by Arthur Beetson which was held at the Balmain Leagues club, although the date of the meeting is not clear, the first document was published on the 19th May 1979 relating to a future meeting and the functions of its members. However, on 2 June 2004, a photograph emerged that was taken in 1972, showing the likes of Jack Gibson, (who is argued to be one of the primary founders of modern rugby league in Australia and around the world), in a group photo titled the Rugby League Players’ Union. The photo had been in the possession of Jack Gibson, who thought that it should be handed over to the current President of the Association, Tony Butterfield, as a sign that rugby league players’ were not only the first players’ association in Australia, but are now the only players’ association registered as a trade union. This paper argues that from its inception in 1979 to its deregistration in 2001, the Association of Rugby League Professionals, otherwise known as the players’ union, has failed to function as a united organisation, established for the sole reason of protecting the working conditions of their membership.

Methodology
When deciding on the most appropriate research methodology to employ, a number of factors need to be considered. Such considerations include, the purpose and significance of the study, the nature of the investigation and the type of information that needs to be acquired in order for the objectives of the research to be reached. In relation to this research, considerations relating to the information required are extended to deal with issues such as the role the researcher has in the sport being examined. As the main objective of this research will be to discuss the rise and fall of the players’ union in a particular period of time, the case study methodology will be employed, as it “deals with a full variety of evidence – documents, artefacts, interviews and observations.” (Yin, 1989, p.20).

Access to the records of the players” union will be in the form of documentary evidence, interviews, and archival documentation. However, the main source of information will come from participatory observation. This methodology will be in use due to the researchers role in the current players’ union: that being the Rugby League Professionals Association (RLPA). The researcher has been involved with the RLPA from December 2000, and the President Mr Anthony Butterfield has given his consent for the use of all documentation that will aid and benefit the research.
**Early days of the Players’ Union**

According to Jack Gibson, the union, in its original format in the early 1970s, met regularly, however it was “more of an informal get together by key players’ and coaches during that time to talk about what was happening. But the era was one on very little professionalism and as a result what players’ wanted was never granted by the governing body” (Interview with Jack Gibson, 14 July 2004). Gibson went to argue that “in the 1970s the public was suspicious of player payments because they thought that with payments came corruption: players’ betting on themselves or the opposition team, but when you think about it was more about the public view that these men were playing for fun with their mates on a Saturday or Sunday afternoon, and because of that any form of payment was inappropriate. The League caught on to this perception and ran with it for years. You know its interesting because until this day the League is so concerned with perception that they lose sight of what’s important…the players’ themselves” (Interview with Jack Gibson, 14 July 2004).

Gibson’s view was discussed and Adair and Vamplew (1997) who went on to say that “in some quarters it was maintained that it (payment of players’) would lead those who did nothing else but sport into idle and worthless lives” (Adair & Vamplew, 1997, p.30). This argument has continually plagued rugby league. It was evident during the Super League and Australian Rugby League (ARL) war in the 1990’s, as well as during what’s become known as the “funny season”. The funny season refers to contractual negotiations and player signings after the 30 June every season. The public perception of player incomes exceeding player worth is a concept that certain sections of the public as well as the media will never forgo, and players’ have had to come to terms with this. Luke Pridills at a meeting between the Rugby League Professionals Association (which is the current name given to the players’ union) and the National Rugby League held on 13 July 2004 argued that the “days of players’ earning a steak sandwich and a can of coke are long gone, and if people think that guys are going to put their bodies on the line week in week out for that they are kidding themselves”. Mark McLinden reinforced this sentiment when he argued “our salaries today need to look after us and our families for years to come” (Meeting 13 July 2004). These views of players’ have been in existence for over twenty-five years and it was upon these views that a Rugby League Players’ Union was conceived.

**Registration and the 1980’s**

The first Association of Rugby League Professionals was registered in the NSW state jurisdiction on 28 November 1980 under the Trade Union Act 1881 and 26 February 1985 under the Industrial Arbitration Act 1940. The registration of the association, however, did not automatically imply that it would seek to represent its members under the tribunal system, nor did the total number of members. The association failed to use the tribunal system for approximately ten years. Documentation purporting to the action of the players’ union between its registration in 1980 and 1990 can be regarded as scarce. This lack of documentation can be due to several reasons, including poor record keeping or little to no representation of its membership. Both these views are appropriate as an undated document relating to the Annual General Meeting of the players’ union on 2 February 1990, refers to the failure of the ‘old executive’ in handing over records and funds to the newly elected executive. The document also refers to pending legal action to obtain such documents; however further documentation dealing with such matters has not been unearthed.

During the decade in question player dissatisfaction over their salaries was evident and discussed heavily in the media. In the early 1980’s the League tried to implement a payment system which would limit the payments to star players’ such as Parramatta’s Ray Price and Michael Cronin, Cronulla’s Steve Rodgers, Canterbury’s Greg Brentnall, St George’s Graeme Wynn, and Manly’s Max Krilich and Alan Thompson, to twenty thousand dollars a year. At no time during this matter did the players’ union involve itself in the representation of its membership. Players’ were left to do their own bidding, in terms of their monetary worth. Steve Rodgers (who is now the Chief Executive Officer of the Cronulla Sharks) argued that “the senior players’, without the aid of the union took our case to the New South Wales Rugby League (NSWRL) and our pleas fell on deaf ears. Thinking back the union was pretty hopeless, that is until the draft case happened. From the talk in the sheds at the time, the union then may have helped one or two guys but any
more than that I would doubt it. Some of the boys were really starting to question the motives of the union and that type of talk was common. What some of us ended up doing was meeting in a pub and talking about what we could do, but at the end of the day a group of players with very little business sense and negotiating sense could do next to nothing. That was the job of the union… but they were hardly ever seen around” (Interview 3 March 2003).

**Introduction and defeat of the Player Draft**

In 1990 documentation regarding the action of the players’ union was heavily centred on the NSWRL’s intention to introduce a player draft system. In a letter dated to John Qualye (General Manager of the NSWRL) the President of the Players’ Association, Kevin Ryan, argued that “the players’ association does not merely have reservations about the internal draft – the association is positively opposed.” (Letter dated 12 July 1990). Ryan went on to argue that the NSWRL needed to heed the opposition of the union and its membership. However, Qualye argued that the league was confident that the player draft was not an unreasonable restraint of trade, nor was it in breach of any legislation both at the state and federal level. On 23 July 1993, the NSWRL unanimously endorsed the draft system and was in the process of incorporating the relevant rules into the operations manual of the league.

A Press Release was issued by the players’ union, which detailed that a player meeting would be held on 11 August 1990 at the South Sydney Leagues Club, to outline to the players the legal advice the union had received regarding the implementation of a player draft. The advice received centred around two options: one of which was legal the other being industrial.

It would seem that the introduction of the draft was a catalyst for player unification: but more importantly it was the catalyst for the players’ union to represent their players’ on a matter that was critical for their membership. The actions of the players’ union formed a view among players’ that their union was strong and truly representative of their interests. Tony Butterfield, the current President of the Rugby League Professionals Association (RLPA), was playing for the Newcastle Knights at the time of the draft controversy. He argues that the legal challenge showed that the “union was actually in existence. They really stuck with the challenge and at times when the players’ seemed to lose sight of why we were doing this, the union was there to set us straight. I remember the words of Kevin Ryan at the time: he kept saying that rugby league is a team game so we should be used to sticking together, and history will show that not only did we stick together, but we won” (Interview 10 August 2003).

The Federal Court ruled in favour of the rugby league players’, as Wilcox J questioned the motives of the league administration. In his decision he asked the following question: “How in a free society can anyone justify a regime which requires a player to submit such intensely personal decisions to determination by others?” (1991: 103 ALR 319). This argument was significant to the players’ as their place of residence would be determined by a third party: as Butterfield claimed “if I was an 18 year old single guy looking for a start in rugby league it wouldn’t have affected me as much. But if I was a 25-30 year old with a wife and kids, it’s a different story. The family would have been uprooted whenever and wherever the league deemed appropriate and that was not on!” (Interview 10 August 2003).

Since the registration of the players’ union in 1980, representing its membership has been scarce, however the introduction of the draft seemed to have changed that. The players’ were united, and for the first time the union on behalf of its membership argued that the reduction in players’ earnings and the coercive nature of the league administration could be challenged and defeated. The union argued that players’ needed to be treated like human beings and sportsmen, not like chattels or serfs. This was the central aim of the players’ union during the draft challenge: however, one could argue that this should have been the main objective of the players’ union in all its operations. One of the major weaknesses of the players’ union was that it was reactive rather than proactive, and the draft highlights this weakness. It was the players’ who first questioned the actions of the league administration and then took their concerns to the union who then acted on their behalf. This weakness however, was not rectified by the defeat of the player draft: it was a weakness that continued to plague the players’ union. Once the decision was handed down, the players’ union again went into hibernation, awaiting the next labour market restriction to be introduced by the league administration, so that a challenge could be mounted.
The deficiency of the union from 1980 – 1990 was that it never portrayed itself as a professional organisation that should have intervened in a number of matters that resulted in the introduction of the draft. It can be argued that the draft would have never eventuated as a concept, had the players’ union worked effectively and efficiently in the representation of its membership, while at the same time shown itself to be a force that had the ability to challenge the coercive behaviour of rugby league administrators.

Affiliation with the NSW Labour Council

In 1991 the association affiliated with the Labour Council of New South Wales, and as a result changed its name to the Rugby League Players’ Union. The union now had a constitution and structure in place. As well this, membership of the union was close to 600. Members comprised from three grades, including first grade, second grade and the under 21’s (The Australian, 7 September 1994). Such a move had come at a time when the players’ union was victorious over the player draft, and sought to cement a relationship with the NSW Labour Council, who played a key role in the draft case.

With the aid of the NSW Labour Council, the players’ union regarded their position as the true representatives of rugby league players’ as cemented into the fabric of the game. However, those involved in the game, and key figures that were no longer playing questioned the motives and actions of the players’ union in 1992. Arthur Beetson, who aided in the formation of the players’ union argued that “our aims were simple enough, we wanted players’ to have a say in what was happening in the game – their game. It only seemed fair that players’ could give their view on such matters as the promotion and rules of rugby league” (Article on 12 February 2002). Beetson went on to state “there were things we wanted to improve…we wanted better conditions for players’ and their wives or girlfriends on match day. In the bad old days it was almost an extra training session for many of the players’ to walk to the ground from their car space – sometimes it could be up to a kilometre…after the trek they had to wait as their better half had to queue to pay to get through the turnstiles…We believed that we could improve things under the banner of a players’ union, and in many ways we did. But somewhere along the way the plot has been hopelessly lost. The goings on lead to last week’s Nissans Sevens was a nightmare. Legal action, talking of aborting the tournament and other demands the players’ union thundered out were ludicrous” (Article on 12 February 2002).

Sports branch of the Media Entertainment and Arts Alliance (MEAA)

The Media Entertainment Arts Alliance (MEAA) was registered in May 1992, which eventuated from an amalgamation of the Australian Journalists Association, Actors Equity of Australia, and the Australian Theatrical and Amusement Employees Association (Markey & Tootell, 1994, p.67). Upon its establishment a letter was sent to Kevin Ryan from Christopher Warren, the Joint Federal Secretary of the MEAA, seeking the commencement of discussions for the eventual amalgamation of the players’ union with the MEAA. It can be argued that the involvement of the MEAA in rugby league was problematic and brought about player apathy. Although this was not evident during the amalgamation period, it became extremely evident from 1997. The MEAA was convinced that the amalgamation would be effortless, however, the amalgamation process was nothing of the sort. Instead of being dealt with amicably, it was finalised by a decision of the Full Bench of the Australian Industrial Relations Commission on 2 November 1995: three years after discussions had commenced between the two parties. Informal meetings were held between the MEAA and the players’ union from September to December 1992, however the first formal meeting took place on Tuesday 19 January 1993.

The MEAA was adamant in progressing the amalgamation and to have the process finalised by mid-1993. Meetings continued to take place in February 1993 to resolve the outstanding issues and to formalise the relationship between the two parties. During this period there was no evidence that the players’ union was dissatisfied with the process, or more importantly angered over the conduct of the MEAA. Kevin Ryan was attending meetings and even forwarding the finances of the players’ union to the MEAA. On 10 June 1993 a cheque for the amount of $55 000 was forwarded to the MEAA from Kevin Ryan. The reason for this payment was specified in a letter dated 18 May 1993 to Kevin Ryan from Christopher Warren, which stated: “I propose that...$55
000 be transferred to the name of the Rugby League Players’ Union Branch of the Alliance. This would enable us to guarantee the employment of a liaison officer for a period of 12 months and assist us in meeting other costs. Long-term employment, however, will depend on the ability to extract membership fees from players.” (Letter from Christopher Warren, dated 18 May 1993)

On 14 June 1993, an article appeared in The Daily Telegraph Mirror titled “Players’ in Search of Muscle”. The article referred to the player unions’ decision to merge with the MEAA. The Australian Rugby League Chairman, Ken Arthurson, and the NSWRL General Manager, John Qualye, expressed their bewilderment at the merger. Ryan claimed that the decision was made to guarantee players’ access to the use of industrial player: a comment, which Arthurson refuted to the point where he alleged that the membership did “not back the move”(14 June 1993, The Daily Telegraph Mirror). Arthurson went on to warn the players’ in the article by stating: “I want to sound a note of caution to all players’ and the union: don’t kill the goose that laid the golden egg…all these things look and sound very rosy but the clubs are not bottomless pits of wealth and the money has to come from somewhere…very few players’ are part of the players’ union anyway and they are negotiating their own deals these days and doing very well”(14 June 1993, The Daily Telegraph Mirror).

Upon reviewing the comments made by Arthurson, it could be perceived that the governing body of rugby league in Australia were anxious over the new industrial power the players’ union would have with the amalgamation with the MEAA. This would have been brought about by the unions previous success in the draft case, as well as their ability to seek payment for players’ participating in the sevens tournament. However, what was to proceed in the following months demonstrated that the assumption made by Arthurson was in fact correct.

**Dismissal of Peter Moscatt**

In November 1993 the relationship between the MEAA and the players’ union showed signs of discontent. This was highlighted between the relationship between the President Kevin Ryan and the Liaison Officer Peter Moscatt. Moscatt was originally employed as the liaison officer for the players’ union prior to the involvement of the MEAA, and once the amalgamation took place his employment was transferred to be administered by the Alliance. From October 1993 Ryan became aware that Moscatt was holding meetings with Club CEO’s to discuss the standard playing contract. Letters sent between Moscatt and CEO’s began to surface in late November 1993, as Ryan was asked to comment on the discussions taking place. In a letter between Geoff Carr, the CEO of the St George Rugby League Football Club and Peter Moscatt, it was evident through the detail of changes to contract clauses that the discussions had been taking place for sometime. Although Moscatt viewed this as part of his role, Ryan did not. On 2 December 1993 Ryan advised Moscatt that his conduct had been in breach of the job description that he had been issued with when he agreed to be employed as a liaison officer, in which the key aspects of the role centred upon the “stimulation of recruitment with the goal of making membership an automatic, widely accepted practice upon joining a club…and the promotion of the role of the union and its place in, and adaptability to, the changing environment of professional sports people” (Rugby League Players’ Association Liaison Officer Job Description).

Moscatt responded to Ryan’s letter by stating “Dear Kevin, I received your letter on the 7 December 1993 concerning my responsibilities. I will be on leave from Christmas to January 7 1994” (Letter 8 December 1993). Not only did the reply fail to address the concerns of Ryan but also it infuriated the President of the players’ union to the point where a meeting of the players’ union executive was convened on Thursday 16 December 1993 to discuss the nature of Peter Moscatt’s employment. A letter was forwarded to Moscatt on 13 December 1993 requiring his attendance at the meeting, and further advised him that he was entitled to bring a legal representative or Chris Warren from the MEAA.

Moscatt sought legal advice from Craddock, Murray and Neumann Solicitors who forwarded a letter to Ryan on the afternoon of the hearing. The letter argued that Ryan had refused Moscatt an adjournment, which would have enabled him to seek full and proper legal advice, and as a result Ryan was offending the principles of natural justice (Letter dated 16 December 1993). On 16 December 1993, the executive resolved to terminate Peter Moscatt’s services as liaison officer, despite the reservations expressed on behalf of Moscatt.
The executive believed that they have proper and unarguable grounds for summary dismissal for the dereliction of duty and the decision to terminate Peter’s services was taken accordingly (Letter dated 16 December 1993). Ryan informed the MEAA of the dismissal and further advised that Moscatt no longer had any authority to act as the player’s liaison officer. This included liaising with players’ or representing players’ in negotiations with clubs or the league. Ryan went on further to state that all materials and information pertaining to the office of Peter Moscatt should be returned immediately. However, the issue that was of more significance to the players’ union was request by the executive seeking the return of $30 000 from the $55 000 that was originally forwarded to the MEAA. The executive argued that due to the dismissal of Moscatt the unused funds should no longer be in the possession of the MEAA.

The MEAA however, did not view the situation as the players’ union did. In a letter dated 21 December 1993 from Turner Freeman Solicitors to the players’ union, it stated that as there was no arrangement between the two parties where “all income from fees or otherwise will become income of the Alliance, unless existing arrangements require income to be paid to the players’ union. If income is paid to the union, it will be transferred to the Alliance. All existing assets and liabilities of the players’ union will be transferred to the Alliance” (Letter dated 21 December 1993). The letter, however, was not concerned over the conduct of the union in their dealing with Moscatt, nor did it question the players’ unions’ authority in the matter, their only concern was of assets. The letter went on further to state that the MEAA had become aware that the financial takings of the union was approximately $115 000, and as the union had only forwarded $55 000, the MEAA was considering legal action over the remaining $60 000. It became evident in further correspondence between the MEAA and the players’ union that the MEAA were in no way obliged to follow the instructions of the players’ union and therefore not only refused to accept the dismissal of Moscatt, but sought to take away the autonomy it had allowed the players’ union in the formation of their relationship. “Among the policies adopted by the Federal Executive is a national staff agreement. Peter Moscatt is employed under that agreement. Accordingly I direct you to take no actions, which terminate or purport to terminate Peter Moscatt’s employment.” (Undated Letter Kevin Ryan).

Terminating Relationship with MEAA

Upon these actions Ryan took it upon himself to not only continue with the termination process, but to begin proceedings to terminate the relationship between the MEAA and the players’ union. A letter was sent to the membership of the players’ union from Ryan on 22 December 1993, which stated: “The players’ union had terminated the services of the players’ liaison officer, Peter Moscatt, as he has failed to carry out his duties. In addition, it now appears that Peter has been attempting to enrol players’ directly into the Media Alliance Group which now turns out to be a rival union attempting to take over the players’ union and gobble up the player unions funds. I must let you know as members that it has been strongly rumoured in legal circles that the Media Alliance is in severe financial trouble and yesterday an attempt was made to force the Players’ Union to transfer all funds and all players’ membership fees top the Alliance” (Letter to players’ dated 22 December 1993).

It was upon this matter that the Ryan sought to terminate the relationship with the MEAA, which eventuated in the establishment of two rival unions. This course of action, by Ryan, was reinforced in a letters sent to delegates 29 December 1993, outlining the existence of two unions. Ryan encouraged delegates to speak to players’ at their respective clubs to advise them that it was imperative for them to remain with the Ryan run players’ union and not to pay fees to the MEAA.

The rivalry between the two groups heightened in March 1994 when there were letters exchanged between the NSWRL, the MEAA and “Ryan’s union” on the matter of representation. On 11 March 1994 Ryan responded to a number of assertions, made to John Qualye of the NSWRL, which had been made by Peter Moscatt, who was now the Secretary of the Rugby League Players’ Union Section of the MEAA. Ryan argued vehemently that there was no amalgamation between the Media Alliance and the Association of Rugby League Professionals, and that the players’ union was the only organisation registered Federally or in New South Wales that represented rugby league players’ exclusively. Ryan also emphasised that the players’ union, namely himself,
have been most concerned for player’s rights and would continue to be. During this time Ryan focussed his attention on convincing the governing body that it was his organisation that was the sole representative of players’, and that any issues relating to the welfare of the players’ should only be discussed with his organisation.

Coinciding with Ryan’s efforts was a plethora of player discontent with his actions and dismissal of Peter Moscatt, which was lead by Simon Gillies, who was playing for the Canterbury Bulldogs in the 1994 playing season. Gillies argued that Ryan “acted harshly and heartlessly in dismissing” Moscatt “particularly in the week before Christmas” (Letter dated 20 March 1994). Gillies also advised Ryan that he believed that at all times Moscatt acted for the benefit of all players’, and as a result should be reinstated. Should this not occur the players’ would unite and challenge the authority of both Ryan and the union he managed. Ryan seemed to ignore the views and concerns of a number of players’ and as a result, members began to resign from the Ryan run players’ union and were seeking membership with the Moscatt organised MEAA.

Such actions by Ryan began to impact on the membership negatively. Players’ who were members of the union were questioning the continuance of their membership, and those who were not members did not feel compelled to join. It was evident that player apathy was a direct result of the executive of the players’ union poorly managing and poorly addressing the concerns of the players’. Ryan’s inability to accept the amalgamation of the players’ union with the MEAA, allowed the governing body to move forward on its own agenda, in particular in changing the standard playing contract. That is, the internal tensions between the MEAA and Ryan did not allow either party to fully and functionally represent the needs of their membership. The matter of coverage eventuated into a war of propaganda. Ryan continuously argued that should the NSWRL deal with the MEAA, then they should ready themselves for a confrontationist relationship…”perhaps the most serious reason for clubs to hesitate before taking a short step into a long maze is the fact that the MEAA is polyglot – a hydra-headed body fighting on many political and industrial fronts. For example in one of its many current disputes the MEAA is engaged in a major mega-buck confrontation with the Media Barons and the Federal Government in respect of copyright. – An intricate issue that could have serious consequences for Rugby League Club promotion (remember every promotion involves the written or broadcast word of an MEAA or potential MEAA member)” (Letter dated 22 March 1993).

This approach by Ryan showed that, as an individual, he was concerned more with his position of power, than the needs of his membership. He demonstrated to the governing body, the clubs and the players’ that he was unsuitable for the position of President of the players’ union, and more importantly was unsuitable in dealing with the major issues that concerned his membership: the changes to the standard playing contract. On 4 March 1994 the MEAA sought assistance from the Australian Industrial Relations Commission, so that a decision could be made about which organisation was the true representative of rugby league players’. Senior Deputy President Polites handed down the decision on 26 July 1995 [Print M3828], which rejected arguments put forward by Ryan’s player union that the MEAA rules only covered sport support staff rather than the athletes. This battle was both long running as well as damaging to the image of the players’ union: whether it be the Ryan run organisation or the MEAA. However, the decision did not deter Ryan from appealing the decision.

The Full Bench of the Australian Industrial Relations Commission heard the appeal, and the decision was handed down on 2 November 1995. Vice President Ross, Deputy President Drake and Commissioner Larkin argued that in reaching their decision, they had taken into account the material submitted in the original proceedings, as well as new material submitted in the appeal proceedings.

The decision had concluded the public tension between the two rival unions, and there was a great deal of work done to conceal the non-public feud that continued. In saying that the Commission had ruled in favour of the MEAA, and that Ryan would have surrendered his position, was far from the truth. The MEAA Sports Branch under Moscatt was operating, and due to their official consent was moving forward with discussions with the governing body over the negotiation of an Award. Ryan, however, was still functioning as the president of the rival players’ union: however his success in maintaining member interest through the protection of working conditions was non-existent.
On 17 September 1996 a letter from Tony Butterfield (who is now the President of the Rugby League Professionals Association) to Kevin Ryan stated the following: “due to the lack of enthusiasm from the rank and file, communication and enterprise from your paid officer and a virtually directionless future, I regrettably hereby give due notice of my intention to withdraw from my Honorary position of Senior Vice President of the Players’ Union along with my current membership. As Newcastle Knights Player representative it is my expressed responsibility to see that our players’ have a voice in the most forward thinking professional representative organisation available. At this stage this entity does not appear to be the Players’ Union.”(Letter dated 17 September 1996).

Ryan began to receive resignation of memberships consistently from November 1995 to November 1997. His role as the President of the Players’ Union was now one of insignificance, however, it was evident that his actions were solely responsible for his demise.

**The end of the Players’ Union (MEAA)**

On September 25 1997 the Industrial Relations Commission of New South Wales (IRC), issued a statement that Rugby League players’ would be governed by an award titled *The Rugby League Players’ Award*, which would set minimum standards for players’, which need to be complied with by both Super League and the Australian Rugby League (ARL).

Although the award came into affect from 1998 it had been anticipated for some time, as formal discussions had commenced in April 1992. However, as discussed earlier in this paper, the players’ union seemed more concerned with issues of coverage, the taking of membership fees, and the individual struggles of power, rather than establishing minimum wages and conditions for their membership, which were athletes participating in the sport of rugby league. The finalisation of an Award was one that the ARL and Super League, as well as the MEAA expected, as the AIRC would have taken action, due to the increase in the number of players challenging the validity of their employment contracts during the ARL / Super league War. The parties were given no choice but to negotiate an Award, which was seen to be fair and reasonable.

The MEAA regarded the players’ award as a victory, however since it came into affect in 1998, the MEAA failed to deal with clubs who were breaching the provisions that had been set down. Nor did the MEAA vary the Award, as various clubs no longer existed after the settlement of the Super League and ARL war. Due to their inability to deal with the concerns of their membership, as well as remain public in the eyes of their membership, players’ started to become disgruntled with the inactivity of the MEAA, and even though the players’ union continued to exist it was continuously losing members as well as failing to collect subscription monies from the various clubs. The union continued to be registered as a trade union, however on the 10 August 2001 the Commission deregistered the Rugby League Players’ Union.(AIRC discussions, 28 August 2002).

The MEAA was no longer interested in the representation of rugby league players’, through their sports branch, and as a result failed to comply with their reporting responsibilities under the Industrial Relations Act 1996 NSW. The Industrial Registrar had no choice but to deregister the union, an operation that was not challenged by the MEAA. A number of clubs agreed to the Award in order appease some players’ and eventually limit the role the MEAA would play in rugby league. From 1999 and through to September 2000 the vast majority of players’ had decided that they would no longer support the MEAA run players’ association. “The union guy would come in tell us what they can do for us, take our money and we would never see them again until more money was due. Guys just got sick and tired of them and we decided that we didn't want to be apart of it anymore”. These sentiments were shared by the majority of players’, who believed that they would have a better chance of seeing tangible benefits if they “put their membership money on a horse to win at Randwick” (Player meetings January - March 2001).
Conclusion

This paper has shown that from 1979 the Rugby League Players’ Union has failed to function as a united organisation, established for the sole reason of protecting the working conditions of their membership. The membership from 1979-2000 has never been stable, and this was due to the inability of the union to respond effectively to the concerns and needs of their membership, instead dealing with the hierarchies struggle for power. Although it has been argued that player apathy has always been present in the sport, this paper has shown that the player apathy was result of poor management by the players’ union. Although they had a victory with the player draft in 1991, they were never truly representative, and at times worked against the wants of their members.

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Letter to Christopher Warren from Kevin Ryan, dated 16 December 1993.
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Letter to Club Chief Executives and John Qualye, dated 22 March 1993.
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A comparative analysis of union mergers in Australia and Germany

Anja Kirsch
University of Sydney

ABSTRACT

In this paper, the most recent waves of union mergers in Australia and Germany are examined and their outcomes assessed in a comparative analysis. It is established that in both countries, mergers took place during a period of economic reform and declining union membership. The merger wave was shorter and more coordinated in Australia than in Germany due to legislative intervention and peak federation policy. The outcomes of mergers are mixed in both countries. New structures have been successfully retained, but evidence of the benefits associated with mergers, namely stabilised or augmented membership levels, economies of scale, improved services and bargaining outcomes, extended workplace representation, mitigation of inter-union competition and a more ‘rational’ structure of the union movement has failed to appear or remains ambiguous. Today, Australian unions have shifted their focus from restructuring to organising, while German unions remain introspective.

Introduction

Union movements in developed market economies are engaged in or have recently completed a process of massive restructuring. Everywhere, mergers are the main form of structural change. The study of union mergers is important because of its impact upon the way in which unions organise and service their members.

The aim of this paper is to examine union mergers in Australia and Germany and to assess their outcomes in a comparative analysis. The findings of cross-national research have analytical and practical significance: Firstly, only an international perspective allows enough variation on environmental variables such as culture, ideology, and institutions to arrive at explanations and theories that are not context bound (Hyman 1994, 2001; Kochan 1998; Strauss 1998). Secondly, knowledge of employment relations institutions or procedures which other countries have used when facing particular problems and the identification of lessons and ‘best practices’ is of interest for policy-making (Bamber & Lansbury 1998; Hyman 2001; Strauss & Whitfield 1998). Australia and Germany are two dissimilar political economies with many differences in their industrial relations systems and trade union structures. These include features such as the conciliation and arbitration system, federal and state registration of unions, strong links between the union movement and the Labor party, and poorly organised employer groups in Australia, and works councils, highly coordinated employer bodies, arm’s length relations between unions and political parties, infrequent legislative intervention and more autonomy of the ‘social partners’ in the regulation of industrial relations issues within a highly ‘juridified’ framework in Germany. Despite these particularities of each national configuration, mergers were the prevailing answer to similar problems encountered by unions, and institutional variables played a facilitating role.

Union mergers are not a new phenomenon. They have taken place since the beginnings of unionism and generally occur in waves. Early waves of mergers have been identified in Australia from 1911 to 1930 (Griffin & Scacebrook 1989, 260) and in Germany between 1919 and 1923 (Schneider 1987, 310-11). Their character has changed in the course of the twentieth century – while early mergers predominantly replaced craft with occupational or industrial unions, today, these types of unions are merging into general or multi-sectoral unions with semi-autonomous divisions. The most recent Australian merger wave took place in the main between 1991 and 1994, while the German one commenced in 1996 and is continuing. The major difference between the two cases is that the impetus to merge came from the peak federation’s top-down strategic plan in Australia and emerged from the executives of the participating unions in Germany.
The German discussion on union mergers – both the academic and the practical – is still in its infancy given the novelty of the phenomenon. It makes little use of international knowledge and experience despite the large body of research available on union mergers especially in English-speaking countries. These countries are sometimes compared among themselves (for example Bray & Rouillard 1996; Chaisson 1996) but very rarely with dissimilar cases (exceptions are Sverke 1997; Visser & Waddington 1996). However, these studies are mostly parallel descriptions rather than authentic and integrative comparisons. A comparison of mergers in Australia and Germany has never been undertaken and the research in each respective country has found little resonance in the other. Quantitative research involving large numbers of mergers has been undertaken in Australia (for example Griffin 1992; Griffin & Scarcebrook 1989; Hose & Rimmer 2002; Tomkins 1999), but is impossible in Germany given the small number of cases (Waddington & Hoffmann 2000 do examine the structure of the German trade union movement as a whole). On the other hand, there are few case studies of mergers in Australia (an example is Campling & Michelson 1998), while in Germany there are detailed analyses of the Vereinte Dienstleistungsgewerkschaft (ver.di) and the Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE) mergers (see Keller 2001; Klatt 1997; Martens 1997; Müller et al., 2002).

**Union mergers in Australia and Germany**

In the early 1990s, the Australian trade union movement experienced a merger wave unparalleled in its history. Many unions were involved in a series of mergers. Between 1987 and 2000, the number of federally registered trade unions fell from 144 to 45; a total of 79 federal mergers took place. The number of unions under state registration fell even more steeply, but the exact extent cannot be identified because the Australian Bureau of Statistics ceased collecting data after 1996. Between 1987 and 1996, the total of all mergers involving federally and state-registered unions is 172. If the merger wave at the state level ceased simultaneously with the federal one, the total number of unions is still well above 100 (see Table 1).

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<tr>
<th>Years</th>
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<th>No. of Mergers</th>
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<th>No. of Unions</th>
<th>No. of Mergers</th>
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Taken from Griffin (2002), source: Australian Bureau of Statistics, Trade Union Statistics, Catalogue No. 6323.0; data from the Industrial Registrar's Office.

Since the late 1990s, the German union movement has experienced extensive restructuring. This must be assessed in view of the fact that after the re-formation of the union movement after World War II there had not been a single merger for 40 years. Beginning in 1989, there have been six mergers reducing the number of unions from 18 to 8 and the number of peak federations from four to three (see Table 2).
TABLE 2
Number of unions and union mergers in Germany 1987-2002

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<th>Years</th>
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<th>No. of Mergers</th>
<th>Years</th>
<th>No. of Unions*</th>
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<td>17</td>
<td>0</td>
<td>2002</td>
<td>8</td>
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</table>

Sources: Waddington & Hoffmann (2000) and own calculations.
* DGB affiliates plus DAG. 2001 the DAG merged into the DGB.

The Australian and German merger waves are of a similar intensity – since 1987, the number of unions in Germany has been halved with more mergers anticipated, while in Australia, the number of federal unions has dropped by two thirds during the same time span. The waves differ in length and regulation – the Australian wave was planned, coordinated, and sweeping with a large majority of mergers taking place between 1991 and 1994, while the German wave is uncoordinated and more gradual. It began in 1996 and is continuing today.

FIGURE 1
Number of unions in Australia and Germany 1987-2002

Left axis: number of federal unions in Australia; right axis: number of DGB unions in Germany.

Merger antecedents
Both merger waves took place at a time when unions faced high environmental pressures to adapt their actions. Unions hoped to enlarge their range of possible actions via structural adaptation in the form of merger; in other words, merger was not seen as an end in itself but as a method of achieving a number of organising and servicing objectives. While factors that trigger change within each union are mainly internal and political, environmental factors can certainly encourage and facilitate change. In both Australia and Germany, mergers took place during a period of economic reform and declining membership density. In the late 1980s, reform of the industrial relations system and with it, trade union structure, was central to the Australian economic reform process.
While the Australian Labor Party (ALP) government together with the Australian Council of Trade Unions (ACTU) and the Australian Industrial Relations Commission (AIRC) advocated an incremental reform within the existent centralised system, the opposition and business groups preferred radical decentralisation (Kollmorgen & Naughton 1991, 370). As a result, the conciliation and arbitration system has been maintained to award minimum wages and conditions, and enterprise bargaining has become the main principle of wage fixation. In Germany, the continuing growth and employment crisis has slowly generated a public acceptance that renewal is necessary, and reforms are beginning to appear in the political, economic and industrial relations fields (Jacobi 2003, 15). An amendment to the Works Constitution Act in 2001 has strengthened the power of works councils, and there is much debate concerning the relationship between collective and individual agreements, and between collective and works agreements. Some of the reform proposals would radically alter the traditional pattern of industrial relations and the role played by unions. Not surprisingly, unions are doing everything to prevent such a change (Weiss 2003).

Membership density in Australian unions had been around or above 50% since the 1920s, so the sharp drop in the 1980s was perceived with particular alarm. Yet, as Table 3 shows, decline has halted, however tentatively, only since 2000.

<table>
<thead>
<tr>
<th>Year</th>
<th>Members (in thousands)</th>
<th>Density (%)</th>
<th>Year</th>
<th>Members (in thousands)</th>
<th>Density (%)</th>
<th>Year</th>
<th>Members (in thousands)</th>
<th>Density (%)</th>
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<tr>
<td>1976</td>
<td>2513</td>
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<td>1982</td>
<td>2568</td>
<td>49</td>
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<td>2283</td>
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<td>2000</td>
<td>1902</td>
<td>25</td>
</tr>
<tr>
<td>1986</td>
<td>2594</td>
<td>46</td>
<td>1995</td>
<td>2252</td>
<td>33</td>
<td>2001</td>
<td>1903</td>
<td>25</td>
</tr>
<tr>
<td>1988</td>
<td>2536</td>
<td>42</td>
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<td>2194</td>
<td>31</td>
<td>2002</td>
<td>1834</td>
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<td>41</td>
<td>1997</td>
<td>2110</td>
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<td>1992</td>
<td>2509</td>
<td>40</td>
<td>1998</td>
<td>2037</td>
<td>28</td>
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</table>

Membership density in German unions was stable at a little over 35% for 40 years. After a short-lived surge in membership levels following German unification, density has now dropped to 25%. It is too early to tell whether the mergers among Deutscher Gewerkschaftsbund (DGB) affiliates have been able to halt or reverse the decline. The DGB is the dominant federation; its affiliates organise 83% of all unionists. Due to the ver.di merger, it now incorporates one of the previously rival federations, the Deutsche Angestelltengewerkschaft (DAG). However, this has not significantly boosted its level of inclusiveness, as membership in the Deutscher Beamtenbund (DBB), the civil servants’ federation, has been growing for 13 years (see Table 4).

<table>
<thead>
<tr>
<th>Year*</th>
<th>DGB 000s</th>
<th>Density (%)</th>
<th>DAG 000s</th>
<th>Density (%)</th>
<th>DBB 000s</th>
<th>Density (%)</th>
<th>CGB 000s</th>
<th>Density (%)</th>
<th>All Confederations 000s</th>
<th>Density (%)</th>
</tr>
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<tbody>
<tr>
<td>1950</td>
<td>5450</td>
<td>35.7</td>
<td>344</td>
<td>234</td>
<td>200</td>
<td>6028</td>
<td>41.7</td>
<td>37.5</td>
<td>36.2</td>
<td>38.3</td>
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<tr>
<td>1960</td>
<td>6379</td>
<td>31.1</td>
<td>450</td>
<td>650</td>
<td>191</td>
<td>7679</td>
<td>35.5</td>
<td>36.2</td>
<td>38.3</td>
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<tr>
<td>1970</td>
<td>6713</td>
<td>30.0</td>
<td>461</td>
<td>721</td>
<td>288</td>
<td>8086</td>
<td>37.1</td>
<td>30.7</td>
<td>30.7</td>
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<tr>
<td>1980</td>
<td>7883</td>
<td>31.8</td>
<td>495</td>
<td>821</td>
<td>309</td>
<td>9487</td>
<td>34.9</td>
<td>24.9</td>
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<td>24.9</td>
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<tr>
<td>1990</td>
<td>7938</td>
<td>29.0</td>
<td>509</td>
<td>799</td>
<td>311</td>
<td>9555</td>
<td>37.1</td>
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</tr>
<tr>
<td>1991</td>
<td>11800</td>
<td>31.8</td>
<td>585</td>
<td>1053</td>
<td>304</td>
<td>13749</td>
<td>30.7</td>
<td>25.8</td>
<td>30.7</td>
<td>30.7</td>
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<tr>
<td>1995</td>
<td>9355</td>
<td>25.6</td>
<td>508</td>
<td>1075</td>
<td>305</td>
<td>11242</td>
<td>24.9</td>
<td>24.9</td>
<td>24.9</td>
<td>24.9</td>
</tr>
<tr>
<td>2000</td>
<td>7773</td>
<td>20.6</td>
<td>450</td>
<td>1205</td>
<td>306</td>
<td>9733</td>
<td>25.8</td>
<td>25.8</td>
<td>25.8</td>
<td>25.8</td>
</tr>
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<td>2001**</td>
<td>7899</td>
<td>20.3</td>
<td>---</td>
<td>1211</td>
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<td>24.9</td>
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<td>24.9</td>
</tr>
<tr>
<td>2002</td>
<td>7701</td>
<td>20.3</td>
<td>---</td>
<td>1224</td>
<td>307</td>
<td>9232</td>
<td>24.9</td>
<td>24.9</td>
<td>24.9</td>
<td>24.9</td>
</tr>
</tbody>
</table>
The differences in length and regulation of the Australian and German merger waves can be attributed to peak federation policy and legislative intervention in Australia and their absence in Germany.

In 1987, the ACTU presented a policy document titled ‘Future Strategies for the Trade Union Movement’ to its affiliates recommending a range of reform trajectories, the most prominent of which was a programme for amalgamation along industry lines. Its rationale was that economies of scale would allow unions to deliver better services to members. It claimed that most of the 326 unions extant in 1986 could fit into 18 industry groupings which would then act as a catalyst for amalgamation (ACTU 1987, 13). In addition, the ACTU Executive adopted a policy on the rationalisation of union coverage and created a distinction between ‘principal’, ‘significant’ and ‘other’ unions with graded organising rights in each industry, which was endorsed at the 1991 Congress (ACTU 1991).

The ACTU policy on amalgamation and rationalisation was complemented by legislative changes which facilitated mergers, enabled involuntary deregistration of small unions, discouraged registration of new unions, and increased tribunal powers to determine membership coverage (Fox et al., 1995, 190). In particular, voting requirements for union mergers, which had been amended to the Conciliation and Arbitration Act (1904) by the Liberal-National government in 1972, requiring 50% of the members of each merging union to vote and more than 50% of votes to favour amalgamation, were gradually relaxed by the Labor government. Legislative changes in 1983, 1988 and 1990 reduced the minimum turnout to 25% and completely eliminated it if the AIRC established a community of interest (the definition of which was broadened). Furthermore, the larger union was exempted from ballot if the membership of the smaller union was less than 25%. The increase of registration and size requirements from 100 to 1,000, and to 10,000 in 1990 enabled involuntary deregistration of small unions and reduced new registrations. Following a complaint to the International Labour Organisation (ILO) by the peak employer body, now called the Australian Chamber of Commerce and Industry (ACCI), the minimum size was set back to 100 in 1993, but by then many of the mergers had been completed or were in process. Furthermore, the power of the AIRC to alter union coverage rules by awarding one union the exclusive right to represent particular worker groups was increased. The Labor government also offered monetary incentives to merge: at the 1989 ACTU Congress, the federal Minister for Industrial Relations promised $450,000 to assist unions in pursuing amalgamations (Davis 1990, 104).

In Germany the peak federation ignored the issue of union structural change during the 1990s and declined to issue policies aimed at altering the principle of union organisation along industry lines. Rather, the DGB confirmed the status quo in an appendix to its constitution in 1992 (DGB 2002) and in a document concluding principles for organisational relations and cooperation between unions in 2000 (DGB 2000). Thus, the DGB clings to the principle of industry unionism despite the fact that most of the eight affiliates are more appropriately termed multi-industry unions. There is no legislation on union mergers as the principles of freedom of association and collective bargaining autonomy preclude any state intervention into the structure of union organisation. A model of a reformed union movement consisting of three manufacturing unions, recruiting in several industries and ‘industrienahe Dienstleistungen’ (services outsourced from manufacturing plants, such as catering or cleaning), one private sector service union and one public sector union was presented by IG Metall Chairman Klaus Zwickel in 1995 (Müller 2001, 112).

**Merger outcomes**

Merger outcomes can be assessed regarding the state of the union movement in its environment after a merger wave, and regarding the fate of a particular merged union. Caution must be exercised because links between the post-merger situation and the merger process itself are tentative.
Chaison’s (2004) finding that little research has been conducted on merger outcomes reflects the difficulties in establishing and measuring these links. It is unclear what the situation would be had mergers been concluded on different terms or not at all; and in the absence of mergers, if nothing was done or if alternative strategies were pursued. Moreover, it may take several years until the results of a merger become apparent. However, merger outcomes can be cautiously evaluated on three counts.

In a narrow sense, a merger can be called successful if the retention of the new structure is accomplished. In a broader sense, success depends on whether official goals formulated in the pre-merger period have been or are in the process of being reached. In addition, a merger might be judged a success if the new union engages in new activities — in other words, if structural change enables strategic variation.

RETENTION OF UNION STRUCTURE: A merger is unsuccessful if the participant unions de-merge at a later date or if groups that do not coincide with those unions break away from the merged entity in order to become independent or to merge with a different union. In Germany, there have been no de-mergers or breakaways to date. In Australia, disintegration has been marginal although the Workplace Relations Act 1996 facilitates de-mergers and breakaways and encourages the formation of enterprise unions and the minimum size of unions has been reduced to 50 members.

The integration of the participant unions into the merged structure is another indication of success. Complete fusion is not necessarily the goal of mergers, nor is it unambiguously the best solution. But an examination of whether the degree of integration that was sought after has been achieved can show how well a new culture and identity has been diffused. The extension of interim arrangements and of representation proportional to the membership of the merging unions are signs of distrust and skepticism. An Australian example of poor integration is the fact that ten years after the merger, the Electrical Trades Union (ETU) continues to use its no longer legal name in its daily activities, rather than operating under its official title CEPU (Griffith forthcoming). Moreover, preoccupation with structural issues for years after the merger has been ratified shows that internally, the merger has not been brought to a conclusion. For example, ver.di’s matrix structure was subject to discussion at the congress in two years after the merger (Bisirske 2003, 595). Thus, the concern within the union is not yet with retention, but still with variation.

Growth in the number and membership of professional associations indicates the dissatisfaction of small, homogenous groups with the representation of their interests in a large union. German examples are Vereinigung Cockpit (VC), a pilots’ association which was affiliated to the DAG but preferred to become independent rather than to affiliate to ver.di, and the newly founded cabin crew association Unabhängige Flugbegleiter Organisation (UFO) (Jacobi 2003, 23). This ‘erosion at the edges of the organisation’ (Muller et al., 2002, 105) may in the future challenge the monopoly of established unions.

GOAL ATTAINMENT: The main goals of merger processes in Australia and Germany were to halt or even reverse membership decline, and closely related to this, to improve unions’ financial situation. The mechanism through which mergers were thought to achieve these goals was the following: mergers would improve economies of scale, and these would free up resources which would then be used to improve services and to increase bargaining power. This would make union membership more attractive. Furthermore, mergers were thought to rationalise union coverage and the structure of the union movement as a whole and thereby mitigate inter-union disputes. Membership decline in Germany is continuing at a rate similar to that encountered before the mergers, which suggests that the impact of mergers on membership has been minimal. However, merger advocates regard the ver.di merger as the ‘acid test’, as its intention is to spread union organisation throughout private sector services, while all previous mergers were among unions organising in contracting industries (Waddington & Hoffmann forthcoming). In Australia, decline has halted in 2001, but in the immediate post-merger years, membership dropped dramatically. The resultant interpretation that mergers were a failure must be qualified because ‘with the shift to a decentralised enterprise bargaining system, it is highly unlikely that the union movement would have had any greater membership success if the mergers had not taken place’ (Griffith 2002).
In principle, scale economies can be achieved through a spread of fixed costs over a larger pool of members. Large unions can also improve efficiency by means of specialisation, division of labour and increased experience, and by reducing duplication of work, cutting down staff, merging training, legal and research departments and selling unneeded property. Where multi-unionism exists in an enterprise or industry, mergers between those particular unions reduce the amount of collective bargaining required. In practice, many merger agreements guarantee the employment of union officers and staff and the autonomy of divisions and establish new representative structures for minority groups. So, economies of scale may arise from mergers, but unless this goal is consistently or even ruthlessly pursued in the terms of a merger agreement and post-merger practice, the opposite may well set in, as the maintenance of old and establishment of new structures as well as their inter-linkage require additional resources. In the ver.di merger agreement, all factors that diminish scale economies are present. In Australia, there is no unambiguous evidence for the existence of scale economies in large unions (Davis 1999).

Griffin (2002) identifies a ‘veritable explosion’ in the number and range of non-industrial services provided by Australian unions. Also, industrial services are delivered more effectively and efficiently in the newly decentralised enterprise bargaining system. However, the perception of service provision by members and the effect different types of service have on an individual’s decision to take out or retain membership are largely unexplored. In Germany, the maintenance of services is an often cited goal of mergers, but little is known about whether it has been achieved, or whether services have been expanded. If newly offered services were formerly provided by the DGB, such as legal services, they are not much of an additional benefit to members, and presumably have little impact on membership growth.

It is difficult to link bargaining power to mergers. In Australia, the change from awards to enterprise bargaining was concurrent with mergers so that a comparison of pre- and post-merger bargaining outcomes can scarcely measure merger success. As collective agreements in all German industries tend to follow a pilot agreement reached by a regional bargaining unit of IG Metall, mergers between small unions will presumably have a negligible effect on bargaining outcomes. At this stage, it is impossible to tell whether the ver.di merger will alter the German form of pattern bargaining and IG Metall’s role as pacesetter. By and large, bargaining outcomes have a lot more to do with external factors, such as decentralisation or economic developments, than with mergers. Even if outcomes are a success for a union given the economic situation of the enterprise or industry and the relative strength of the employer, they may not meet the expectations of employees and therefore not induce membership growth.

A further goal of mergers is to reduce inter-union competition by rationalising coverage and the structure of the movement. Previous jurisdictions constrain the scope for rationalisation as mergers take place between whole unions. Demarcation disputes are increasing in Germany as the jurisdictional boundaries of conglomerate unions become arbitrary and as the structure of the economy changes. Some disputes are mitigated, for example, all four unions organising in the banking sector now belong to ver.di (Keller 2001, 11). However, contested areas are new sectors, which are simultaneously the areas of employment growth: ver.di and the manufacturing unions lay claim to ‘industrienahe Dienstleistungen’ (services outsourced from manufacturing plants), and in education, ver.di’s organising efforts will lead to heightened conflict with Gewerkschaft Erziehung und Wissenschaft (GEW). In Australia, demarcation disputes are at an all time low (Crosby 2002, 140). This can be interpreted as an achievement of the amalgamation programme. However, demarcation is reported by unions to be one of the greatest problems when seeking to achieve growth. The ‘use it or lose it’ policy endorsed at the 2001 ACTU Congress, whereby any union with a well thought out organising proposal can seek permission of the Executive to enter unorganised sectors (Crosby 2002, 141), could lead to an increase in inter-union disputes. Mergers were not successful in implementing plans for a reformed structure of the union movement in either country. The ACTU’s goal of 20 super-unions was not attained, and Australia is not dominated by industry unionism, as some mergers did not take place along the lines the ACTU had proposed, and because what the ACTU had defined as industry groupings was determined more by existing union groupings than by the structure of the economy. In Germany, the DGB’s hope to retain industry unionism was unrealistic, as was IG Metall’s vision of a union movement in which manufacturing unions remain the dominant group.
NEW ACTIVITIES: Advocates claim that mergers play an important role in union revival because resources freed up by economies of scale can be used to pursue new activities and strategies. But even without scale economies, structural change may wrench unions from an inertial state and encourage them to engage in new activities. On the other hand, these activities are alternatives to mergers when trying to increase membership. Examples of new items on unions’ agenda are organising, links with new social movements and community organisations, cross-border collaboration, and the strengthening of workplace structures.

In Australia, an organising strategy has been developed centrally by the ACTU in the late 1990s (Cooper 2003), while in Germany, few unions have succeeded in implementing a coherent strategy and many continue to rely on works councils to recruit members, yet as works councils are becoming more independent actors, this is no longer sufficient. Only DPG and IG BCE are reported to have developed an ‘organising approach’ that goes beyond advertising and public relations campaigns (Behrens et al., 2003). Behrens et al. (2003) record a great amount of coalition building particularly between German unions and green and anti-fascist movements on an individual union or local level. Several institutionalised settings for European cross-border collaboration exist, namely Social Dialogue, European Works Councils, Inter-regional Trade Union Committees and European Industry Federations. Unions have concluded some agreements on the coordination of wage policies in the metal and construction industries. Australian unions have established links with community organisations, for example in remote mining towns (Ellem 2003). In both Australia and Germany, union structures have historically been better developed at national and regional levels than at the enterprise level. However, bargaining decentralisation has made it necessary to establish and strengthen workplace structures. In Australia, despite some encouragement of shop steward involvement in negotiations (Griffin & Svensen 2002, 43) there has not been a radical shift in union governance structures. German unions’ workplace structures, the ‘Vertrauensleutekörper’, if at all existent, has been nothing more than the right-hand of works councillors. The original intention to install an independent union presence at the workplace to monitor the works council was never reached (Keller 1997, 101).

Conclusion

Similar environmental pressures encouraged unions in Australia and Germany to take part in a wave of mergers. While legislative intervention and peak federation policy guided the course of Australian mergers, their absence has seen the German merger wave take place in a more gradual and uncoordinated fashion. Which internal political factors triggered merger processes can only be discovered in case study analyses of participating unions. The outcomes of mergers in Australia and Germany are mixed. New structures have successfully been retained, though structural variation often continues unseen within the boundaries of merged unions. Mergers have had a negligible impact on membership levels, and the positive effects anticipated regarding economies of scale and bargaining outcomes have not been established unambiguously. There is no evidence that workplace representation has been extended. In Australia, inter-union competition has, at least for now, receded, while in Germany, it has intensified. Overall, the structure of the union movements has not become more ‘rational’ nor does it correspond more closely to the structure of the economy. The passage of time since the merger wave in Australia makes it possible to discern that unions now offer a wider range of services more efficiently and that they have shifted their focus from restructuring to organising. German unions remain concerned with structural issues.

References


Spaces of hope? Fatalism, trade unionism and the uneven geography of capital in whitegoods manufacturing

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University of Western Australia

ABSTRACT

By engaging with the ‘politics of scale’ labour geography challenges the fatalism and consequent passivity that pervades much of the labour movement. Similarly, new forms of labour internationalism and union organisation offer the potential to open up new space for confronting corporate power and intervening effectively in restructuring processes. This paper examines these theoretical and organisational innovations by means of a study of restructuring and patterns of investment in the global whitegoods industry, with particular reference to trade union responses to restructuring in Australia.

Introduction

Silver (2003, 16) suggests that fatalism has demobilised the labour movement, puncturing a century old belief that worker solidarity could challenge capital’s logic. Unions have no mechanism to reverse these decisions and appear impotent in these circumstances (Wills, 2001, 181). Consequently, these organisations are ‘paralysed’ in the face of corporate restructuring and their strategies have led into a ‘dead end’ (Moody, 1997, 1,2).

This paper considers this impasse in relation to the optimism underlying the work of David Harvey and other scholars working in the emerging field of ‘labour geography’. This work is engaged through an analysis of corporate restructuring in one sector, white goods manufacturing. The first section of the paper outlines the way in which leading corporations have shaped a new geography of production that has undermined trade unionism. The second section considers the optimistic view of agency central to the work of labour geographers such as Harvey and Herod. Labour can shape the landscapes of capitalism; corporate logic can be challenged. The final section confronts this optimism of agency with the reality of corporate power in the white goods industry, exploring the tentative steps of an Australian metal union to work towards challenging the capacity of these corporations to exploit the uneven geographic evaluation of labour. Thus far, these endeavours have largely failed yet it is argued that an engagement with issues of scale and new forms of organisation and internationalism offer real potential for constructing more effective responses to corporate power and restructuring agendas.

Whitegoods restructuring and the uneven geography of capital

Workers’ passivity is, in part, a product of their sense of powerlessness when confronted with closure. The essential character of restructuring is that work organisation decisions (work intensification, casualisation, outsourcing, closure and the relocation of production to geographically distant lands) are viewed as a managerial prerogative. These decisions are the business of shareholders, not workers and their unions. Strategy decisions are an exclusive managerial right. They are off limits to any form of bargaining. Casting power in this unilateral fashion meant that white goods companies were unimpeded in shaping a new geography of production as a principle method of competitive warfare. Competition was fought out through spatial fixes that exploited geographical difference in labour standards and the uneven geographical evaluation of labourers.

The strategy of the leading corporations in this sector demonstrates that the accumulation of capital is indeed a ‘profoundly geographic affair’ where spatial reorganisation and the exploitation of uneven geographic development stand at the very centre of the way competition is played out (Harvey, 2000, 57). Within this dynamic, a clear geographic pattern emerges marked by factory closures and relocations.
In North America, white goods factories move southward to Mexico and across the Pacific to China; in Europe, there is an eastwards drive into Central Europe; in Asia, a movement from Korea and Japan to China; and in Australia, a movement to China and Thailand. In each of these corporate restructures, the magnet is the absence of effective independent unionism and the uneven geographical evaluation of labourers. These locational shifts can only be slowed to a degree if workers concede to increased work intensification and casualisation. Power to impose this unilateral restructuring derives from the highly concentrated structure of the industry in the late Twentieth Century. The five largest corporations control 30 percent of the market with a combined turnover of 45 billion US dollars in domestic appliance revenues in 2002 (Euromonitor, 2003). Table 1 shows that the top two whitegoods giants alone controlled 15 percent of global volume sales while the ten largest corporations account for 44 percent of the global market. Five North American and European MNCs have secured just over one third of world sales (35.6 percent). Four Japanese MNCs achieved 14 percent of world sales, with the emergent MNCs from China and Korea rapidly growing their market share. This high degree of concentration is the outcome of a process of capital accumulation driven by intense competition between private corporations where ‘one capitalist always strikes down many others’ (Marx, Vol.1: 929).

### TABLE 1

<table>
<thead>
<tr>
<th>Ten largest Whitegoods* Corporations (as measured by share of total global volume sales) 2001 and 2002</th>
<th>% volume</th>
</tr>
</thead>
<tbody>
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<td>Whirlpool (US)</td>
<td>7.9</td>
</tr>
<tr>
<td>Electrolux (Sweden)</td>
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</tr>
<tr>
<td>Bosch-Siemens Hausgeräte (Germany)</td>
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</tr>
<tr>
<td>General Electric (Appliances) (US)</td>
<td>5.3</td>
</tr>
<tr>
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<td>3.1</td>
</tr>
<tr>
<td>Maytag (US)</td>
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<td>LG Group (Korea)</td>
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<tr>
<td>Sharp (Japan)</td>
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<td>Merloni (Italy)</td>
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The present status in the industry is that the two leading producers, Electrolux and Whirlpool are head to head in the United States and European markets, with Whirlpool the stronger in America, whilst Electrolux is more dominant in Europe, both having achieved this pre-eminent position through an aggressive acquisition and merger strategy. The competitive war between the major players is waged through lean production restructuring and an engagement with cheap labour zones. Whirlpool and General Electric Appliances (GEA), the industry’s third largest producer, have led the way by taking advantage of the NAFTA to relocate production from North America to non-unionised plants in Mexico’s ‘maquiladora’ free trade zone. Having established these production bases in the mid to late 1990s, Mexican workers are now confronting threats to relocate production to China (BusinessWeek, 6 August 2001) as a means of suppressing rising real wages, eroding benefits, and allowing for ‘flexibility’ in replacing permanent staff with casual employees (Bacon, 2003).

All the major players are pursuing precisely the same form of competition to the point where they are all leveraging the advantage of uneven geography. This pushes the boundaries of how space is used to competitive advantage even further. New, previously unimagined, fluid and effective strategies are evolving in this battle of the giants. Here the Swedish MNC Electrolux has led the pack. Faced with a falling rate of profit in 1996 and 1997, the company engaged in aggressive cost cutting to restore margins. As Electrolux’s 2000 report shows, these results were achieved by a zealous strategy of closures and downsizing that led to stock market values climbing sharply between 1997 and 1999 (Forbes, 24 July 2000: 56-57). During 2002, the company closed cooker...
factories in Sweden, Italy and Germany, relocating production to Romania and, similarly, it has shifted some production capacity from a Spanish refrigeration plant to an established plant in Hungary. The wave of rationalisations continued through 2003. An air-conditioning plant in New Jersey in the United States was closed, resulting in the loss of over 1300 jobs. In Europe, the company announced its plans to close three facilities - a refrigeration plant and a cooking hob factory in Germany and a cooker plant in Norway (Electrolux Annual report, 2002: 17-18). This restructuring has continued unabated during 2004. A vacuum cleaner plant in Vastervik, Sweden was closed resulting in the loss of 600 jobs and a refrigeration plant in Greenville, Michigan was axed with 2 700 workers out of work. A new refrigeration plant is planned for Mexico. There is a significant geographic pattern to this restructuring. Essentially, the MNC is moving out of high waged, unionised Europe, the United States and Australia into cheaper labour zones, free of democratic unionism.

Whilst the extent of the Electrolux restructuring and closures is remarkable, especially in Germany and Sweden, it appears similar to the spatial fixes of the other significant corporations in the industry. Electrolux is now pushing the boundaries of the spatial fix by constituting a new form of space competition within the MNC itself, a process that has been labelled 'regime shopping'. This strategy is evident when bargaining at a specific factory is linked to other sites within the corporate production network, thereby leveraging agreements to restructure, (intensify labour, downsize and casualise), by threatening closure and relocation of productive capacity to another Electrolux site where labour costs are lower. An example of this strategy is a series of agreements struck between Electrolux and Italian unions, which have substantially restructured employment relations in the face of threatened closures or relocation to lower wage nations in Europe such as Romania (EIROnline, 28 October 1997; Bordogna & Pedersini 1999; EIROnline, 28 July 2000).

This analysis of corporate restructuring highlights a profound power inequality underpinning the change process. This geography of power is imposed through the spatial organisation of production of these companies, which demonstrates how the production of space and scale can erode any alternative power base, thereby disorganising and demoralising trade union opposition. Unions accede because there appears to be no alternative, given actual and threatened spatial fixes. The relatively recent emergence of a labour geography questions this fatalism. Is there indeed no alternative?

**Labour geography and the optimism of agency**

Where, then, is the courage of our minds to come from? (Harvey, 2000, 237)

Fatalism that characterises much of the trade union response to global corporate restructuring is a product of structural and ideological forces. There is a transformation in structural conditions highlighted above and a transformation in the discursive environment that has led to a decline in the idea and the belief in the power of workers to challenge this logic (Silver, 2003, 16). In this context, the optimism in agency underlying labour geography provides theoretical insights that may well open new horizons in the organisational and political praxis of trade unions. In exploring this avenue in relation to the predicament of trade unions in the white goods sector, we will concentrate principally on the work of Herod (2001, 2002) and Harvey (2000).

The optimism of agency is a central vein in Herod’s (2001: 1) Labor Geographies where he challenges the view that the global power of capital is the singular force shaping contemporary economic geography from the very local to the truly global scale. From this perspective, those on the receiving end are perceived to be powerless ‘as the juggernaut of global capital marches on, recasting in its wake the planet’s economic landscapes’. Herod contends that this is not the whole story and that ‘there is always opposition to power and domination, a fact that is seen everyday in countless workplaces, fields, offices…’ A key to unlocking this possibility is the development of an understanding of how space and spatial relations may serve as sources of power and objects of struggle (Herod, 2001, 5).

The notion that workers could become proactive in this way raises critical issues. How can workers who are forced into submission by workplace authority structures and surveillance systems and who are pushed to the limits by work intensification, the insecurity of casual employment contracts, the fear of closures and job loss, become the agents of change?
Marx and Polanyi respond to this question by arguing that labour is a ‘fictitious commodity’ and any attempt to treat human beings as a commodity like any other would necessarily lead to deeply felt grievances and resistance (Silver, 2003, 16). Harvey (2000, 117) contends that such resistance arises because the ‘transformative and creative capacities’ of persons can ‘never be erased’. For Harvey, a person is ‘the bearer of ideals and aspirations concerning, for example, the dignity of labor and the desire to be treated with respect and consideration as a whole living being’. When treated as a commodity, persons still have the capacity to ‘contemplate alternative possibilities’ (2000, 199) even in the darkest of times when there is an absence of any obvious blueprint for social change or any social movement with plans for social change. A crucial element in the long hard struggle against unconstrained corporate power is a notion of the creative, imaginative capacity of persons, what Fromm (1947, 96) refers to as productive personality in contrast to the commodified market personality. Harvey (2000, 201) captures this in his adoption of the figure of the architect as a metaphor for human agency. Like architects, persons are capable of ‘thought experiments’, of imagining and struggling with passion and commitment for an alternative social order. In stressing this positive view of agency, these theorists are highlighting leadership, which is the crucial element in the unfolding of a new kind of labour movement, seriously building a capacity to challenge corporate power.

Whilst the question of leadership is crucial to resistance, serious obstacles in confronting corporate power need to be addressed, given the changing nature of that power. Bauman (1998: 8) contends that it is the global corporation’s ‘independence from space’ that is central to their transformed power position. This is reflected in ‘a consistent and relentless wrenching of the decision-making centers, together with the calculations which ground the decisions such centers make, free from territorial constraints – the constraints of locality’. Whilst managers and workers are locality bound, shareholders are in no way space tied. ‘They can buy any share at any stock exchange and through any broker, and the geographical nearness or distance of the company will be in all probability the least important consideration in their decision to buy or sell’. Shareholders are ‘the sole factor genuinely free from spatial determination’. Since companies ‘belong’ to them, they are the real force behind the throne, exerting intense pressure for short term maximisation of returns. Restructuring is the natural derivative of such social force and its consequent psychological and social impact is absent from the calculus, for as Bauman observes, ‘Whoever is free to run away from the locality, is free to run away from the consequences.’ (Bauman 1998: 9).

Thus, when power is dislocated, when it is free of the limits of place, then those subordinated may wait in the ring, but they find no opponent. They appear to have no point of attack. The persons they speak to are no longer the decision makers. This changing character of power renders theorising labour geography all the more vital. Recognition of the changing scale and character of power is central to this project, hence it is not by chance that Herod’s new 2002 book is entitled, Geographies of Power in which a further deepening of our understanding of the production of scale is the key focus. Can workers contest corporate power through imagining new forms of unionism based on engaging the local through a new understanding of the potential of the politics of scale?

A variety of spatial scales exists (personal, local, regional, national, global) at which a class politics must be constructed, connecting the microspace of the body with the macrospace of globalisation. The nature and the possibilities of these connections ‘is an acute problem that must be confronted and resolved if working class politics is to be revived’ (Harvey, 2000, 49, 50). Harvey situates this challenge within the problematic we captured in detailing whitegoods restructuring. The factory was the traditional starting point of trade union organisation ‘but what happens when factories disappear or become so mobile as to make permanent organising difficult if not impossible?...Under such conditions labor organising in the traditional manner loses its geographical basis and its powers are correspondingly diminished. Alternative modes of organising must then be constructed’ (Harvey, 2000, 50).

The recent work of labour geographers (Herod, 2001, 2002; Wills, 2001) addresses ‘the grossly underdeveloped’ issue of scale and the need for alternative modes of organising. How does one define the scale at which struggles against corporate restructuring should be fought? Scale is a socially constructed material entity that is subject to ideological and political contestation (Herod, 2001, 38). Hence, workers can produce geographic scale in an attempt to challenge the unilateralist restructuring decisions of corporations. Cox (1998) makes an important distinction
between what he calls ‘spaces of dependence’ and ‘spaces of engagement’. The former is more or less localised social relations upon which persons depend for the realisation of their essential interests. The latter refers to spaces in and through which social actors construct associations with other actors located elsewhere. The production of scale is seen as emerging contingently out of the ways in which actors build spaces of engagement that link spaces of dependence. Hence, jumping scales is not a movement from one discreet arena to another but a process of developing networks of associations that allow actors to shift between spaces of engagement. This does not mean that jumping scales is a move to a larger scale only, for actors may also focus on local action to challenge global corporations. A key issue is how workers and their unions make and contest scales as part of their political praxis, how they build networks of interaction at various geographic resolutions (Herod, 2001, 43). We address this question in relation to trade unions in the white goods sector.

**Contesting Whitegoods restructuring**

The significance of these theoretical interventions is that they have potential to transform the fatalism that pervades contemporary unionism. This potential will only be actualised if these insights are transmitted into trade union discourse. In this there is a choice between contrasting approaches to labour internationalism, between the social dialogue, global collective bargaining approach of existing labour internationalism and creation of a new labour internationalism (NLI), which, in the mould of Harvey’s (2000, 200) ‘will to create’, imagines and then explores novel ways of challenging rather than accommodating, albeit often under protest, rampant corporate power.

Waterman and Wills (2001) make a significant contribution to our understanding of the challenges faced in the construction of this alternative approach and how trade unions, as they are presently constituted, ‘appear ill suited’ to this endeavour (Waterman, Wills, 2001, 2). In attempting to transform unionism, the NLI addresses three major challenges identified by labour geographers, which we highlighted in the above section on agency. Firstly, the new approach centres on constructing ‘alternative modes of organising’ that are network based and that link the hierarchy of spatial scales. Secondly, a new kind of leadership is critical to mobilising such an endeavour. Whilst such leadership has emerged most forcefully in the south, there are isolated signs of a similar shift in the north. Thirdly, the new form and dynamic of corporate power is addressed through targeting company boards and shareholder meetings.

The new labour internationalism (NLI) is consonant with the new labour geography and is therefore a key mechanism for the transmission of these perspectives on space, scale and agency. The NLI seeks to develop a capacity to ‘identify geographic possibilities and strategies through which workers may challenge, outmaneuver, and perhaps even beat capital’ (Herod, 2001, 17).

In particular, the NLI assumes a global campaign orientation and social movement style of organising, whilst the established internationals generally limit their action to political lobbying, social dialogue and attempts to apply a collective bargaining model globally. However, as the following analysis of trade union responses in white goods will show, there are instances where a dynamic interplay between the established and the NLI may emerge.

Identifying different forms of labour internationalism is pertinent for, in general, the established orientation has not effectively challenged the MNCs prerogative to command and produce space in shaping a new geography of production. In contrast, the NLI strives to make and contest scale so as to reconfigure the geography of power, hence labour geography is being played out in and through the NLI. In the south, the formation of the Southern Initiative on Globalisation and Trade Union Rights (SIGTUR) fourteen years ago is one expression of these tendencies. These orientations provide a basis for assessing the prospects of unions in the white goods sector.

Unions in General Electric (GE) have evolved a strategy within the established labour internationalism. As early as the 1960s, GE unions in the United States recognised that geographic scale was important in the collective bargaining process and therefore formed a Coordinated Bargaining Committee (CBC) of GE unions to develop a common position across geographically dispersed production sites. Union leadership contends that this structure has become even more important under globalisation and its purpose is to enhance collective bargaining strength through scaling up the process.
The CBC has an international committee that networks with unions in GE plants across the globe and they have recently publicised the denial of union rights and the victimisation of union leaders in GE plants in India and in Malaysia. They highlight, ‘General Electric’s globalisation of anti-unionism’. The goals and the commitments of the CBC is seen to be strengthened through participation in the International Metalworkers’ Federation (IMF), which has led to the formation of a GE World Company Council (WCC) comprising plant and national level leaders. The promotion of WCCs is central to IMF strategy, which is trying to make these structures more effective. Whilst the IMF (1999, 2) has stressed an ‘action program’ of ‘internationally coordinated campaigns’ to deal with ‘urgent situations’, as yet, campaigns to challenge the right of MNC to shape a new geography of production have still to emerge.

In Australia, leaders advancing strategies that transcend the GE workers’ traditional internationalism are being given a voice within the corporate restructuring debates. In this process, labour internationalism, so critical to the labour geography project, is a deeply contested terrain. This Australian experience will now be explored as it provides a fine illustration of the struggle between fatalism and the political and organisational will to challenge corporate restructuring in the terms labour geography theorised.

When Electrolux bought out Email, the last remaining white good producer in Australia in October 2000, part of the deal was the closure of a cooker plant in Melbourne that employed 650 workers, which is a large factory by Australian standards. Fatalism marked the initial trade union response – management’s decision was final and could not be challenged. The Australian Workers Union (AWU) organised a brief symbolic work stoppage and street protest. At this point SIGTUR intervened, having formulated a global resistance strategy which aimed at swiftly creating a new network within Electrolux. The network would be constructed through the IMF, which could act as a bridge between the Swedish and Australian unions, setting up a global meeting to formulate a strategy challenging the announced closure. Pressure on the MNC would be phased with initial discussions advancing the position that restructuring and consequent closures should not be imposed. Change of this magnitude had to be negotiated. Workers and communities had the right to be an integral part of the restructuring decision making process with the freedom to collectively oppose management plans if they so chose. If Electrolux refused to negotiate, then the IMF would enter into discussions with the International Transport Federation (ITF) to explore the possibilities of tracking and then disrupting the company’s container movements until such time as they agreed to bargain on the issue of the Chef closure.

This imagined spatial fix was however stillborn. The IMF eventually responded by saying that they did not have the resources for such a degree of campaigning on a single closure. Furthermore, they were of the view that the Swedish workers were conservative and would not engage in such a radical global campaign. SIGTUR’s response was firstly that Electrolux and other leading MNCs in white goods were all committed to shaping a new geography of production that involved a spatial fix based on closure in unionised countries and investment in union free zones where labour could be more severely exploited. Unions may discover a way of challenging this logic through experimenting within an action orientated NLI, thereby creating a new model of effective global resistance. Secondly, politics is about winning workers over to a cause. Surely Swedish workers could be enthused into the campaign, given that they were reeling from similar closures as factories move eastwards. Despite its initial support for this model of engagement, the AWU did not follow through its initial intervention and pressure the IMF to act, hence the initiative was a failure. After this brief flicker of hope, fatalism again permeated the Chef closure with little response from the Australian trade union movement except to oversee redundancy arrangements. This was indeed a sad retreat for workers in the plant had been briefed on the plans. The alternative energised them. They were ready to stand up and fight hard at a local level. Plans were afoot to try and get the local Council to support a blockade of the factory, thereby preventing Electrolux from moving Chef machinery to Brazil and to Adelaide. When they learnt that the global action plan had not been adopted, the energy, enthusiasm and hope dissipated in an instant. Gloom, despair, fatalism again prevailed.

A similar scenario is once more being played out in Australia. Electrolux continue to demonstrate just how effectively they can command and produce space, creating a new geography of production that advances a singular goal - shareholder value. The company’s spatial fix is a US$50 million
of new investment upgrading its factory in Changsha in the inland Hunan province to a ‘global production platform’. The production of fridges will expand from 650,000 per annum to 1.3 million by 2006. The new global production platform has implications for Australian workers and communities for, in May 2004, the MNC announced a fifty percent cut in the workforce of a factory in Orange in the central west of New South Wales. Four hundred workers will lose their jobs. Another 200 jobs will be cut at Electrolux’s operations in South Australia. The unions have been informed that they will have no say over redundancies and there is a fear that shop floor leaders will be targeted. As the Chinese production lines in Changsha expand over the next two years, it seems likely that the entire factory in Orange will close.

In the context of threatened relocation and the reconfiguration of organisational culture in Orange to discourage collectivism and to facilitate work intensification (Lambert et al., forthcoming) fatalism has been the predominant response. An internal memorandum from union organisers in the town argues that a majority of the workforce view the loss of their jobs as inevitable. They do not believe that they have the capacity to ‘turn it around’ with only a ‘small minority’ being ‘prepared to take industrial action’. The majority feel betrayed by the company. They had turned their back on the union and sided with the company during the enterprise bargaining process only to find that Electrolux has rejected them. The union organisers believe that the majority of the workforce have become ‘very conservative and are unable to comprehend the implications of free trade and global competition on their day to day lives in Orange’ (Australian Manufacturing Workers Union, Internal Memorandum, 11 May, 2004).

The initial response of union organisers in Orange is also fatalistic with the primary focus on how redundancies are handled by the company thereby assuming that the restructuring decision cannot be challenged. In the same report, the site organisers argue for voluntary redundancies rather than forced redundancies, suggesting that Electrolux should provide funding assistance for training to ‘enhance the employment prospects’ of the fired workers. The organisers argued for the establishment of a combined union campaign committee that could organise a forum in the town to discuss ‘the future viability of the plant’. Overall, however, the organisers are pessimistic, noting that the restructuring will undermine the viability of the union maintaining a branch in the town as reduced union membership will create financial strain. They doubt ‘long term viability of the plant’ due to its reduced status in the global production chain and Electrolux’s global capacity to absorb what will be left of Orange over the next three years.

Within the AMWU, fatalism at the coalface is countered by the serious consideration being given to a NLI response to the crisis. The AMWU is a left wing union with a historical tradition of promoting activism in the workplace through elected delegates and democratic unionism. Senior union officials are committed, experienced internationalists and are active within the IMF at an international and regional level. The union has also been at the forefront of trade debate in Australia, challenging the logic of free trade and arguing for fair trade that links the degree of trade openness to recognition of union organising and bargaining rights. The union has already laid a foundation for such a NLI response when they organised a three day workshop of Australian, New Zealand and Swedish Electrolux union delegates in Sydney in November 2003. A positive outcome was a commitment to the building of a global workers network within Electrolux modelled on the one set up within the mining MNC, Rio Tinto. Addressing the meeting, a co-ordinator of this initiative argued that successful networks were built through ‘strategic campaigning’ that was empowered by the following principles. Firstly, the starting point is the local membership creating potential for a two way education process in which the local membership learns of the global nature of the corporation and the union leadership discovers how far the membership will go in terms of local action – ‘what they will fight for?’ Secondly, the network has to research and discover all that they can ‘about the boss’ so that potential weaknesses and contradictions can be targeted. Thirdly, workplace issues need to be framed as social justice and human rights challenges, thereby attracting and involving the wider community. Fourthly, the emerging network needs to evolve this broad base, incorporating concerned citizens and civil society movements. Fifthly, the action strategy has to be thoughtfully devised in a manner that starts small and then increases in intensity, maximises the impact on the corporation’s public image and creates real financial costs.
Conclusion: Spaces of hope?

Harvey (2000, 49) observes that in an age where class struggle has receded, ‘the painting of fantastic pictures of a future society’ is ever more vital. The new labour geography, in stressing the potential of agency, maps a pathway of hope that stands in stark contrast to the bleak, predictable acquiescence of most union responses to the new geography of production. Herod’s (2001) major work is bristling with positive case studies, which indicate that workers can indeed be proactive in shaping the landscapes of capitalism, provided that they engage the issue of scale.

The constraints standing in the way of incorporating multiple scales of action and of moving towards a social movement and NLI orientation are considerable. Firstly, unions remain primarily national entities, preoccupied with national politics and national industrial relations bargaining. Virtually all resources are channelled into fielding local organisers. If unions are to take the NLI route and confront the power of these corporations to command and produce space as a way of weakening unionism, they will have to shift resources to building new networks as the embryo of a future globally oriented unionism. The conundrum is this: restructuring and closure cuts union membership and erodes the finances of national unionism, rendering it difficult for them to keep existing organisers, far from employing new personnel to manage and build new networks. Yet, unless there is an initiative to expand the scale of union activity, this slide will continue, for it is only in confronting the issue of the geography of power that decline can be addressed. Secondly, as the experience of the Australian workshop reveals, there is an uneven development of trade unionism across the globe that can mitigate against a common approach to corporate power. For example, Swedish unionists at the AMWU’s Sydney workshop adopted a relatively accommodating position on issues of corporate restructuring and emphasised a specific national tradition of industrial stability and compromise. Thirdly, in both Australian cases where there was an attempt to globalise the response, local unionism was weak and this provides no real springboard to widen the agenda. Fourthly, the bureaucratic and diplomatic form of existing union internationalism mitigates against commitment to a sustained global action program.

The right of trade unions to genuinely bargain over corporate restructuring is the cardinal working class issue of the early Twenty-first Century, just as bargaining for a shorter working day led the mid Nineteenth Century agenda of the emerging union movement. Trade unionism in that Century was defined by an historical transition from narrow based craft unionism to industrial unionism that built a culture of solidarity and collective action in many sectors, thereby forcing concessions from powerful corporations. Unless there is the will to create another momentous transition from nationally bound industrial unions to a social movement orientated, global unionism, that forges a new kind of power, fatalism will prevail.

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Seeing gender and ethnicity at work

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ABSTRACT

In this case study of a small metals manufacturing workplace, we draw links between gender identity and how it is enacted. We examine gender in terms of three inter-related layers. Firstly, we examine expressions of masculinity as ‘class’ by comparing management and working class stories. Secondly, the reproduction of gender identities through work processes is considered. We found that working class masculine and feminine identities were sustained through ceremonies and rituals embedded in work processes despite ostensible similarities between men and women in terms of work performed, classification and remuneration. Thirdly we examine the impact of age and ethnicity clusters on gender identity. Amongst the blue-collar workers, age clusters included married with children, mature women and young, unmarried males. Three different ethnic clusters were evident, Filipina, Anglo and second-generation migrants. Teasing apart these differences reveals systemic discriminations that are embedded in an Anglo hierarchy that can be described as both hegemonic and symbolically constructed.

Introduction

This paper explores constructions of gender identity in interview material collected for a case study on ‘MM Supplies (Australia) Pty Ltd’, a factory located in the Illawarra region (south of Sydney). We were originally interested in this site because it appeared to have a number of atypical gender dynamics on the factory floor including: blue collar male and female workers doing the same work (a very unusual practice in metals manufacturing) and prime aged married women working alongside younger unmarried men. This presented a rare opportunity to investigate the mechanics behind the creation of workplace hierarchies beyond the more readily apparent distinctions in the manufacturing labour market around ‘men or women’, and ‘English or other-than-English language background’. A closer examination revealed quite subtle processes of gender, class and ethnicity embedded in work processes. In the case study, blue collar males expressed a version of working class masculinity that featured physical strength as opposed to mental quick thinking featuring in a managerial type of masculinity. They differentiated themselves from their female peers in terms of work tasks, physical strength, autonomy and mobility and control of technology. At MM Supplies, male and female blue-collar workers’ stories revealed they were able sustain their gender identity through ‘remedial work’ that involved women asking for ‘help’ from the men. Explanations of this process prioritised men’s work over the women’s work. Further, these stories revealed racial discrimination and systemic non-recognition of work that when combined with gendered work practises appeared to normalise discriminatory processes such as task allocation in the factory. The findings suggest that a full understanding of hegemonic processes requires an examination of gender, class and ethnicity in combination. We suggest that the Anglo ideological constructs evident in the case study contribute to how work is done in organisations such as MM Supplies.

The material for this case study consisted of unstructured interviews with the general manager, the production supervisor and blue-collar employees (eight interviews in total), observations from around one dozen visits (December 2000 to March 2001) and informal conversations recorded in a diary. Protection of identity and confidentiality was an important concern for interviewees; hence this paper uses pseudonyms and suppresses sources of quotes. Transcripts of the interviews were initially examined for individual representations of ‘self’ and ‘other’ to identify patterns or clusters of difference articulated by the respondents. We then examined a range of literature on gender identity, sexual identity, ethnicity and age for theoretical concepts that might explain relationships between the categories that were articulated and what we saw happening in the workplace. The intensive analysis of how this small but diverse work group managed identity and relationship allowed us to see the subtleties of the active reproduction and reconstruction of workplace hierarchy.
The symbolic interpretive approach to the analysis in this paper draws heavily on three different sets of literature. Firstly, we draw on theories of ‘hegemony’ to examine the relationship between the multiple masculinities and femininities within the workplace (Connell 1995; Demetriou 2001). Secondly we were influenced by the work of Lupton (2000) and Gherardi (1995) who explain how men and women ‘do’ gender differently in workplaces. The third set of literature draws on studies of ethnicity in Australia (including Vasta 1991, 1993; Bottomley 1991) and in Metals Manufacturing (Williams 1992; Webber et al. 1992). This body of work alerted us to problems of an Anglo focus of interpretations of gender.

For a number of years, feminist industrial relations researchers including Pocock (1995, 1997) and Hansen (2002) have claimed that the issue of men must become part of the gender debate if we are to understand how unequal relationships are constructed, re-negotiated and maintained on capitalist and patriarchal values. These authors claim that traditional analysis equates gender with women in a way that leads to assumption of women’s deficiency, along with the assumption that theories about identity, relationships, processes and structures in industrial relations are gender neutral. The concept of hegemonic relationships offers a way of thinking about gendered power relationships that places ‘men as men’ firmly on the agenda while also allowing a consideration of class and ethnicity.

Hegemony has been defined as a cultural practice where ‘a social class achieves a predominant influence and power, not by direct and overt means, but by succeeding in making its ideological view of society so pervasive that the subordinate classes unwittingly accept and participate in their own oppression’ (Abbott 2004 citing Abrams 1999:151). In this sense ‘hegemony’ is used to include the consensual, collusive relationship between the leading group (such as capitalists) and their followers (workers) (Sassoon 1991) and is therefore an understanding of the strategies used by the dominant social group in ideological struggles within the capitalist system. Social institutions such as the workplace function to produce such ideology and are also sites of a struggle to control ideological production (Althusser 1971).

Hegemonic masculinity is generally understood as the dominant, culturally idealised form of masculinity against which other forms of masculinity and forms of femininity are compared and found lacking. Demetriou claims that ‘hegemonic masculinity is not a purely white or heterosexual configuration of practice but it is a hybrid bloc that unites practices from diverse masculinities in order to ensure the reproduction of patriarchy’ (2001:1). Connell claimed that use of the concept allows researchers to explore how identity and behaviour is determined as appropriate (or not) and helps explain how unequal power relationships are constructed and maintained (see also Lupton 2000:34; Mills 1989:172).

In order to begin to tease out the strands of ‘hybrid bloc’ contained in our case study we drew on Lupton (2000) and Gherardi (1995:139-142) who helped us see that women and men use different strategies to maintain gender identity within the workplace. Lupton addresses the strategies that men use when employed in ‘feminine occupations’ to reconstruct or renegotiate their identity through actions or discourse that re-construct control and power. He claims that as a result of working in feminised occupations men experience a compromise between their gender and occupational identities. Men either:

a. discursively reconstruct the nature of their occupation by either relabelling their positions or emphasise tasks such as planing and organising rather than feminine tasks such as typing, or

b) they will reconstruct their jobs to avoid feminine tasks for more manly work, therefore actually doing different work to women on the job, or

c) re-negotiate what it is to be a man (2000:33).

In this way men hope to avoid ‘contagious femininity’ (Burton 1991).

Gherardi (1995) explains that women’s presence in the workplace is problematic for gendered identity. That women’s gendered identities are constructed as ‘other’ and therefore deficient (Muir 1997) is generally accepted in literature that includes gender analysis. Gherardi claims that as a result women often feel like intruders or guests in the workplace and they are required to negotiate the ambiguity of being both woman and worker. She claims that the management of cross-gendered situations is based on a two-stage ritual involving the ceremonial work
of paying homage to the symbolic order of gender and the ensuing remedial work done by women in order to repair breaching the symbolic order to allow maintenance of their feminine identity in the workplace. This theory helped us identify how gender was embedded in the work processes as rituals that allowed women to negotiate their ambiguous situation. Yet, as we will see, this ceremonial and ritual work re-constructs multiple masculinities and femininities within a hegemonic symbolic order.

As discussed above the hegemonic symbolic order is reproduced in asymmetrical relationships in the workplace and these were embedded in the work practices as MM Supplies (Aust.). By examining these asymmetrical relationships Gherardi claims we can explore how ‘beliefs that sustain social, and how beliefs about gender are ‘pardoned’, minimised, remedied and concealed’ (1995:129); that is, how ‘the social legitimation of beliefs that sustain the power relationships between people’ results in normed interactions’ (1995:131). Gherardi [citing work of Goffman (1971) and Owen (1983)] argues that remedial work by women is essential in public arenas such as the workplace. She states these rituals can be understood as work which sustains the symbolic order of gender (where male is male, and the female is second-sexed) with rituals such as ‘doing, paying homage, recognising or celebrating’ or negatively ‘avoiding, maintaining distance, forbidding’.

According to these theories men and women ‘do’ gender very differently. Men eliminate gender ambiguity, maintaining their masculine identity using strategies outlined by Lupton, and women ‘contain’ gender ambiguity in the workplace by participating in both the ceremonial and remedial rituals described by Gherardi. In our case study, theories about hegemonic processes and ‘doing gender’ provided insight into relationships between men and men (multiple but asymmetrical masculinities embedded in class) and between men and women (asymmetrical relationships where women were defined as what men were not). However, we also needed to draw on concepts about ethnicity to fully explain the relationships between women and women. It is this third layer in the complex web of class, gender and ethnicity that is rarely addressed in current literature. For us ‘seeing’ the hierarchical order of male managers, female office staff, Filipino male blue collar workers (recently absent from the workplace), male blue collar workers, Anglo female blue collar workers and Filipina female blue collar workers was an essential element in understanding how work was done at MM Supplies (Aust).

**MM Supplies (Aust.) Pty Ltd**

The workplace was part of a global conglomerate head-quartered in the United States, with around 1,000 employees in eleven countries. MM Supplies (Aust) produced specialised inputs for metals manufacturing. The Australian operation existed because freight costs associated with the bulky nature of the products meant importing the assembled product was uneconomical. The products were relatively cheap; one main line sold for AUD3.25. It was assembled at MM Supplies from a fibre sleeve (manufactured locally), a technical component (imported from Mexico) and a cardboard tube (bought from an Australian supplier).

MM Supplies (Aust) employment levels fluctuated by were generally less than 20 employees. At the time of the study, it employed eleven permanent staff (see table 1), two casuals who generally worked four days per week, plus other casuals irregularly. Relationships between management and employees were friendly, as were relationships between employees. Workers valued the friendly environment. All employees spoke English proficiently and the general manager reported that there were no communication barriers including reading and writing in English. Tagalog was also spoken in the factory.

Managerial work was undertaken by males and clerical work undertaken by females. The production supervisor was male, four of the six permanent blue-collar workers were female, and three of the five casual blue-collar workers observed at the site were female. The women production workers were prime-aged, married and had children, while the permanent male production workers were much younger, not married, and had no dependents. Table 1 summarises MM Supplies employment profile (excluding irregular casuals).
Identifiable clusters of ethnicity were Anglo and Filipina. (See Mylett and Laneyrie 2002 for a discussion of migrant employment in manufacturing. Note, the use of the term ‘cluster’ may seem inappropriate for a small number of workers but it acknowledges the different segments that these workers belong to in the broader regional and manufacturing labour market, given that workplace hierarchies tend to be interconstitutive with labour market hierarchies.) These clusters consisted of the Anglo and male management team and one male blue collar worker; Anglo females employed as junior office workers and two blue collar workers; and Filipina workers consisting of full-time female blue collar workers and some casual blue collar workers. MM Supplies’ cluster of Filipina workers was expected to continue because of a practise of hiring by word-of-mouth, in particular ‘friends of Olivia’. There were also blue collar workers who were second generation Australians.

Production work ‘downstairs’ was divided into areas and work stations. The production area was crowded with raw materials and the bulky finished goods. There was no computerisation, complicated machinery nor mechanised conveyance (apart from a fork lift truck). Observed in use were hand tools, a band saw, drill presses, ovens, and vacuum forming tanks. The work on the factory floor was arduous and repetitive – because of the number of hours spent doing the same thing, or because of the ‘fiddly’ nature of the job (for example, gluing components), or because of the dust or fumes, or, in the case of the forming tank, because of the strength needed to maintain working over time. Most of the tasks were described by workers as uncomplicated and easy to learn but that the development of sufficient speed to earn piece rate bonuses took some time. These jobs saw specific individuals’ ‘priorities’ divided into preferences for tasks that displayed congruence with sex-based and ethnic divides. Greg, who worked on the forming tanks most of the time, produced fibre sleeves (around 1,000 per day) that were very heavy when wet. Many processes were dusty and dirty and most of the work was undertaken with gloves, safety glasses and dust masks. The heat in summer was debilitating: Harry said ‘We’re supposed to wear masks but when it gets 40 degrees down there, it is hard to keep it on. And we’re supposed to wear safety glasses, but the safety glasses just fog up. When it gets really hot and you’ve got the masks on, you just want to faint’.

Class and masculinity

While there is considerable diversity amongst the employees of MM Supplies in age, gender and ethnicity, the major category of gender difference articulated by all respondents was class in terms of whether they belonged ‘upstairs’ or ‘downstairs’. While the general manager claimed the distinction was only ‘geographical’, all respondents in interviews referred to management as

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TABLE 1
10 largest Whitegoods* Corporations (as measured by share of total global volume sales) 2001 and 2002

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Class and masculinity

While there is considerable diversity amongst the employees of MM Supplies in age, gender and ethnicity, the major category of gender difference articulated by all respondents was class in terms of whether they belonged ‘upstairs’ or ‘downstairs’. While the general manager claimed the distinction was only ‘geographical’, all respondents in interviews referred to management as
‘upstairs’ and production workers as ‘downstairs’. Harry described ‘downstairs’ as ‘hot and dusty’, a ‘dirty place’, ‘cramped’, with lots of ‘probably’ dangerous chemicals around, a place where people helped each other, but needed more feedback and encouragement from upstairs. He also used the term ‘downstairs’ when he described the workers as the ‘backbone of the company’, who he felt were thought of by ‘upstairs’ as ‘lower class’, ‘dirty people’ in a ‘dirty place’ and mostly ‘left in the dark’. These distinction between those upstairs and those downstairs were embedded within patterns of power, including authority, control and resistance at MM Supplies (see Mylett and Laneyrie 2002). Yet, the interviewees’ transcripts were more about establishing gender identity than about the different interests of managers and workers. The clerical staff were included in the ‘upstairs’ class privileged by an air-conditioned, clean environment and knowledge about customers and orders from which downstairs workers were excluded.

There were several versions of gender roles that individuals sought to reproduce in the interviews at MM Supplies. The version of masculinity presented ‘downstairs’ by the workers was different to the ‘upstairs’ version. ‘Upstairs’, quick-thinking, the ability think on one’s feet, was seen as an essential part of management work. The following description of obtaining an order is an example:

We walked into another guy’s office. He said, ‘what have you got there?’ I told him. He said, ‘we’re looking for something like that for my part of the plant’. He said, ‘I’ve had your competitor in here a couple of weeks ago, and he really couldn’t do anything for us’. I said, ‘why didn’t you give us a ring?’ I said, ‘we can do anything’. I knew my mind straightaway; ‘yeah, we’ll do that’. Within a week, we had a box of samples down there…. It worked brilliantly, and now we’re going through accreditation. We now have to supply them 500, and then 1,000. It is about developing something for someone’s specific needs. We are always doing R&D downstairs. Find little bits that we haven’t seen or used for a couple years, and think ‘I wonder if we can use that’, get that, and squash it, or make it longer, or do something with it, and use it to come up with something different (General Manager 2000).

His construction casts him as heroic and saving the day for the company (see Brewis and Linstead 1999:71; Collinson and Hearn 1994; Sinclair 1998 for descriptions of ‘managerial masculinities’). Yet none of the R&D activities that he had described were evident during workplace visits nor mentioned by other interviewees.

The form of masculinity that emerged from blue collar workers’ accounts was one of the strong male worker built around physical strength (Donaldson 1991:19). All of the male workers at MM Supplies reinforced this masculine image of strength and physical efficacy with references to participation in sporting activities outside working hours. According to Cockburn (1983:213) sport is associated with masculine identity in terms of physical dominance and control over the self and other. Harry established the fact that he was a competitive weightlifter outside of work and described himself as the ‘human fork-lift’ that helped ‘with anything that the girls want in the place’. When not engaged in lifting activities he worked on assembly tasks alongside the women but he never mentioned these tasks in his interview. Many current masculine images in the workplace are built on dominance and control, autonomy and independence (Cockburn 1999). Willis (1978) claims that working-class young men are attracted to manual labouring positions because such positions epitomise both their class and sexual identity. ‘Physical labouring comes to stand for and express most importantly, a kind of masculinity and also an opposition to authority’ (Willis 1978:104). Here in the workplace young men, who have been labelled problematic or stupid at school can ‘achieve success in what matters to them: manual labour, or ‘real work’ … for these ‘lads’ class identity in terms of fighting ‘the authorities’ is expressed in terms of sexism and male assertion, of being the men who do the work’ (Pollert 1981 citing Willis 1981:96). Harry was described by the interviewer as ‘very confident, very strong personality, strong opinions, heart on the sleeve… [but] sensitive to what I thought about him being expelled from school and telling me that he wasn’t that smart except in using his hands’.

Gender theorists, including Connell (1995), Hearn (1985) and Collinson (1994), claim that men’s sexuality is an important issue in the identity of men at work. Men play sexual games, such as flexing their muscles, in order to impress each other, not the women who are around (Hearn 1985; Pollett 1991 and Gherardi 1995).
This sexual identity is often expressed openly on production sites when men mark out their territory with swearing, jokes, posters on the wall (Gherardi 1995:53; Hearn 1985). At MM Supplies Greg marked out the forming tanks as masculine space with girlie pictures and by having the radio turned up so loudly that conversation with him was almost impossible until he choose to reduce the volume. This marking of territory by an individual male was also evident in some male group behaviour. Skylarking, identified as an expression of masculine sexuality (Hearn 1985), was observed on a number of occasions. The women never participated.

According to Burton (1991:6-7), male production workers, such as those at MM Supplies, risked ‘contagious effeminacy’ in undertaking the same work as women. ‘Fiddly sit down’ light assembly tasks are often undertaken by female factory workers, and frequently associated with perceptions of female dexterity, small hands, patience and tolerance for boredom (Game and Pringle 1983; Williams 1988; Gherardi 1995). In contrast to most studies of the sex-based division of labour (Game and Pringle 1983; Burton 1991) and the long tradition that assembly work is ‘women’s work’ (Game and Pringle 1983; Williams 1988; Cockburn 1999), in this factory it is usual for males to do work that females do but the differentiation between men’s and women’s work was still evident although in a more subtle form (Lupton, 2000). Working on the forming tank, which was located out the back of the factory, was one of a few obvious instances of sex-based work allocation ‘downstairs’. Lifting and carrying heavy items, driving the forklift and driving the truck to make deliveries were also considered men’s work. The blue collar workers described working on the forming tank as being a man’s job because of the need to have strong arms and to be tall enough for the tank. These men were able to differentiate themselves from the female employees as they undertook heavy work, but they also extended their explanations to finely graded distinctions in the ‘fiddly, sit down’ job of pressing out components that required greater arm strength.

At MM Supplies the male blue-collar workers were able sustain their masculinity in normed interactions that were embedded in the production process. These normed interactions were associated with work that was seen as ‘helping the ladies’, either with the heavy lifting tasks, or in ‘helping the ladies’ complete their ‘fiddly work’. Safety equipment was not worn by men during the observation period when the men were involved with ‘helping the ladies’. In describing one incident, Ben explained that he did not wear his safety equipment because he was just helping:

I was just down there, and Angela was saying, ‘I get a bit of a headache if I have to do too many’. So I said, ‘I give you a bit of a hand. I’ll do a couple with you’. I just sat down to do a few of them and didn’t put the mask on. And I didn’t have the gloves on. She had the proper safety equipment and Paul [says] ‘where’s your mask? Where’s your gloves?’ I’m like ‘I’m only giving her a hand’.

According to Mary, a member of the safety committee, there was gendered response to supervision around issues of safety:

The women in here, if you say to them, ‘you wear your safety goggles’ they will wear them. If you go out, and tell the boys, they are suppose to wear them on the tank, ‘wear a mask’, you tell them, they won’t, they’ve never done it, so they don’t want to know about it.

Megan explained she didn’t wear a mask sometimes, but she explained her job was not as dangerous as the men’s were:

Oh, the sand? That’s not too bad, that. With what Harry was doing, yes. With what the guys use out the back. When you scrape the fibre when it is cooked, you should use it too because of the dust. With sand it is all right. It hasn’t got any smells or fumes, or anything like that. Otherwise, I would [wear a mask].

Such explanations hinge on defining the work that men do as risky. Here women’s work is described as ‘safe and easy’ work, that the working class males ‘help’ with. Despite the fact that the fiddly inside tasks are also part of the men’s allocated tasks, the descriptions in interviews only described the men’s participating in this work if requested. It was the need to ask for help that reflects ‘remedial’ work described by Gherardi (1995). Harry prioritised men’s work when he claimed men should not have to ‘take off their gloves to help the women, every time they needed it’. Greg elaborated, claiming helping ‘takes me off my jobs, and then I get caught getting behind’. The practise of the women having to ‘ask’ for help from the
men illustrates a power relationship that allows the men’s work to be justified as more important. The male blue-collar workers are able to sustain their masculinity in ceremonial work embedded in the production process. The discourses about safety requirements and helping with the fiddly women’s work demonstrated a collusion that helps to sustain the notion that men were not doing real ‘work’ when they helped the women.

A number of studies focus on how gender relations in individuals personal lives influence how they ‘do gender’ in the workplace. For example, Pollert’s 1981 study of blue-collar workers in a tobacco factory in Bristol describes how gender roles at home had an influence on how gender roles played out in the workplace. Pollert describes a process of ‘collusion’ by the women that she sees sustaining men’s sense of masculinity through the reproduction of myths about wages as ‘pin money’, a woman’s ‘real’ place as being in the home, and work as a ‘temporary stay’. The reality was that membership in the working class more than often meant that both a husband and wife had to work to pay the bills (Pollert 1981:241). At MM Supplies beliefs about ‘pin money’ were evident in some of the stories from management about the women workers in this case study. For example, Ben (the supervisor) felt the women in the factory were helping out their husbands by working, when justifying why it was not as problematic for women to be demoted from permanent to casual. However, this view was not reflected in any of the women’s stories. In Pollert’s study, the women often worked with husbands and boyfriends, however in this case study the women are working with men who are all closer age to their children. Megan had three children aged 21, 19 and 15; one of Mary’s sons was 33 and she also took care of a 16-year-old grandson, while Olivia’s eldest daughter was 20 years old. Gherardi observed that working class women often describe the behaviour in young men in the workplace, with the ‘condescending attitude of a mother criticising her sons for excessively masculine behaviour when testing out their still uncertain sexual identities’ (1995:52). Mary described Ben the supervisor as ‘pretty good. A bit immature, but he is so friendly, you can’t stay angry at him for long. But he does good job, I think. Gets a bit slack at times’. Williams (1992) suggests that women who have been in the workplace for over ten years are often cast as motherly by the other workers, a point evident concerning Mary. The interviewer recorded in her diary that Mary was a bit of a ‘social conduit’ and she acted motherly toward the others downstairs.

**Mothering and ethnicity**

In terms of feminine behaviour it appears that mothering was acknowledged and rewarded at MM Supplies. Despite the fact that Olivia was clearly the most qualified, Mary was recently appointed to the OHS Committee, reflecting racial discrimination and systemic non-recognition of skills. After emigrating from the Philippines, Olivia participated in further education obtaining Australian recognition of her nursing qualification. The general manager was aware that Olivia had been a nurse in the Philippines but unaware that she was qualified to work as a nurse in Australia. Olivia did not conform to gender stereotypes. While Olivia was the ‘best worker’ (consistently earning the highest bonuses) she was also female and Filipina. She was seen as ‘moodier’ than the other women were; she was not as ready to smile in response to authority and gender relations. The interviewer believed that her non-compliance with a typical ‘feminine’ response (in this case mothering) had her labelled as having poor people skills, and not being seen as supervisor material in the same way that Mary was. Olivia was not prepared to accept gender inequality over pay. She had complained to the general manager about men being paid more than women with some success, but this was overtaken by the implementation of a new payment system based on piece rate bonuses. However, there was an additional payment to one male worker outside the piece rate system, explained by the general manager in terms of tasks undertaken that did not attract a piece rate bonus. Also, the young male supervisor had reached agreement that he would be first in line for a pay rise once profitability recovered. Both of these males separately stated that no one else in the company was aware of any extra payments or deals they had with management. Therefore, collusion to prioritise men’s work was extended beyond the relations between workers to relations between managers and workers. By contrast, Megan’s extra role as shipping clerk (a role arguably demanding more education than process work) was not rewarded even though it similarly reduced her ability to earn a piece rate bonus. Indeed, she had recently been demoted to casual status.
The general manager believed that it was in the Filipino (male) and Filipina (female) nature to work hard, that they were the best workers at the factory. He was referring to the Filipina workers when he claimed, ‘Certain nationalities down there earn a lot more than certain other nationalities because it is part of their nature. They come to work to work, and head down the whole day, and on pay day they are rewarded for it’. Vasta (1991:165) claims that this type of comment was commonly espoused by employers. Such comments embody the prejudicial attitudes that clearly reflect ‘racially constructed class relations’ (Vasta 1991:165). We would claim that these racially constructed class relations are also gendered. When the general manager was questioned specifically about ‘best workers’, he offered an example of a casual part time Filipino worker who had recently left for a higher paying position: ‘his wife was at uni full-time. She was only on a scholarship to pay for accommodation and her uni fees, not food. So if he didn’t work, he didn’t eat. He couldn’t get the dole. I felt really bad about it … He’s got five kids to feed, plus his wife’. This example from the past reinforced the myth of the male breadwinner and downplayed the contribution of the still-employed Filipinas.

While discrimination emerged in the interviews with the General Manager it also appeared in interviews with Anglo female blue collar workers. It appeared that multiple femininities were constructed via ethnicity in the women’s interviews. At MM Supplies all direct reference and indirect reference by interviewees to ethnic difference centred on the Filipina workers. Mary when asked about working on the forming tanks exclaimed, ‘Can you imagine the little Filipinos? There is no way! They would have to stand on three boxes. It is heavy on your arms, too. I wouldn’t like to do it’. Here the Filipinas were distinguished by their small size, despite the fact that all the Anglo women were also very short and so was at least one of the part-time males.

The stereotypes articulated in the interviews by the manager and the Anglo female production workers were masked by Anglo patriarchal assumptions about the feminine. Gunew (cited in Vasta 1993:11) claims that much of the discussion of the roles housewife and wife are dominated by a sense that the women are the victims of patriarchal husbands. Vasta (1991:165) noted that a key problem of migrants was not patriarchal relations with her husband (whether it existed or not) but the ‘isolation and loneliness caused by the migration experience, in addition to Anglo/Australian structural racism and Anglo/Australian structural patriarchy’. Multiple identities for migrant mothers include the roles of worker, wife, mother and these are influenced by their ethnicity (see for examples of Italian migrants Vasta 1991 and 1993; and Greek migrants, Bottomley 1991). These include: a focus of concern with family as a source of strength, rather than patriarchal relations with their husbands; a sense of freedom in Australia that flows from and to their work; and strong community ties that often emerge from a resistance to experienced racism (Williams 1992; Vasta 1993; Bottomley 1991). Many ethnic women have been treated with little dignity in the work place (Vasta 1993; Bottomley 1991), yet at home many make major decisions. Angela had chosen (along with her Filipino husband) not to have more than one child in response to being a worker in Australia. She felt that as a worker, one child was enough, it was too hard to have more.

**Conclusion**

This paper studies an unusual case, a factory where men and women perform the same work tasks. The relatively undifferentiated nature of the work - to the extent that all workers had the same job title and classification - seemed to offer little scope for constructing gender identity. However, closer study revealed that the differentiation between men and women common in manufacturing workplaces was present but in very subtle forms. Men’s work was prioritised by workers and management. This analysis was deepened by studying the connections between gender, class, ethnicity and age, revealing the complexity of hegemony in a capitalist patriarchy. This research is a partial redress to literature that focuses on women rather than on the processes that reproduce gender inequities. It points to the necessity of questioning the sufficiency of traditional Anglo notions about links between patriarchy in families with patriarchy in workplaces when attempting to understand multicultural workplaces.
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Social partnership in Korean industrial relations

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ABSTRACT

After more than a decade of predominantly neo-liberal industrial relations policy and adversarial industrial relations, recent Korean governments have attempted to use social partnership as a mechanism to achieve cooperative and peaceful industrial relations and to balance economic efficiency with social equity in the context of globalisation. This paper has two aims. First it seeks to put the current social partnership experiment in historical perspective and argues that current developments in Korean industrial relations remain heavily influenced by Korea's experience of rapid economic development and democratic transition. Secondly the paper examines the extent to which the Korean experience with social partnership over recent years confirms views about social partnership developed in relation to recent European examples.

Introduction

Until the late 1990s, Korean governments attempted to limit and constrain the power of the independent unions while at the same time gradually increasing labour market flexibility. These policies were largely unsuccessful. The election of Kim Dae-jung as President, and the pressures for reform associated with the IMF bailout, marked a critical juncture in Korean industrial relations. The Roh Moo-hyun government has continued the social partnership experiment begun by Kim Dae-jung. This paper has two aims. First it seeks to put the current social partnership experiment in historical perspective and argues that current developments in Korean industrial relations remain heavily influenced by Korea's experience of rapid economic development and democratic transition. Secondly the paper examines the extent to which the Korean experience with social partnership over recent years confirms views about social partnership developed in relation to recent European examples. The first section provides a brief overview of recent debates about social partnership in Europe. The second section of the paper provides historical overview of developments in Korea industrial relations since the early 1960s. The final section focuses on the fate of the Korean Tripartie Commission, Korea's recent experiment with social partnership.

Social partnership: Theory and practice

The concept of social partnership refers to a process of negotiation between unions, employers and the government which is designed to improve economic performance and at same time ensure social equity. Related terms include concertation and neo-corporatism. As Ferner and Hyman (1998: xv-xvi) put it:

The idea of social partners implies… first a societal recognition of the different interest of workers and employers; second an acceptance- indeed encouragement- of the collective representation of these interests; and, third, an aspiration that their organised accommodation may provide an effective basis for the regulation of work and the labour market.

With the development of stagflation in the developed market economies during the 1970s, there were a number of attempts by governments in developed market economies to use social partnerships to control inflation. With a few notable exceptions, including Sweden, these policies proved to be unstable and largely ineffective. Analyses of successful forms of social partnership during this period stressed two key factors. The first was the existence of central organisations of employers and, more importantly, unions who could take on a representative role and “transcend sectionalism” (Goldthorpe 1984: 325). The focus of analysis thus shifted to establishing the extent to which unions and employer groups were encompassing enough to control the demands of their affiliates and thus provided the structural preconditions for social partnership. The second set of factors associated with successful social partnership during this period related to the ability of the government to offer workers a political tradeoff, or exchange, for wage restraint.
For many this implied the existence of a social democratic government operating within in Keynesian economic policy framework prepared to use expansionary fiscal policy to compensate workers and employers for wage restraint (see for example Scharpf 1991).

During the 1990s, durable and effective social pacts developed in a number of European countries, most notably in Ireland and Italy. Since the late 1980s, there have been five separate social partnership agreements in Ireland between the government, unions, employers and most recently, farmers and civil society groups. As Baccaro (2003: 688) notes, social partnership in Ireland appears to have played a significant role in turning around the Irish economy during this period with real GDP increasing almost four times as fast as other European economies during this period. The 1992 signing of a tripartite anti-inflationary agreement that banned wage indexation marked the beginning of a new social pact in Italy which negotiated changes to collective bargaining, pension reform and the introduction of new forms of contingent work during the 1990s. While appearing to be less economically successful than the Irish social pact, Baccaro argues that social partnership has played an important role in stabilising Italian politics (2003: 690).

The preceding discussion has a number of implications for assessing Korea’s experiment with social partnership. First, while Korea lacks the structural preconditions, especially the encompassing organisations, which have traditionally been associated with social partnership, to the extent it can develop alternative mechanisms for consensus building, especially within the union movement, it may be able to sustain a stable social partnership framework. Second, social partnership in Korea is likely to be dependent on the extent to which the government and unions think that negotiation is necessary for them to adjust to an increasingly restrictive economic climate.

A brief overview of Korea industrial relations

KOREA INC: IMPLICATIONS FOR INDUSTRIAL RELATIONS POST DEMOCRATISATION: Korea’s history of compressed development from the early 1960s has a number of important implications for its contemporary industrial relations and its experiment with social partnership. The main features of Korea’s economic and political development since the 1960s are well known and are only briefly summarised here. Following a military coup led by Park Chung-hee in the early 1960s, Korea embarked on a process of state-led, export-oriented industrialisation (EOI) in two phases—labour intensive industrialisation from 1961-1972 and capital intensive industrialisation from 1973 on. Both phases of EOI were characterised by what Amsden (1989) calls ‘industrialisation through learning’, in which Korean companies competed in mature markets and product lines on the basis of economies of scale and price competitiveness rather than differentiation. Unlike some of the other Asian NICs, who made use of foreign direct investment, the Korean state’s chosen agents for industrialisation were the chaebol; family owned businesses, many of whom were implicated in corruption scandals during the Rhee period.

The state played two key roles for the chaebol which allowed them to develop rapidly into large, diversified but regionally concentrated conglomerates. First, the Korean government borrowed heavily in international markets, particularly the US, and channelled this money as working capital into the chaebol through low interest loans. The high debt to equity ratios of the chaebol made it easier for the state to direct and control their activities (Woo, 1991). Second, the state took steps to control and subordinate labour. As part of initial efforts to quash political opposition, Park banned strikes, deregistered all existing unions and arrested many union leaders. He also established a new trade union confederation, the FKTU, under government control. This was followed by sweeping revisions to labour laws in 1962 and 1963, introduced in the 1940s by the AMG, which were designed to control and limit union activity. Labour repression as further enhanced in 1972 under the “revitalising constitution” with direct police and KCIA intervention in labour disputes, a revision of the labour laws and the introduction of firm level Labour Management Councils (LMCs) as the primary grievance settlement body (see Deyo, 1987; Leggett and Park 2004).

The period of authoritarian control of labour had a number of important implications for post-democratisation industrial relations. First, because Korea’s competitiveness had largely been based on the ability to the chaebol, with the assistance of the state, to control labour costs, the emergence
of a strong independent union movement in key sectors of the economy was particularly significant. The efforts of these workers to increase wages, reduce working time and improve conditions—after more than two decades of suppression—had a direct impact on competitiveness of the chaebol. Furthermore, because they had been able to rely on state supported labour control, Korean labour management was incredibly backward. Korean companies had developed few of the sophisticated labour management techniques associated with worker commitment and the ability to compete on quality and differentiation. Thus, because of the top heavy structure of the Korean economy, industrial relations issues had direct significance for Korean economic performance (Wilkinson, 1994).

By the same token Korea’s experience of labour suppression had also created a highly fragmented labour movement and a highly decentralised bargaining structure. Of particular significance was the relationship between the FKTU and its affiliates and the new independent union movement. In many cases the new independent unions formed in opposition to not only company management but also government controlled FKTU unions. However, if the independent union movement was to sustain itself and go beyond workplace bargaining over wages in conditions, it needed to develop industry level and peak level representation. As we shall see, the legal status of confederations of independent unions and the willingness of these confederations to enter into official dialogue on behalf of their affiliates is one of the most important issues in contemporary Korean industrial relations.

INDUSTRIAL RELATIONS IN KOREA SINCE 1987: There have been a series of dramatic changes in Korean industrial relations, often convulsive, since democratisation. It is useful to briefly review the phases of development in order to provide a context in which to analyse current trends and likely future directions. One means of distinguishing between various phases is to divide the period from 1987 to 2004 into four phases: democratisation and instability (1987-89); neo-corporatism (1990-92); neo-liberalism (1993-97); the social partnership experiment (1997 to the present).

As has already been noted, the June 29th Democratisation announcement marked an important shift in Korean industrial relations. The new Korean government declared the principle of autonomous industrial relations including the legal right for employees to unionise and for unions to bargain collectively. Yet there remained prohibition on more than one union per enterprise, third party intervention in disputes and political activity by unions. These were the provisions that had been used to suppress independent unionism during the 1970s and in the early 1990s were again used to constrain independent unionism.

As the figures in table 1 illustrate, in the aftermath of the democratisation announcement there was an explosive growth of unions and widespread strikes for wage increases. Between 1987 and 1989, the number of union members doubled and the number of enterprise unions almost tripled. The increased unionisation was highly concentrated in large organisations. By 1989, more than two thirds of workers in firms of 500 or more were unionised. This compares with less than 10% of employees in firms with less than 300 employees (Lee and Lee, 2004: 146). During this period wages increased by an average of 15% per annum, although favourable external economic conditions associated with the three lows (low exchange rate, low oil price and low interest rates) offset the economic impact of increased wages (Lee, S. H, 2004). This period also saw the development of regional and industrial confederations of independent unions which were the genesis of the Korean Confederation of Trade Unions (KCTU).

The landslide election of the conservative Democratic Justice Party in 1990, under the leadership of President Rho Tae-Woo, resulted in a reversion to authoritarian repression of illegal trade unions (notably those associated with the KCTU). This involved much greater state intervention in ‘illegal’ industrial disputes and the strict enforcement of third party intervention provisions in the labour law. At the same time, in a ‘divide and rule’ strategy the government sought to incorporate the FKTU as the official trade union centre and a political partner. One of the consequences of this was an increasing number of unions shifted their allegiance from the FKTU towards industrial confederations associated with the KCTU.
TABLE 1
Selected employment relations indicators in Korea

| Name       | Unions | | Industrial disputes | | Unemployment rate (%) |
|------------|--------|-----------------|-----------------|----------------------|
|            | Membership ('000) | Density(%)* | Number of unions | Number of strikes and lockouts | |
| 1970       | 473 | 12.6 | 3500 | 4 | 1 |
| 1975       | 750 | 15.8 | 4091 | 52 | 10 |
| 1980       | 948 | 14.7 | 2635 | 407 | 49 | 5.2 |
| 1985       | 1004 | 12.4 | 2551 | 265 | 29 | 4.0 |
| 1986       | 1036 | 12.3 | 2675 | 276 | 47 | 3.8 |
| 1987       | 1267 | 13.8 | 4103 | 3749 | 1262 | 3.1 |
| 1988       | 1707 | 17.8 | 6164 | 1873 | 294 | 2.5 |
| 1989       | 1932 | 18.6 | 7883 | 1616 | 409 | 2.6 |
| 1990       | 1887 | 17.2 | 7698 | 322 | 134 | 2.4 |
| 1991       | 1803 | 15.9 | 7656 | 234 | 175 | 2.3 |
| 1992       | 1735 | 15.0 | 7527 | 235 | 105 | 2.4 |
| 1993       | 1667 | 14.2 | 7147 | 144 | 109 | 2.8 |
| 1994       | 1659 | 13.5 | 7025 | 121 | 104 | 2.4 |
| 1995       | 1615 | 12.6 | 6606 | 88 | 50 | 2.0 |
| 1996       | 1599 | 12.2 | 6424 | 85 | 79 | 2.0 |
| 1997       | 1484 | 11.5 | 5733 | 78 | 44 | 2.6 |
| 1998       | 1402 | 11.5 | 5560 | 129 | 146 | 6.8 |
| 1999       | 1481 | 11.8 | 5637 | 198 | 92 | 6.3 |
| 2000       | 1527 | 11.6 | 5898 | 250 | 178 | 4.1 |

Note: * With respect to total employees

As the economic climate deteriorated, the government also issued wage guidelines and attempted to constrain wage growth within these guidelines. While the number of strikes declined and unionisation fell from its heights in 1989, the highly decentralised nature of collective bargaining in Korea and the high level of unionisation in large companies, meant that the government and employers were unable to constrain wage growth within the guidelines. In response to declining competitiveness, Korean employers also attempted to introduce changes in labour management which including the introduction of performance based reward systems, the increased use of irregular workers and multi-tasking. These changes were strongly resisted by independent unions. Thus by 1993, while firm-level collective bargaining had become the accepted mechanism for setting wages and conditions, relations between labour and management remained highly antagonistic (Lee, S.H, 2004).

Under the Kim Young-sam government there was a shift from authoritarian control to an increasingly neo-liberal policy stance. In the period leading up to the election of Kim Young Sam, the independent unions had called for revisions of the labour laws to remove the ban of political activity by unions, allow for multiple unionism and give public sector employees rights to form unions and bargain. Korea’s accession to the ILO in 1991 and its efforts to become a member of the OECD heightened expectations that the reform oriented Kim Young Sam government would revise labour laws in line with union demands. However, employers were opposed to these changes and were calling for changes to labour laws which would increase levels of labour market flexibility.

In May 1996 a Presidential Commission on Industrial Relations Reform (PCIRRR) was set up to discuss labour law reform. While it was hoped that that this would create the situation for agreement between employers and unions and resolution of the legal status of the independent
union movement, the PCIRR failed to reach a consensus. Instead, the New Korea Party unilaterally introduced labour law revisions to the National Assembly in December 1996, which mainly addressed employer concerns but did not resolve the state of the independent union movement.

The pro-employer approach to labour law reform taken by the Kim Young Sam government to labour law reform, in part, reflected a shift in balance of power between the government and the chaebol. While during the authoritarian period the government had been able to use access to credit as a means of controlling the chaebol, financial market liberalisation during the 1990s, which had been accelerated under Kim Young Sam had allowed many of the chaebol direct access to international financial markets. With access to foreign loans, the chaebol became less dependent on the state. While the dramatic growth of private, largely short term, debt in Korea during the 1990s was to have significant implications for the Korean economy during the Asian financial crisis (see Shin and Chang 2003 and below), in the mid-1990s it created a situation in which employer opinion was able to dominate the reform agenda. Employer interest in issues like the ability to redeploy labour, lay off workers and engage temporary workers reflected not only the pressures associated with globalisation but also the extent to which collective bargaining with strong independent unions had eroded the traditional sources of competitiveness of Korean firms.

The manner in which these reforms were introduced—late at night in the absence of opposition parties in the National Assembly—sparked the biggest general strike in Korean history in January and February of 1997. Importantly, protest against the labour laws was jointly coordinated by the KCTU and FKTU and indicated a greater degree of inter-union cooperation than in the past. In February 1997 the government was forced to withdraw the labour law amendments and introduce a revised labour law which included a timetable for the legalisation of the KCTU and public sector bargaining rights and delayed the introduction of layoffs for managerial reasons. While the 1997 strike demonstrated the continuing significance of the independent union movement in Korea, despite reductions in trade union density during the 1990s, it also illustrated the extent to which collective bargaining with strong independent unions had eroded the traditional sources of a new social partnership? The fate of the Korean tripartite commission

Ironically, the financial crisis later in 1997 and the IMF bail out gave the government of President Kim Dae-Jung the opportunity to introduce more far-reaching industrial relations reforms than those achieved under the previous government and created the conditions for the development of a social pact for the first time in Korean history.

During 1996 there was sharp decline in Korea’s the current account balance to $23.7 billion (more than 5% of GDP) largely reflecting falling export earnings from semiconductors. While not serious by international standards, high levels of short term debt and declining international investor confidence associated with Thai and Indonesian currency crises and the collapse of Hanbo and Kia, produced a major financial crisis. On December 3rd 1997 the Korean government announced that it was seeking a loan from the IMF. The IMF bailout package committed the Korean government to a series of major reforms designed to address what the IMF saw were long-term structural problems in the Korean economy. These included restructuring of the financial system, corporate governance reforms, the introduction of tight monetary and fiscal policy, privatisation of state owned corporations and policies designed to expand labour market flexibility. In particular, the IMF sought amendments to labour laws that would make widespread redundancies possible (Shin and Chang 2003: 34-41 & 56).

The dramatic deterioration of the economic situation following the IMF intervention created the crisis conditions for the formation of a social pact. The Korean Tripartite Commission was established as a presidential advisory body and included representatives from the government, both the KCTU and FKTU, the Federation of Korean Industries and the Korean Employers Federation.
In late January it released the “Tripartite Joint Statement on Fair Burden Sharing the Process of Overcoming the Economic Crisis” and on February 9th 1998 it released a detailed social pact. This pact agreed to the immediate revision for the labour laws to allow layoffs for managerial reasons and the use of agency workers. In return it put in place income security programs for the unemployed, recognised the KCTU, reduced restrictions on union political activity and gave government employees the right to organise and teachers bargaining rights (from July 1999).

During the negotiations KCTU officials had failed to gain employer acceptance for concession bargaining which protected employment by reducing wages and/or working time. Instead the agreement accepted the legal right to layoff workers in return for other concessions. The social pact was rejected by KCTU affiliates by a margin of 2 to 1. The KCTU leadership resigned en masse. The newly elected KCTU leadership refused to rejoin the KTC.

Since mid 1998, the KTC has made limited progress. After direct negotiation between the government and the KCTU, which committed the KTC to discussing restriction of the layoff system and use of temporary workers, reductions in working hours and the strict prohibition of unfair labour practices, the KCTU joined the second KTC in June 1998. However, in August the government unilaterally announced a plan for restructuring the banking sector and the privatisation of public enterprises. Both raised the prospect of significant redundancies. The KCTU accused the government of using the KTC to rubber stamp policy decisions that had been made elsewhere and eventually withdrew in February 1999. Thus, since the initial breakthrough social pact, business and labour representatives have adopted an ‘empty chair’ approach to the KTC (Kong 2004: 29).

The Commission has subsequently undergone a series of attempted renewals, the most recent being by President Rho Moo-Hyun. A number of proposals have been put forward to revive the KTC. These include strengthening both the political and technical profile of the KTC as a key institution for national-level social dialogue and using the KTC as the main policy-making forum in labour policy. It has been proposed that the membership of the KTC should be extended to include a broader range of interest groups and specialists, including the establishment of a ‘policy consultation group’ for each industrial sector. It is also argued that the national and industry-level activities of the KTC should be supplemented by more decentralised and firm-level consultative systems. Although Korea has had Labour-Management Councils for a number of years, the experience has been mixed and joint consultation has not been widely utilised. Another proposal is to upgrade and strengthen other labour market institutions which could complement the work of the KTC. This includes broadening the role of the National Labour Relations Commission (NLRC) which is underutilised in its role of providing mediation and conciliation to help minimise and settle industrial disputes (Lee 2003).

Despite these proposals, the future of Korea’s experiment with social partnership remains uncertain. The breakthroughs achieved by the first KTC support some of the findings of studies of recent social pacts in Europe. The Asian financial crisis created the sense of crisis necessary for the social partners to enter into a social pact, without the promise of significant political exchange and, even though both the unions and employers lacked encompassing organisations, the KTC was able reach agreement on labour law reform. Nevertheless, while these conditions made the original social pact possible, a number of factors have prevented the development of ongoing social partnership as has been the case in a number of European countries. The changes in labour law, which made it possible for Korean employers to shed significant amounts of labour during the crisis, and Korea’s rapid economic recovery have reduced the incentive for business to sustain its involvement in social partnership. Employers achieved many of the increases in labour market flexibility they had wanted in the first social pact and industrial restructuring has reduced the threat posed by independent unions.

By the same token, the impact of the original social pact reduced both the willingness and the ability of organised labour to remain engaged in social partnership. As Kong (2004: 34) puts it “the benefits of some future political inclusion … were not very tangible in comparison with the loss of members and influence caused by economic restructuring”. Kong suggests that because of the relatively new and underdeveloped nature of social welfare protection in Korea, in comparison with European countries which have been able to form social pacts in the 1990s, the impact of industrial restructuring fell more heavily on rank and file union members. The failure of the KTC to entertain trading off wages for job security, and the widespread use of
layoffs by Korean employers in the aftermath of the crisis, effectively made it impossible for Korean union leaders to convince affiliates and rank and file union members of the benefits of social partnership. This was exacerbated by the legacy of highly decentralised bargaining in Korea which concentrated most of the decision making authority in the Korean union movement in enterprise level unions. Thus, unlike Ireland and Italy, Korean union leaders were not able to develop a functional equivalent to the encompassingness necessary for a stable social pact. In effect, the actions of employers and the government in the first social pact undermined the likelihood of ongoing social partnership. In response to these developments, the KCTU, and to a lesser extent to FKTU, have returned to an oppositional stance, with a focus on developing industry wide bargaining to overcome the problems of decentralised bargaining (Lee and Lee 2004). Despite the efforts of the government to revive social partnership, these developments suggest that a revival of social partnership in Korea is highly unlikely.

It has been argued that while environmental factors provided favourable conditions for the successful initiation of the KTC, structural and attitudinal factors have hampered its effectiveness of its operation in the longer term. This argument emphasises the catalytic effect of the 1997-98 financial crisis in bringing the various parties together and producing the ‘great compromise’ of February 1998. However, once the crisis passed, the parties returned to their tradition of adversarial labour relations- attitudes shaped by Korea’s pattern of economic development and developments since democratisation. The lack of centralised union and employer organisations as well as the absence of a Social Democratic or Labour party meant that there was an absence of institutional structures to maintain support of the KTC. Finally, the absence of a social partnership ideology and mutual trust was detrimental to the development of positive attitudes to the KTC. While Baccaro (2003) and others have suggested that some of the new social pacts in Europe have persisted and achieved success despite the lack of traditional supportive mechanisms, the comparison of these European examples with the Korean case suggests that that the ongoing success of social partnership is in part determined by the ability to develop effective and stable institutional arrangements within which social partnership can take place. The Korean case is different from the models of democratic corporatism that have emerged in some European countries and it remains a dynamic and developing political economy in which new labour market institutions are still evolving. The ongoing challenge for the Korean government is to persuade the unions and the employers that social partnership offers a better alternative than a return to strong central controls over a laissez-faire approach which gives free rein to the market. Just as earlier experiences of Korea has provided an example of how ‘neoliberalism mutates when transplanted to different local environments’ (Kong, 2004: 39), the current experiment with social partnership may yet reveal that Korea will forge a new model of democratic corporatism fostered by strong government initiative and commitment to building new labour market institutions.

Conclusion

Since 1987 Korea has experienced dramatic changes in industrial relations and industrial relations issues are likely to remain central to economic reform into the future. In contrast to developments in many developed countries during the same period, Korea has witnessed the development of a strong and militant independent union movement that has been able to improve the wages and conditions of workers, especially in the core manufacturing sector of the economy and an improvement in labour rights. Collective bargaining has become institutionalised for a significant percentage of Korean workers. However, the highly decentralised and antagonistic character of collective bargaining in Korea, which largely reflects Korea’s history of compressed development, will remain a significant impediment to the development of stable and peaceful industrial relations in Korea. While the Asian financial crisis created the conditions for the development of a social pact for the first time in Korean history, despite the absence of the structural preconditions deemed necessary, the prospects for a revival and continuation of social partnership are unfavourable. This suggests that, without the development of a stable institutional framework, the highly antagonistic pattern of industrial relations that has developed in Korea during the 1980s is likely to continue.
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Decentralised bargaining in the Australian automotive assembly industry

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ABSTRACT
This paper examines the evolution of enterprise bargaining in the automotive assembly industry in Australia since the early 1990s. Although there has been a general trend towards greater variation between the four companies in the vehicle assembly sector, strong similarities have persisted in areas such as wages, working hours and redundancy provisions. However, differences are emerging in wage rates between the most and least profitable companies as well as in the use of contract employment, bargaining structures and consultation arrangements at the plant level. As the industry continues to adopt new strategies in order to remain viable in an internationally competitive market, this is likely to create pressures for greater differentiation between the companies in their employment relations and practices in the future.

Introduction
The automotive manufacturing industry has played an important role in the development of the Australian economy. It is one of the largest sectors in manufacturing, accounts for approximately one percent of gross domestic product and is among the most significant export industries in the Australia (DITR, 2003). The sector compromises several hundred component suppliers and four vehicle assemblers – Ford, Holden, Mitsubishi and Toyota – the first two being American-owned and the latter two being Japanese-owned. The sector has undergone considerable change over the past two decades. It has been subject to economic, political and institutional pressures from global, national and local (i.e. plant) levels, which have led to structural reforms. The introduction of enterprise bargaining in the early 1990s as the primary regulatory mechanism of wages and conditions in Australia has been one such reform.

This paper examines the evolution of enterprise bargaining within the automotive assembly industry in Australia since the early 1990s, and its consequences for employment conditions and industrial relations by examining the extent that change has occurred within and between firms in the sector. In this study, a content analysis was conducted of all of the enterprise bargaining agreements that have been certified since 1992 for the Ford, Toyota, Holden and Mitsubishi assembly plants, the two Adecco agreements that have been certified since 1999 covering Mitsubishi employees, as well as the enterprise awards of the four automotive assemblers since 1988. The analysis entailed coding the clauses of agreements and awards according to the framework used in a previous study (see Kitay and Lansbury 1997).

Some adjustments were made to this framework in accordance with structures associated with enterprise bargaining in Australia, resulting in the incorporation of an additional category to that used by the MIT group and minor modifications made to the other five classifications. This resulted in the content analysis being structured around the following broad headings, each of which encompass various sub-categories: bargaining structures and union arrangements, work organisation, pay and remuneration, skill formation and development, staffing and job security, and governance and production systems. The findings were presented to a number of employer and union officials in the industry, who provided feedback regarding the actual operations of agreements and awards in the workplace and the industry, which were incorporated into the analysis. Before the results of the content of enterprise agreements and awards are discussed, it is necessary to outline the reforms that have led to its introduction and development.
The changing characteristics of the automotive industry in Australia

The Australian automotive industry developed with considerable assistance from the federal government, particularly through tariff protection. After 1945, there was an urgent need to build new industries in order to compensate for the low production of goods and services during the war years and to generate employment growth as a result of the federal government’s expansionary immigration programs (Brett 2003: 169-170; Byrt 1990: 178). After two decades of relative stability and protection from overseas competition, the early 1970s saw the automotive industry fall in its competitive position, as it was not able to adjust to the rapidly changing and increasingly competitive global industry. From the early 1980s onwards, successive Australian governments sought to reform the industry to make it more efficient and reduce its dependence on tariff protection (Bulbeck 1983: 232; Fagan and Webber 1999: 124-128; Lansbury and Baird 2002: 103). The problems of survival for the industry in Australia have been exacerbated by the world-wide over-production of motor vehicles.

The scale of automotive production in Australia is small by world standards and the number of units produced has declined, on annual basis, from approximately 376,000 in 1990 to 360,000 in 2002. While there was a significant increase in earnings from exports, from $A1 million in 1990s to almost $A5 million in 2002, the cost of imported vehicles grew from $A5 million to $A18 million during this period. This was largely due to the share of total sales of imported vehicles within Australia, which grew from 31 percent in 1990 to 60 percent in 2002. Conversely, locally produced units fell from 69 percent to 40 percent during this period. Several factors influenced these trends, including the abolition of import quotas, reduced tariff protection for local manufacturers, changes in market share by segment and lower relative prices of imported vehicles. Much of the sales growth has been in the small car segment where market share of imports has risen by 25 percent in the mid 1980s. Domestic producers have largely concentrated their production on the upper median segment of the market where they have remained dominant.

The relative share of the vehicle market in Australia since the early 1990s has declined for all local assemblers except Toyota, which accounted for almost 25 percent of all vehicles sold in 2002. The decline in Mitsubishi’s share of the market has been so severe that its long-term viability (under its new owner Daimler Chrysler) continues to be uncertain after one of its plants was closed in 2004. Not surprisingly, the assemblers in Australia have experienced relatively low levels of profitability for a number of years. Yet significant improvements in the profit performance of the assemblers in Australia between 1999 and 2002 provided some grounds for optimism. This was partly due to major investment by Toyota and Holden in new plant and equipment and expenditure on research and development.

Yet a survey of Australian assembly plants by the International Motor Vehicle Program in the 1990s revealed that they were in the lowest automation category and there was a major ‘automation gap’ between Australian plants and those in Japan, where comparable vehicles required only half the amount of time to assemble (see MacDuffie and Pil, 1997). The number of vehicles produced per employee at Australian plants rose from 10.8 to 16.1 in the first half of the 1990s but was only 16.8 by 2002. With new investment in plant and equipment and model rationalisation, productivity levels can be expected to increase, but the relatively small size of plants and production runs in Australia are likely to limit the degree of productivity improvements.

Changing employment relations in the Australian automotive industry

Employment in the Australian automotive industry has remained around 63,000 between 1991 and 2001, with some fluctuations during the decade. However, the number of employees in vehicle manufacturing has fallen while those employed in component manufacturing has increased since the mid-1990s. The reduction in employment has mainly been achieved through voluntary redundancy programs negotiated between the employers and the unions. The employers have preferred to either implement voluntary systems of redundancies or to reduce employment by not replacing employees who leave. There has been little industrial disputation over workforce reductions and the unions have focused mainly on negotiating higher redundancy payments. However, disputes in the industry as a whole have been increasing since the late 1990s as employers seek to achieve greater labour flexibility and productivity improvements through enterprise bargaining, although such disputes have been largely stemmed from the components industry. But according to officials
in the assembly sector on both the sides of management and the unions, relations between the parties are amicable and better than those in the automotive components sector.

The trade union that covers most employers in the automotive industry is the Australian Manufacturing Workers Union (AMWU). The current organisational form of the AMWU was achieved in 1995 through an amalgamation of several unions, which had members in the automotive and other industries. While there are several other unions covering clerical workers and electrical tradespersons, the AMWU represents about 90 percent of unionised employees, with its Vehicle Division covering around 70 percent of award employees in the sector. Among the vehicle producers (and large component suppliers) there is almost 100 percent union coverage below the managerial levels of the workforce, with the exception of clerical employees.

**Enterprise bargaining in the automotive assembly industry**

**BACKGROUND:** Since 1991, both Labor and Liberal-National governments have encouraged enterprise bargaining, marking a major shift away from a more centralised approach to industrial relations (see Kitay and Lansbury, 1997). Although there has not been an industry-wide award in the automotive sector since 1973, there is still a high degree of coordination between employers. The trend in the 1990s, however, was towards decentralised enterprise bargaining, whereby employers conducted separate negotiations with the unions and concluded agreements which were specific to each company.

The vehicle assembly sector is unique in that a form of quasi-enterprise bargaining was introduced in the 1973 through the use of company (or enterprise) awards for each of the main assemblers when they moved away from the industry-wide award. The content of these early enterprise awards largely remains in the contemporary agreements but, according to the AMWU, some provisions that have not been incorporated within EBAs have simply continued as custom and practice. The general features of the agreements have remained similar, particularly in regards to wages and conditions of work, but characteristics unique to each enterprise remain.

As shown in Figure 1, the companies have negotiated agreements of varying duration and at different starting and finishing times over the past decade. To gain a more detailed understanding of bargaining in the industry, the EBAs for each company have been analysed in regard to the following features: bargaining structures and union arrangements, work organisation, pay and remuneration, skill formation, staffing and job security and governance and production systems.

**FIGURE 1**

*Periods covered by enterprise bargaining agreements since 1992*
BARGAINING STRUCTURES AND UNION ARRANGEMENTS UNDER EBAS: One of the main changes since the introduction of enterprise bargaining has been the presence of clauses in agreements that affirm the commitment of the parties to the collective bargaining process. This became more important to the unions in the sector following the passage of the Workplace Relations Act 1996 which contained provisions for individual, non-union employment contracts, known as Australian Workplace Agreements (AWAs) that can replace awards and enterprise bargaining agreements, however only the Ford and Holden EBAs specifically exclude the use of AWAs.

In 1999, Mitsubishi introduced a new employment arrangement when it entered into agreement with the AMWU and a labour hire firm, Adecco, to enable the company to hire ‘variable temporary labour’. Adecco thus became the employer of these workers rather than Mitsubishi. This strategy was enacted by Mitsubishi after the company warned the AMWU that unless labour flexibility was able to be utilised, it could result in the parent company closing its Australian operations. While the AMWU acquiesced to Mitsubishi’s wishes on this issue, the union has been able to resist similar measures being introduced by the other three assemblers. An additional agreement was negotiated between Adecco and the AMWU three years later to cover ‘variable temporary labour, casual and weekly hire’ workers. However, Adecco agreed not employ anyone under the terms of an AWA without consulting and gaining agreement from the AMWU.

There is a high degree of similarity between Holden, Ford, Mitsubishi and Toyota regarding provisions contained in their EBAs that relate to union rights and responsibilities. When a provision is included in an EBA by one company, such provision will often ‘flow on’ to other companies in the next round of bargaining. This is illustrated by the issue of training leave. However, there is still some variation between the companies. Hence, although each of the current EBAs provide for the recognition by the company of the unions and their representatives, there is considerable divergence in the content of such clauses. In regard to the issue of right of entry for union officials, for example, there are differences between the four assemblers. Mitsubishi and Adecco have more carefully-phrased clauses which could be interpreted as placing greater restriction on officials, while Toyota and Ford are silent on the matter. But according to managers in the sector, Mitsubishi and Holden are more accommodating as far as right of entry arrangements are concerned, especially in comparison to Ford and Toyota, where a 24-hour notice period is strictly enforced.

WORK ORGANISATION: Some of the key areas of change in work organisation during the past decade are reflected in the auto assemblers EBAs. However, a wider range of changes have been introduced than simply those which are specified in the EBAs. Most references to job structures and definitions are found not in EBAs but awards. This may be explained by the fact that classification of employees and skill-based career paths still remain allowable award matters under the Workplace Relations Act 1996. There have been significant changes to job structures and demarcation in the automotive industry in recent years, from 240 job classifications in the award, to only three non-trade levels and six trade levels. From 1988 onwards, all awards contained new classification structures setting out the job requirements, broad definitions, required competencies, qualifications, general duties and responsibilities for all technical, supervisory, clerical, non-trades and trades classifications, as reflected in the 1988 Toyota Award. Whilst there are numerous differences in the various EBAs of the four motor vehicle manufacturers regarding job structures and demarcation, these are only relevant to peripheral issues.

There is variation as far as the implementation of team work is concerned, which is consistent with the findings of Bamber and Lansbury (1997: 91-92) that ‘there were differences in the conception and application of teamwork at different plants’. Holden have implemented ‘work groups’ while Ford have introduced ‘natural work groups’ and ‘integrated manufacturing teams’, which involve non-trade and trade employees working together as part of a cohesive work group. Mitsubishi do not appear to have implemented any comprehensive form of team work, but at Toyota, it has been included as part of the continuous improvement/kaizen and Toyota Production and Management Systems processes in its EBAs since the mid-1990s.

The hours of work provisions are very similar between the four auto assemblers and there have been only minor variations in these conditions over time. A 38-hour week and a 19-day month are standard throughout the industry, although some of the companies, such as Mitsubishi, have
implemented a nine-day fortnight in designated parts of their operations. There are also slight differences between the companies in the provisions for employees to take flexible rostered days off. A number of the most recent enterprise agreements allow for the possibility of introducing more flexible shift arrangements through consultation with unions and employees. Holden has capitalised on this arrangement by introducing a third shift, allowing the company to maintain continuous, 24-hour production.

**PAY AND REMUNERATION:** As noted previously, the past decade has seen a movement away from a centralised approach to determining wages and conditions through awards to agreement making at the enterprise level, in both the federal and state jurisdictions. Although there are similar wage rates for assembly workers across the industry, growing disparities have emerged between the more profitable companies, such as Toyota and Holden and the less profitable, such as Mitsubishi (see Table 1). However, the differences between the companies tend to be seen in some of the non-wage issues and conditions of employment rather as well as in wages. The agreements and awards for all four automotive assemblers specify wage differentials to be paid to employees in accordance with the classification structure appropriate to their skills and occupation. Where there have been changes to wage differentials, the variations have been minor. All companies except Mitsubishi have experimented with performance-based pay. However, the only manufacturer that continues to have such a system is Ford, through a merit allocation system covering salaried employees.

### Table 1
Wage outcomes from the last five rounds of enterprise bargaining – automotive assemblers in Australia

<table>
<thead>
<tr>
<th>Company</th>
<th>6th last</th>
<th>5th last</th>
<th>4th last</th>
<th>3rd last</th>
<th>2nd last</th>
<th>Latest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wage increase</td>
<td>Duration (months)</td>
<td>Wage increase</td>
<td>Duration (months)</td>
<td>Wage increase</td>
<td>Duration (months)</td>
</tr>
<tr>
<td>Ford</td>
<td>N/A</td>
<td>4%</td>
<td>3/93-3/95 (24)</td>
<td>11.5%</td>
<td>7/95-7/97 (24)</td>
<td>15.75%</td>
</tr>
<tr>
<td>Toyota</td>
<td>N/A</td>
<td>6.3%</td>
<td>1/92-11/93 (22)</td>
<td>5.5%</td>
<td>2/95-8/96 (18)</td>
<td>15.75%</td>
</tr>
<tr>
<td>Holden</td>
<td>N/A</td>
<td>5.5%</td>
<td>8/92-8/94 (24)</td>
<td>11.5%</td>
<td>8/95-8/98 (36)</td>
<td>13%</td>
</tr>
<tr>
<td>Mitsubishi</td>
<td>N/A</td>
<td>5%</td>
<td>8/92-8/93 (12)</td>
<td>7.5%</td>
<td>10/93-8/95 (22)</td>
<td>11.5%</td>
</tr>
</tbody>
</table>


* AAWI = Average Annual Wage Increase (AAWI = (Total wage increase x 12)/Duration (number of months) of EBA)
**SKILL FORMATION AND DEVELOPMENT:** Issues relating to skill formation and development have become increasingly important in the auto assembly industry, as reflected in EBAs over the past decade. A Vehicle Industry Certificate (VIC) was introduced as part of the award restructuring process in the late 1980s which sought to link pay levels to skills and comprised different levels for production work and the maintenance trades. The VIC encompassed both on and off the job training and was intended to provide workers in the automotive industry with a 'portable' qualification which would enable them to move between employers within the industry and gain recognition for skills acquired. There is broad similarity among the four companies relating to training for the VIC and its successor, Certificate II. However, there has been some variation between the auto assemblers around the training provision of training for quality, production, maintenance and temporary labour.

**STAFFING AND JOB SECURITY:** With the reduction of employment in the assembly industry over the past decade, provisions for redundancy and other job security issues have been increasingly prevalent in EBAs. Indeed, job and income security have been the main issues in contention in recent round of EBA negotiations. However some union officials and managers argue that the gains in redundancy provisions reflect many workers’ preference to take redundancy pay rather than fight to retain their jobs.

The growing importance of job security is not surprising given the vulnerability of automotive assemblers in Australia to potential reductions in government protection and greater exposure to the global market. Redundancy packages were introduced by all of the companies in the early 1980s, but while the provisions relating to redundancy in the various enterprise agreements contain similarities, they are by no means uniform. The four assemblers adopted similar policies regarding the obligations of employers to consult with unions over the utilisation of precarious employment, including any plans by the companies to reduce the number of full-time positions as a proportion of the total workforce. The amount of redundancy pay and the options available for issues such as payment of entitlements, non-monetary benefits and alternatives to redundancy have changed notably over the past decade, and disparities between the firms continue to remain on these issues.

While the number of full-time employees as a proportion of the total workforce stands at around 70 percent, this figure remains above 90 percent for automotive industry. Toyota, Holden and Ford are all rather limited in their capacity to utilise casual, part-time, fixed-term and temporary labour. However, this is not the case at Mitsubishi, where the use of precarious employment has extended well beyond the arrangements of the other automotive assemblers. The 1998 Mitsubishi Award allows the use of casual, part-time and temporary labour, but the major departure from the three other companies came through its 1998 EBA, which provided for a 15 percent ratio of the total permanent workforce to be ‘variable temporary labour’ (VTL). As noted previously, this resulted from arrangements between Mitsubishi and labour-hire firm Adecco, regarding the use of VTL. The 2001 EBA increased the maximum ratio of VTL in proportion to the total permanent workforce to 20 percent, and introduced the right of the company to outsource and use contractors. The 2002 Adecco EBA redefined VTL to include ‘variable temporary casual labour’ and ‘variable temporary labour weekly hire’.

Similarly, there are disparities between the companies concerning their obligations to consult employees and their unions over redundancies. Whilst Ford is only compelled to notify unions of any plans regarding retrenchments, Holden’s most recent EBA states that it must ‘consult’ with unions over such matters. Toyota’s last two agreements have stated that compulsory separation conditions would be subject to further negotiations with unions, however the EBAs of Mitsubishi are silent on this issue. Nonetheless, issues relating to job security are likely to be a continuing source of conflict between employers and unions.

**GOVERNANCE AND PRODUCTION SYSTEMS:** The introduction of new production systems in assembly plants has had significant implications for the way in which work is organised and how decisions are made about changes in the workplace. Systems of production occupy a central place in recent EBAs in the auto assembly sector. This is largely due to the dominance of the Toyota Production System (TPS), which is the basis of the ‘lean production’ concept adopted by most
auto companies (Kochan et al., 1997; Womack et al., 1990). Senior managers amongst the ranks of its competitors acknowledge that Toyota continues to set the benchmarks for the industry. Key elements in the TPS, which are enumerated in the Toyota EBAs and awards, include: just in time (JIT), quality, employee flexibility, elimination of waste and balanced production. Components of the Toyota Management System (TMS), by which TPS is implemented, are also listed in EBAs as follows: teamwork, continuous improvement, accountability, quality circle/suggestion schemes and employee development. Ford and Holden have both adopted elements of the Toyota approach and their EBAs are quite detailed in their discussion of production system arrangements (known as the Ford and Holden Production Systems). But unlike the other assemblers, none of the Mitsubishi EBAs and awards contain provisions specifically related to production systems.

While there are a number of similarities between the automotive assemblers regarding employee involvement, there are some notable differences. All four auto companies have at some stage established workplace-based consultative mechanisms, such as plant consultative committees, to enable the parties to discuss a broad array of issues. But there are some differences regarding the operation of working parties and single-issue committees, which are often established to deal with transient or ad hoc issues. There are other consultation arrangements in place amongst the assemblers that are not captured by the EBAs, one example being work group meetings, which are held at the end of every shift at Holden.

**Conclusion**

A number of factors have shaped similarities and differences in employment relations between the four companies in the auto assembly sector in Australia since the early 1990s. Prior to the introduction of enterprise bargaining, the wages and conditions of auto workers were broadly similar, due to the underlying industry award structure. The AMWU has sought to maintain uniform provisions in EBAs across the industry in relation to collective bargaining, union recognition and support for trade union membership. There are also similarities between EBAs in areas such as working hours, rostered days off, allowances for skill, changes in wage differentials and redundancy provisions. However, there are emerging differences between EBAs on matters such as wage rates, the use of contract workers (as in the Adecco EBA), bargaining structures and consultation arrangements. As the automotive assembly sector is small by international standards, there is considerable interaction between management across the four companies as well as between union officials. This creates pressure towards similarities, so that changes introduced by one company tend to soon ‘flow on’ to the others.

Although some differences have gradually emerged between the companies in terms of the wages and conditions in their enterprise agreements, although these have generally been minor. The main exception has been Mitsubishi which has lagged behind the others in wage rates and has negotiated special arrangements with the union to permit the use of workers on short-term employment contracts. These variations in Mitsubishi’s EBAs have been designed to enable the company to overcome market difficulties. Uncertainty about the future of Mitsubishi’s Australian operations continues, as evidenced by an agreement between the company and the AMWU to ‘roll over’ the current EBA for an extra year. However, as one union official in the industry claimed, ‘the main issue for Mitsubishi Australia is whether Mitsubishi Japan continues to operate’.

As noted in this paper, the auto assembly sector in Australia has been strongly influenced by the lean production system, which originated with Toyota, although each company has adopted its own variant or hybrid approach. This reflects experience in other countries where there has been a general trend towards adopting the principles of lean production but differences in the way in which these have been translated into practice. While there are a number of positive elements associated with the new production systems, which have enabled the industry to remain viable in a small market like Australia, there have been long-term trends towards job reductions as well as precarious employment through the use of casual and contract workers. The industry also remains vulnerable to changes in government policies on tariff protection and fluctuations in the exchange rate of the Australian dollar as well as the willingness of globalised companies to make long-term investments in the automotive assembly sector in Australia.
It is also under pressure from over-production of motor vehicles on a world-wide scale. While enterprise bargaining plays an important role in determining the nature of employment relations, it is only one of many factors influencing the strategic decisions made by corporate managers. The responses to such decisions by unions and governments will determine the long-term future of the industry in an increasingly globalised marketplace.

References


Whatever happened to the Arbitration Inspectorate?
The reconstruction of industrial enforcement in Australia

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ABSTRACT

This paper explores how successive Howard Governments have reconstructed federal industrial relations enforcement agencies. It examines the structure, policies and activities of the three new federal agencies established since 1997. The analysis draws its frame from both regulation theory and Australia’s historical experience of industrial enforcement agencies, and relies on documentary research forming part of a larger project on the construction of labour law remedies. The broad conclusion drawn is that the reconstruction has confined both the reach and effectiveness of government enforcement agencies in so far as employer breaches of industrial instruments are concerned. Further, two of the three new enforcement agencies focus almost entirely on alleged union rather than employer breaches of industrial instruments and the Workplace Relations Act 1996 (Cth) (the WR Act). However, at this stage, these conclusions should be viewed as provisional, pending the outcomes of planned empirical research.

Introduction

With the passage of the Workplace Relations and Other Legislation Amendment Act 1996 (Cth) (WROLAA), the Howard Government embarked on a complete reconstruction of its federal award and agreement enforcement function. This paper provides an introductory analysis of the structure, policy and activities of the three federal industrial enforcement agencies that emerged from that process. My interest in enforcement agencies grew out of a bigger project on how the courts and the Australian Industrial Relations Commission construct labour law remedies under the WR Act, part of which concerned remedies for breach of industrial instruments. Analysis of a large body of enforcement case law revealed that actions against employers seeking penalties for breach of industrial instruments and/or recovery of wages are brought almost exclusively by employees or their unions. This finding raised the question of why government inspectors do not commence enforcement actions, which re-directed research towards government documentary sources. Although the former agencies (the Industrial Relations Bureau (the IRB) and the Arbitration Inspectorate) were never really in the limelight, information about their activities was widely available, including operations manuals, policy documents and the annual reports of both bodies. These sources provided extensive information about enforcement policies and agency activities, including the number of inspectors, the number and size of penalties recovered, and details of the number of claims made for unpaid entitlements. They also underpinned Bennett’s trenchant critique of activities and policies of government agencies up to the early 1990s (Bennett, 1994). However, under the Howard Government, published information is sparse and scattered across several diverse sources, ranging from annual reports and other government reports to the Hansard of the Senate Legislation Committee on Employment, Workplace Relations and Education Estimates Hearings.

The analysis in this paper is based entirely on those documentary sources, representing the first step in a proposed empirically based research project on enforcement of federal industrial instruments. Despite the limitation as to research method, several conclusions about the policies and activities of the three new agencies can sensibly be drawn, at least provisionally, to inform the planned empirical research. The present paper first locates the federal government industrial enforcement agencies in their historical and conceptual contexts, goes on to examine each of the three government agencies established since 1997, finally presenting conclusions that arise from the analysis.
The conceptual and historical context: questions of structure and policy

Enforcement agencies are typically analysed from two viewpoints: the legal design of the agency and the political environment in which it operates, but as Bennett notes, only a fine line can be drawn between legal and political factors (1994:149). Regulation theorists have pointed out that the structure of enforcement agencies and the policies they adopt are crucial variables influencing the level of actual compliance, particularly in the context of the debate over the persuasion/punishment continuum and enforcement of occupational health and safety laws (see the discussion in Johnstone, 2004:401-427). Such insights rarely feature in scholarly discussions of industrial enforcement in Australia. Scholars tend to focus on the mechanics of the recovery of unpaid wages and determining the legal rules for setting the appropriate level of penalty in the event of an award or agreement breach (see for example, Creighton and Stewart, 2000:266-267).

One exception is Bennett (1994), the first labour law scholar to demonstrate that the structure and staffing of Australian industrial enforcement agencies, the nature of their enforcement policies and how these policies are put into action has an enormous role in determining the actual meaning and effect of legal rights contained in industrial instruments. Another is McCallum (1994), who referred to the award as a ‘safety net full of holes’ and award enforcement as ‘an uncertain instrument of last resort’. McCallum was concerned with the inadequacy of the only statutory remedy for employer breach of an award (then a penalty of no more than $1,000), and the non-availability of damages, particularly since by 1994 awards had come to contain much more than bare monetary entitlements. More than ten years later, McCallum’s comments aptly describe present issues with enforcement of certified agreements (CAs). As CAs regulate the employment relationship in ever more detail, including for example, rights of consultation or even veto over workplace change and natural justice in termination procedures, only rarely can breach of non-monetary terms be effectively remedied by penalties alone.

Bennett’s historical analysis demonstrates quite clearly that the role of the government agencies has ‘depended heavily on the political complexion of the government (of the day)’ (Bennett, 1994:146). Governments have been effective in controlling the agencies partly because of their obscurity, and partly because their limited resources prevent them resisting government control. Conservative governments have either curtailed their activities or radically restructured them. Attempts in the 1930s and the 1950s to abolish the federal award inspectorate and transfer their activities to the States reflected the conservative view that the vast majority of employers were compliant, and that enforcement was a matter for the individual employees concerned. The first attempt to outsource foundered because the States wanted more money to undertake inspection activities than the government was prepared to pay, and the second because of effective opposition by the union movement. In 1977, the Fraser Government transferred the Arbitration Inspectorate to the newly established statutory corporation, the IRB, which also had the function of using penal provisions against unions taking industrial action. Indeed, Prime Minister Fraser believed that employers needed assistance to enforce the law against unions. Ultimately, the IRB suffered criticism from all parties, and the Hawke Labor Government abolished it in 1983 with the support of the Opposition, transferring the inspection function back to the Department of Industrial Relations (Bennett, 1994:145-149).

Preferred enforcement policies also differ according to the political colour of the government. The clear policy preference of conservative governments has always been to obtain voluntary compliance from employers by way of encouragement and persuasion strategies, with rare if any prosecutions for a penalty. Labor prefers a more active attempt by inspectors to recover moneys and to seek penalties to punish and deter. Regulation theorists suggest, again in the context of OHS law, that complete reliance on co-operation is likely to encourage law breaking, and that the best system is one where voluntary compliance is encouraged and assisted, but optimised by appropriate punishment and deterrence of recalcitrant law breakers (Johnstone, 2004). At the preventative level, targeted inspection of businesses in areas where non-compliance is thought likely to occur is more effective than regular inspection of all businesses. The conservative governments have tended to prefer the regular and routine inspection approach to enforcement, while Labor has preferred the targeted approach. Historically, these attitudes have been reflected in the actual policies of the enforcement agencies (Bennett, 1994:149-163). The following discussion reveals that the structure and policies of the new agencies are in most respects consistent with the usual conservative approach to enforcement.
The new agencies

As Bennett would predict, the Howard Government wasted no time after the commencement of the WR Act in reconstructing the enforcement framework to reflect the usual conservative attitude. In 1997, it contracted out as much of its award and CA enforcement activities as was possible to State conservative governments, abolished the Arbitration Inspectorate, restructured the enforcement responsibilities that remained its province and handed over their performance to the new Office of Workplace Services (the OWS). The OWS is a unit of the Department of Employment and Workplace Relations (DEWR), has its own budget and provides ‘inquiry and compliance’ services regarding the WR Act, federal awards and CAs. Further, and as we would also expect from Bennett’s work, this was all achieved without attracting public or scholarly comment. The new Office of the Employment Advocate (the OEA) was given the responsibility of dealing with specified breaches of the Workplace Relations Act 1996 (Cth) and AWAs, as well as performing its functions in regard to the making and filing of AWAs. While the OEA’s activities regarding making and filing of AWAs have attracted analysis and comments, its enforcement functions have been mentioned virtually only in passing (eg, Lee, 2004). In October 2002, the Government added another agency, the Interim Building Industry Taskforce (IBIT), to address alleged widespread lawbreaking in the building industry reported by the Cole Commission. This Taskforce has met with much public comment, has since been made permanent (now the Building Industry Taskforce, or BIT) and its powers extended. The following sections analyse each agency in turn.

The OWS and services provided by the contracted States

Structure: Section 84(1) of the WR Act provides that there shall be “such inspectors as are necessary from time to time” to be appointed by the Minister (s 84(2)). Inspectors are given various duties and powers, such as the right to enter premises, inspect books, investigate complaints and breaches of industrial instruments (ss 86 and 87). They have power to sue for recovery of penalties for breach of terms of an award or CA (ss 178(5) and 178(5A). Inspectors may also recover unpaid moneys as part of actions for penalties (s 178(6)). Employees are permitted to recover unpaid moneys in a court, or in the small claims procedure in a magistrate’s court (ss 179, 179C). Like its predecessor, the WR Act is silent on enforcement policy, how the inspectors are to discharge their duties, their official title, how many there should be or how the government should structure their activities, but the Minister may issue directions concerning how the functions of inspectors are to be exercised or performed (s84(5)). Thus the government of the day has a very wide discretion in deciding the structure, policy and operations of enforcement agencies.

The OWS retains personal responsibility for inquiry and compliance activities in Victoria, New South Wales and in the Territories, while these functions are performed by state governments under the contracted arrangements in Queensland, Tasmania, South Australia and Western Australia. Its inquiry services are made up of a telephone inquiry service (Wageline) and an online inquiry service, (WageNet), both of which are run in cooperation with the States, and which provide information about wages and conditions under federal awards and agreements and the WR Act. Inquiries may also be made over the counter and in writing. OWS officers also investigate and pursue claims of breach of awards and CAs, but it does seem that this is limited to the recovery of unpaid moneys. The OWS also provides an ‘educative’ role, offering seminars, advice and so on about the WR Act and the agreement options it contains. Employees can also seek assistance in claims to recover unpaid amounts owing and ostensibly in prosecuting the employers concerned, but as discussed further below, the approach of the OWS is to seek voluntary compliance, and there are no cases at all where the OWS has sought a penalty against an employer for breach of an industrial instrument (DEWR, 2002-2003). This approach is subtly reflected in changes to nomenclature: persons appointed under s 84 performing the functions of inspectors now do so under the title of Advisers rather than Inspectors (OWS, 2004: clause 1.2), but more specifically in the OWS Policy Guide, discussed in the next section.
POLICY: The OWS publishes neither its inquiry and compliance policy nor details about unpaid moneys claims it resolves or litigates. The OWS Policy Guide is an internal document, and was not publicly available until it was provided in answer to a Labor Senator's question on notice W067-05 during Budget Senate Estimates Hearing in May 2004 (Hansard, 2004b:86). Even the value and terms of the contracts with the States were not released until May 2004, when Labor Senators requested information about them from the DEWR Secretary in Budget Estimates hearings, and only then after the Senators had engaged in some fairly robust questioning. The DEWR Secretary at first refused to provide them, saying that approval for release of the contracts was a matter for the Minister, but they were eventually included in a parcel of information provided on notice during the Estimates Hearings (Hansard, 2004b:86).

All the contracts with the States are identical, apart from the price, which was only revealed after questioning in the Senate Estimates Committee. A key provision of each contract is that the OWS Policy Guide must be observed in delivery of the compliance and inquiry services contracted. The clear focus in the OWS Policy Guide is to obtain voluntary compliance and completely avoid litigation, whether that litigation would be to recover moneys or to seek a penalty. Indeed, litigation by an OWS Advisor for breaches of an award or CA can only be initiated with the prior approval of senior executive management, after every other avenue is exhausted, including mediation to obtain voluntary compliance (OWS, 2004: clause 4.3). Prospective actions for penalties must be assessed against detailed criteria, including whether the breach was wilful, whether it is serious, the strength of the case, the cost of litigation and whether the employee can take their own private action or do so through a union or another organisation. These provisions are similar to the former Arbitration Inspectorate's policy discussed by Bennett (2004:157-158).

The OWS undertakes targeted compliance activities which may be conducted by phone, letter and workplace visits (DEWR, 2002-2003). This is a departure from the former approach under conservative governments to undertake regular if infrequent visits of all workplaces, but one which is likely to be a more efficient use of resources. Targeting decisions are made on the basis of the number of complaints received, the seriousness of the problem, the cost of a campaign and its likely outcomes (OWS, 2004: clause 4.2). Figures in Table 4 of the Benchmarking of Commonwealth and State Workplace Relations Inquiry and Compliance Services Annual Report (DEWR, 2000-2001) support a DEWR officer's statement to the Senate Estimates Committee that the OWS resolves 90% of claims by way of voluntary compliance procedures (Hansard, 2004a:151-152). The same table in the two earlier benchmarking reports shows a similar proportion of claims settled by voluntary compliance. If an offer of settlement is made, the decision whether to accept the settlement is for the claimant to make. The Advisor only provides information to assist the claimant in the decision making process, including costs of proceeding in court and the likelihood of success (OWS, 2004: clause 4). Details of actual settlements are not recorded.

Perhaps the most significant aspects of the OWS policy is that even if voluntary compliance methods fail, the OWS Advisers will rarely embark upon litigation to recover moneys owing. Amounts under $10,000 must generally be recovered by the claimant themselves in the small claims jurisdiction (OWS, 2004: Clause 5.3). In answer to Senate Question W211-04 in writing, the OWS stated that the investigating officer provides relevant information to claimants wishing to take a small claims action (Hansard, 2003). Of the seven prosecutions pursued by the OWS in 2002-2003, only three concerned amounts of less than $10,000 (Hansard, 2004b: 87). Indeed the DEWR 2002-2003 Annual Report states that while there were 299 litigation actions of unresolved complaints, 296 were small claims actions initiated by the employee themselves. Similarly, the Benchmarking Report 2000-2001 shows that 264 complainants had to proceed to the small claims jurisdiction in that year. Further, all these sources show that neither the OWS itself nor the contracted states commenced any remedial actions to recover penalties in either year. This issue is dealt with in detail in the next section.

BUDGET AND COMPLIANCE CASELOAD: As at 19 February, 2004, there were 91 OWS inspectors/Advisers (Hansard, 2004a:152). The estimated budget for OWS in 2003-2004 is about $20.5 million (DEWR, 2004). The budget includes the value of the contracts with the states. These values in 2002-2003 are as follows: Queensland, $1.001 million; SA, $429,000; Tasmania, $192,500; Western Australia, $230,000 (Hansard, 2003: Question W212-04). Of these figures, only the estimated budget for OWS was made public on a voluntary basis.
The DEWR Annual Reports provide only highly aggregated figures regarding the OWS compliance and inquiry services. The 2002-2003 Report shows that in that year, the OWS handled 5,555 complaint cases, and of those, breaches were established in 3,552. A total of only 2,230 claimants received payments. The total recovered by the OWS, inclusive of targeted activities, was $5.2 million. The equivalent totals in the states where compliance is undertaken under contract were $898,000, $700,000, $379,000 and almost $900,000 respectively (DEWR, 2002-2003, Tables 27 and 28). Neither DEWR nor the OWS categorise complaints according to the amounts of money claimed, but it seems likely that almost all claims are for amounts less than $10,000. A broad idea of the spread of claims can be gleaned from information the OWS provided on notice to the Senate Estimates Committee regarding the number of claimants it assisted other than by prosecution (Hansard, 2003; Question W216-04). The latter figures showed that of 1,282 complaints in the September quarter, 2003 regarding underpayment or non-payment of wages, 379 were assisted by the OWS other than by way of prosecution. Well over half involved recovery of less than $1,000, almost all concerned less than $5,000, and none were for amounts greater than $10,000. Again, none of the 1,282 complaints resulted in prosecution of the employer for a penalty (Hansard, 2003: Question W213-04).

The recovery of just over $6 million in unpaid moneys by way of voluntary compliance after the breach is brought to the employer’s notice for the whole of the federal system must be placed in the broader context of how much is recovered by unions for their members. On the whole, though, unions do not publish such details and in most cases do not even keep records of the total amounts they recover for their members. In practice, unions routinely recover unpaid wages without recourse to the courts, as well as mounting recovery actions on behalf of the employee concerned if needed, or acting as their advisor in small claims actions. In 2004, the Finance Sector Union reported that it had represented 5,262 members and recovered $11.8 million in “settlements” Australia wide in 2002-2003 (Finance Sector Union, 2004). These figures probably collapse recovered wages with other entitlements, such as compensation for unfair dismissal, but nevertheless they give some indication of employer non-compliance with industrial law and industrial instruments. Finally, as noted above, a review of case law shows that remedial actions for employer breach of collective industrial instruments are taken exclusively by unions and employees, an issue examined further in research yet to be published. The enforcement policy and activities of the OEA are quite different from those of the OWS.

**Office of the employment advocate**

The OEA states that it gives advice and can investigate complaints about breaches of:

- The coercion and duress provisions in relation to CAs and AWAs;
- Freedom of Association provisions;
- Right of entry for union officials into workplaces;
- Strike pay; and
- The National Code of Practice for the construction industry (OEA, 2004).

Information about the OEA’s enforcement activities is sparse. However, the focus is on alleged breaches of the WR Act by unions, and unlike the OWS approach to non-compliant employers, the OEA favours court proceedings seeking penalties against unions. In 2001-02, it received a total of 868 complaints, but in 2002-2003, only 212 complaints. The decline is said to be due to the establishment of IBIT (OEA, 2004:32). In 2002-2003, the OEA commenced two new actions against unions, and successfully finalised four other cases. Two of the finalised cases were in the Federal Court concerned the CFMEU, and two in the Industrial relations Commission were applications to remove objectionable provisions from CAs because they gave preference in some way to union members. Section 83BB(1)(e) of the WR Act also gives the OEA exclusive power to investigate ‘alleged breaches of AWAs, alleged contraventions of Part VID and any other complaints relating to AWAs’. Although there were 171 AWA ‘complaints’ in 2002-2003, there were no recorded AWA enforcement cases against employers, and no discussion of the nature of the complaints or how they were settled in any public OEA document. The OEA’s annual budget in 2002-2003 was around $17 million, but it is uncertain how much was designated for compliance activities compared to AWA related functions. Of the three agencies, the activities and policy of the OEA require the most additional research. The position with respect to the BIT is much clearer.
The building industry taskforce

It is perhaps ironic that legislation increasing the penalties for breach of awards and agreements emerged from the ashes of the Building and Construction Industry Improvement Bill 2003, a Bill that sought to subject building unions to extremely close control and scrutiny, and severe legal sanctions. It put the recommendations of the Cole Royal Commission into the Building and Construction Industry into statutory form (Australian Parliamentary Library, 2003). The Bill included provision for a separate monitoring and regulatory body in the industry and provisions expanding the definition of industrial action, restricting the rights of building unions and widening their legal culpability for the conduct of officers and members, outlawing pattern bargaining, widening freedom of association provisions, ousting the availability of state law, improving safety and strengthening compliance by way of higher penalties and greater access to damages. It suffered trenchant criticism from employers in the building industry, the union movement, industrial relations commentators and labour law scholars, but was supported by peak employer organisations such as the Australian Industry Group. The Senate rejected the Bill, with the Democrats saying it could not be “saved” by amendment. However, the Democrats were prepared to support legislation which increased penalties in the WR Act, including those for breach of the coercion and freedom of association provisions, and of awards and agreements. The resultant Codifying Contempt Offences Act 2004 (Cth) tripled the penalty for breach of a term of an award to $16,500 for bodies corporate and for breach of a term of a CA to $33,000 for bodies corporate. It also disqualifies officials from holding office in a union if they are convicted of a criminal offence but their sentence is suspended, gives protection to union employees who “blow the whistle” on their employer and gives wider powers to BIT to collect evidence and require persons to provide information.

The BIT takes a pro-active approach to its “enforcement” responsibilities, at least in regard to taking actions against unions. The Cole Commission suggested the formation of IBIT as an interim step to the implementation of all its recommendations and was established administratively on 1 October 2002 as a distinct unit within DEWR. Announcing its establishment, the Minister for Workplace Relations said it would ‘investigate anyone, union official, contractor or subcontractor, reasonably suspected of operating in this industry in breach of the law and will refer suitable cases for prosecution’ (Abbott, 2002). BIT’s ‘Charter’ states that it ‘investigates and refers for appropriate prosecution, breaches of Commonwealth industrial, criminal and civil laws on building and construction sites’ and has prime responsibility for:

• Application of provisions in the WR Act relating to freedom of association, coercion in agreement making (but not duress), right of entry and strike pay;
• Requests for assistance from the parties in the industry;
• Alleged breaches of industrial relations provisions of the National Code of Conduct for Building and Construction;
• Cases referred by the Cole Commission;
• Alleged breaches of awards and agreements;
• Advice and assistance on the application of the WR Act, federal awards and agreements and related legislation; and
• Assessing matters and if appropriate referring them to other Commonwealth or State bodies…(BIT, 2004a).

IBIT’s 2004 report declared that it provides advisory, compliance and educative services to the industry (Hadjgkiss, 2004:1). The report had a distinctly anti-union flavour, casting the CFMEU as a villain so ruthless that contractors and sub-contractors alike were completely intimidated by its behaviour. It stated that the CFMEU was overtly hostile to Taskforce investigators and included reproductions of union posters labelling the inspectors ‘goons’ who were ‘after your union wages and conditions’ and advising members to ‘Tell em Nothin, Take em No-Where, Drop em half way’ and ‘Shed up, and don’t go back to work until Abbott’s rats have left the site’ (Hadjgkiss, 2004:6-7). IBIT reported that two-thirds of complaints were about union activity (Hadjgkiss, 2004: iv), and that widespread unlawful activity by the CFMEU continued in the industry, including activity of a criminal nature. It did not report on the one third of complaints about employers, or about any unlawful activities by employers. By turns delighted with and disgusted by the 2004 Report, Kevin Andrews, the new Minister for Employment and Workplace Relations, made IBIT permanent in March 2004 (Andrews, 2004).
BIT officers actively police industrial relations in the building industry. In the period October 2002 to 26 August 2004, the Taskforce received 2,052 matters on its telephone Hotline, “resolving” almost half within three days. It undertook 296 investigations, referred “22 briefs of evidence” to external agencies, placed 12 matters before the courts and made 2223 site visits (BIT, 2004). The annual budget assigned to the Taskforce in 2002-2003 was $8.9 million. There are 47 taskforce officers, 20 of whom were seconded from the Office of the Employment Advocate, and all of whom have the powers both of inspectors and of authorised officers under the WR Act, but these officers do not take up any recovery of wages cases at all.

BIT does not provide reports on the extent of employer breaches because its activities are structured to ensure employer non-compliance does not come within its “remit”. The Director, Nigel Hadgkiss, admitted after close questioning in a Senate Estimate Hearing that BIT does not investigate any allegations against employers for failing to pay wages or entitlements, breaches of safety, tax avoidance, avoidance by “phoenix” companies of paying subcontractors and the use of illegal immigrant workers. These breaches have been a major concern of building unions, but they are not, according to Mr Hadgkiss, within what he called BIT’s “remit”, a disingenuous suggestion given the published responsibilities of the Taskforce. Alleged employer breaches are referred to other agencies: to the OWS, the Tax Office, the police, the ACCC, the Director of Public Prosecutions and ASIC (Hansard, 2004a: 172-181). What happens to these complaints is, at present at least, unknown. Indeed, all BIT’s prosecutions are against unions, save one taken against an employer for paying wages for a period of industrial action in contravention of s 187AA. Like the OEA, BIT’s prosecutes unions mainly for alleged breach of the coercion and freedom of association provisions, but also for breach of disputes procedures in CAs. The three-fold increase in penalties mentioned above is likely to have a disproportionate effect on unions compared to employers who breach awards and agreements.

**Conclusion**

The analysis in this paper builds on Bennett’s groundbreaking work in the early 1990s, and has incorporated more recent advances in regulatory theory, particularly regarding enforcement of occupational health and safety law. Several important conclusions can be drawn. From a theoretical perspective, there is no question that the Howard Government’s reconstruction of industrial enforcement in the Australian federal system reflects a return to the usual conservative enforcement policy and practice first identified by Bennett in 1994. Further, the structure, policies and activities of the new agencies support the claims made by regulatory theorists discussed in an earlier section of the paper. The Arbitration Inspectorate has been replaced with three separate but related agencies, all of which pursue the same policy imperatives: to seek voluntary compliance from employers, not to seek remedial penalties against miscreant employers, and to disguise the extent of employer law breaking. The OWS in particular operates in ways that have effectively shifted the burden of enforcing employer compliance with awards and agreements to individual employees and unions. The two newer agencies, the OEA and the BIT have used their comparatively substantial budgets to focus almost exclusively on union compliance with the WR Act. They have pursued these enforcement activities with grim vigour, including litigation in the Federal Court to recover penalties and injunctive remedies. These conclusions flow quite logically from the research performed so far. Nevertheless, further research of an empirical nature is needed to progress the research on which this paper is based to its next logical phase.
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The fourth transformation of Singapore’s industrial relations

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ABSTRACT

Three transformations of Singapore’s industrial relations have been discernible since 1959, when the Peoples Action Party (PAP) was elected into office, and 1986. There was an interregnum between 1987 and 1997, when Singapore experienced a long decade of economic growth and such modifications to its industrial relations system as were made, were not transformational. The Asian economic crisis of 1997 triggered a fourth transformation — one that has implications for the broader debate about the future of work in industrial market economies — under the official rubric of ‘Manpower Planning’. The aim of this paper is to apply a strategic choice model to explain this latest transformation. The paper concludes that a strategic choice approach is an appropriate heuristic for the transformation of Singapore’s industrial relations system.

Introduction

The strategic choice model of industrial relations was developed by Kochan et al. (1986) to explain the transformation of American industrial relations that they claimed the systems model (Dunlop, 1958) was unable to do. Since 1986, their approach to industrial relations has been applied in other parts of the world. Methodologically, it presupposes significant knowledge organised according to a systems schema. Therefore, observations of industrial relations in Singapore, with its colonial and post-colonial political history, presuppose that the facts acquired by observation are knowledge dependent. This is not a problem so long as one does not require ‘that the confirmation of facts relevant to some body of knowledge should precede the acquisition of any knowledge’ (Chalmers, 1999, p. 14). Consequently, we use the strategic choice model here to explain the latest transformation of Singapore’s industrial relations. We conclude that a strategic choice approach is an appropriate heuristic for the transformation of Singapore’s industrial relations system and note that the transformation itself has implications for the debate about the future of work that engages industrial relations academics such as James et al. (1997) in industrialised market economies.

The strategic choice model

Although sometimes represented as a paradigm shift (Chelius and Dworkin, 1990b, pp. 2, 14-16), the strategic choice model qualifies and builds on systems theory as applied from Parsons (1951) to industrial relations by Dunlop (1958). Kochan et al. (1986, p. 11) refer to their approach as one that ‘draws from the rapidly growing theoretical paradigm that integrates the traditional theories of industrial relations systems with the literature on corporate strategy, structure and decision making’ (author’s emphasis). Their strategic choice approach embodies a general framework for analysis of industrial relations issues, which includes participants’ strategic choices, and a three-tier institutional map of industrial relations institutions.

The leader and strategist in transforming Singapore’s industrial relations has been the People’s Action Party (PAP) Government, which includes cadre trade unionists (Leggett, 1993, Chew and Chew, 2003), whereas Kochan et al.’s analysis of the transformation of American industrial relations attributes these roles to management. It may be that to make it relevant elsewhere the modifications to their strategic choice approach, upon which Koch et al. speculate, could include a relocation of the strategic initiative for change, to the chaebol in South Korea for example (Kwon, 1997; Kwon and Leggett, 1994; Kwon and O’Donnel, 1999).
Four sequential transformations of Singapore’s industrial relations are identified (Table 1).

<table>
<thead>
<tr>
<th>Colonial Administration to 1960</th>
<th>Regulated Pluralism to 1968</th>
<th>Corporatism to 1979</th>
<th>Corporate Paternalism to 1997</th>
<th>Manpower Planning ongoing</th>
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<tbody>
<tr>
<td><strong>Colonial government</strong></td>
<td>PAP Government</td>
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<td>PAP Government</td>
<td>PAP Government</td>
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<tr>
<td>The unsuccessful suppression of politicised to the promotion of economistic trade unionism regulated by union registration</td>
<td>To regulate industrial relations and employment terms and conditions by law. To cultivate politically loyal trade unionism. To leave rival unions to decline</td>
<td>To place legal constraints on collective bargaining. To incorporate trade unions into the PAP-NTUC symbiosis. To involve employers with the PAP-NTUC through NWC wage fixing.</td>
<td>To restructure the economy through wage reform. To promote technocrats as union leaders. To restructure unions and redefine trade unionism. To facilitate flexible HRM</td>
<td>To respond to globalisation by transforming industrial relations into strategic HRM, called ‘manpower planning’</td>
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**Strategic choices made by trade union leader**

<table>
<thead>
<tr>
<th>Fronts and Federations</th>
<th>Fronts and Federations</th>
<th>NTUC</th>
<th>NTUC</th>
<th>NTUC</th>
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</thead>
<tbody>
<tr>
<td>Challenge to authority through labour unrest (Leftists) Confrontational bargaining (Moderates)</td>
<td>To identify with Barisan Sosialis (SATU) or with the PAP (NTUC).</td>
<td>To abandon confrontational bargaining for cooperatives and social welfare provision</td>
<td>To strengthen the NTUC leadership with technocrats To restructure unions along industry and enterprise lines</td>
<td>To engage with MOM and SNEF to increase workforce mobility and promote lifelong learning</td>
</tr>
</tbody>
</table>

**Strategic choices made by employers**

<table>
<thead>
<tr>
<th>Government as Employer and Employers</th>
<th>Government as Employer, NEC and SEF</th>
<th>Government as Employer, NEC and SEF</th>
<th>Government as Employer, and SNEF</th>
<th>Government as Employer and SNEF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grudging compliance with the promotion of trade unionism</td>
<td>To comply with the legal regulation of industrial relations and dispute settlement</td>
<td>To participate in centralised wage-fixing through the NWC</td>
<td>To recommend and adopt some Japanese employment relations practices</td>
<td>To engage with MOM and NTUC to increase workforce flexibility and mobility</td>
</tr>
</tbody>
</table>

They are: from colonial administration to regulated pluralism, 1959-1967; from regulated pluralism to corporatism, 1968-1978; from corporatism to ‘corporate paternalism’, 1979-1986, anticipated by Deyo (1981, pp. 95-107); a fourth transformation, referred to in Singapore as
‘Manpower Planning’, begun in 1998 but not yet completed. Also discernible is an interregnum of consolidation and minor modification from 1987 to 1997.

**From colonial administration to regulated pluralism, 1959-1967**

The strategic initiative for this first transformation of Singapore’s industrial relations lay with the PAP Government that came to office in 1959, led by Lee Kuan Yew. With intent to industrialise Singapore, it passed the *Industrial Relations Ordinance* 1960 to regulate collective bargaining and dispute settlement through conciliation and judicial arbitration. Its ‘moderates’ used their office and the *Internal Security Ordinance* 1948 to demoralise their ‘Leftist’ colleagues and promote a National Trades Union Congress (NTUC). A former ‘Leftist’, C. V. Devan Nair, brought trade unionists under the NTUC umbrella and then the NTUC into a symbiosis with the PAP to achieve the regulated stability that had eluded the colonial administration (Media Masters, 2003). 1960 to 1967 saw the end of politised labour and a decline in adversarial industrial relations, but the Ministry of Labour’s conciliation caseload remained high (Ministry of Labour, *Annual Report*, 1960-1967).

The *Trades Disputes Act* 1941 and the *Criminal Law (Temporary Provisions)* Act 1955 had already limited the capacity of unions to take industrial action in essential services, made politically motivated strikes illegal and banned secondary picketing when the President of the Public Daily Rated Employees Unions Federation (PDREUF) had, in December 1966, called for a strike in support of a wage demand, a strike that was made unlawful by virtue of the Government referring the dispute to the Industrial Arbitration Court (IAC). An affiliate, the Public Daily Rated Cleansing Workers’ Union (PDRCWU) went on unofficial strike in January 1967 and both the PDREUF and the PDRCWU were deregistered two months later. The Government banned all strikes in certain essential services and required separate unions for each statutory board. The strike was a ‘turning point in Singapore’s industrial history’ and prepared the workers for the changes the Government was planning to make to the labour laws. (Lee, 2000, pp. 106-107).

**From regulated pluralism to corporatism**

The effects on the scope and content of collective bargaining and on the role of trade unions of the *Employment Act* 1968 and the *Industrial Relations (Amendment)* Act 1968 were in many ways greater than those of Singapore’s transition to self-government and independence. The immediate purpose of the legislation was to counter the loss of jobs anticipated as a result of the withdrawal of British military bases from Singapore. The *Industrial Relations (Amendment)* Act 1968 extended the duration of collective agreements and made it an offence for a trade union to raise for collective bargaining matters of management prerogative. The *Employment Act* 1968 set out the minimum terms and conditions of employment for the workforce and, for the bulk of the manual workforce, the *Industrial Relations (Amendment)* Act 1968 confined these terms and conditions of service in a collective agreement to those prescribed as minima under the *Employment Act* (Leggett et al., 1983, p. 57). As a result the number of disputes and working days lost fell, but so did trade union membership (Ministry of Labour, *Annual Report*, 1968-1971). If the NTUC was to play a significant part in the Government’s human resource strategy for economic development, it had to be revitalised. Revitalisation, it was advised by the PAP leaders and announced by NTUC senior officers at a seminar *Why Labour Must Go Modern* in 1969, would be by establishing consumer cooperatives and providing welfare services (National Trades Union Congress, 1970).

The direction of the transformation in this period was sustained by the passing of the *National Wages Council Act* 1972 and strengthened by the authority of the wage guidelines of the resulting National Wages Council (NWC) (Oehlers, 1991, p. 287; Tan, 2004, p. 222). It also may have contributed to the turnaround in 1973 of a declining union membership (Conversation with the former NWC Chairman, 30 October 2003).

As with the first transformation this one included a significant strike - at Metal Box in 1977 (Deyo, 1981, p.50) - which, as it was the last strike in Singapore carried out without the tacit consent of the Government, might be seen as another turning point in the history of Singapore’s industrial relations.
By 1979, Singapore’s industrial relations had been transformed from a system of a regulated plurality into a system in which trade unions, by being a partner in government, had their activities were constrained for the sake of economic development; and, in 1979, the Singapore Government was ready to restructure the economy and encourage another transformation of industrial relations (Leggett, 1988).

From corporatism to corporate paternalism

Qualitative change to the NTUC leadership, trade union restructuring and redefinition, and wage reform were the key changes that made up the third transformation of Singapore’s industrial relations. A merger of the two major employers’ associations tidied up the national tripartite structure. The strategic initiative remained with the PAP Government but the transitions were not always enthusiastically embraced: there was a work-to-rule by aircrew of Singapore’s flag-carrier airline (Leggett, 1984) and passive resistance to trade union restructuring. Workers were scolded for inappropriate work attitudes and a recession led to a re-think about the pace of change. As with the first two transformations, this one ended with a strike, paradoxically one sanctioned by the Minister for Labour (Asiaweek 10 March 2000).

The induction into the NTUC of young technocrats got off to an unfortunate start when the Prime Minister effectively dismissed former naval architect, Lim Chee Onn, from the NTUC Secretary-Generalship (Straits Times, 13 April 1983) and concessions had to be made to ‘grass roots’ leaders in the NTUC. Lim’s successor, Labour Minister Ong Teng Cheong, made clear his unitarist credentials by declaring that even resort to conciliation and arbitration was ‘a sad state of affairs’ (National Trades Union Congress, 1984, p. 1).

By the late 1970s, economic success had brought Singapore a tight labor market and anxiety about being caught in the low wage trap. To avoid the trap it would take an institutional approach of greater sophistication than hitherto. Thus, from 1979 to 1981 the unanimous annual recommendations of the authoritative NWC substantially boosted wage levels in Singapore with the deliberate intention of shifting capital-to-labour ratios to slow employment growth and raise productivity. It would seem that the high wage policy had the intended effect on productivity as there was a reported increase over the 1970s of an annual growth rate of from two-to-three percent, to four percent in the early 1980s. The possible inflationary effect of the wage increases was offset by increases in the employers’ and employees’ compulsory contributions to the state-managed Central Provident Fund (CPF), which had become a more complex instrument of economic and social policy under the sophisticated corporatism of the 1980s. In hindsight the policy was premature, and in 1986, when the Singapore economy was in recession, had to be corrected (National Wages Council, 1986; Mauzy and Milne, 2002, p. 10).

Partly to avoid concentrations of power, in 1979 the NTUC began to restructure omnibus unions into industry-wide ones but it was a commitment to the emulation of Japanese industrial relations that caused the restructuring to be taken further by the promotion of house unions ‘better able to promote the bond and cooperation between the employee and the company’ (The Straits Times, 27 July 1984). Union restructuring provoked some resistance from some trade unionists (Leggett, 1988, p. 249), but the redefinition of trade unions by substituting the ‘purposes’ of the promotion of ‘good’ industrial relations, the improvement of working conditions and the achievement of productivity for the confrontational ‘objects’ of the original British legislation completed the transformation of their experiences of trade unionism (Leggett, 1993, p.242).

The changes that constituted the fourth transformation of Singapore’s industrial relations, although foreshadowed, did not begin until after the 1997 Asian economic crisis and remain in progress in 2004. Meanwhile, in the long decade that followed the industrial relations issues that presented themselves, although important, were not in themselves transformational.)

The decade of growth, 1987-1997

In Singapore, 1987-1997 has been represented as between crises and labeled the ‘decade of growth’ (Ee, 2001, p. 87). Following the 1985-1986 recession an Economic Committee made recommendations on wages (Ministry of Trade and Industry, 1986). Wage rigidities, which had partly resulted from past NWC recommendations, were to be removed; wage levels were to reflect job worth and employee productivity, and companies were to use the variable components in
pay as incentives (Tan, 2004, p. 223). In spite of the economic recovery the NTUC continued in 1987 to urge wage restraint and wage reform. This was consistent with NWC recommendations (Ministry of Labour, 1987), to which the NTUC was a party, that, in line with the Economic Committee’s recommendations that wages should lag productivity growth and that as much as possible of total wage increases should be in an annual variable component (AVC). The employers’ contribution to the CPF, which had been cut from 25 to 10 percent of total wages in 1986, was increased over the decade to 20 percent, and the employees’ contribution, which had remained at 25 percent, was reduced by 5 percentage points over the decade to make a combined contribution of 40 percent by 1991, an achievement maintained until the decade’s end (Ministry of Labour, 1987-1997).

**Singapore’s fourth industrial relations transformation**

The changes that constitute the fourth transformation of Singapore’s industrial relations, although foreshadowed, did not begin until after the 1997 Asian economic crisis and remain in progress in 2004. An account of Singapore’s fourth transformation may be seen as relevant to the ‘major debate in industrial relations research over the past decade…over whether or not some fundamental transformation is occurring in the industrial relations systems of different countries in response to the internationalisation of markets, technological innovations, and increased workforce diversity’ (Locke et al., 1995, p.139). Because of its requirement for workforce flexibility and because of the new behavioural and attitudinal demands it makes on Singapore’s employees as a consequence, the fourth transformation, has implications for the broader study of the future of work.

In 1998, the Government transformed Singapore’s Ministry of Labour into the Ministry of Manpower (MOM). MOM’s mission was to develop a globally competitive workforce and foster a highly favourable workplace to achieve sustainable economic growth for the well being of Singaporeans, reflecting in Singapore the worldwide development of industrialised economies adjusting to the imperatives of globalisation and technological advance.

The Singapore authorities’ response to the 1997 Asian financial crisis did not of itself constitute the beginnings of the fourth transformation of industrial relations. The immediate response was similar to that triggered by the 1985-1986 financial crisis: a raft of cost-cutting measures to sustain the competitiveness of local invested corporations (Ministry of Trade and Industry, 1986, 1998; Tan, 2004, pp. 296-320). Singapore economists reported the immediate measures as ones ‘that could be taken to reduce costs in order to save jobs, as well as on skills upgrading to ensure life-long employability’ (Chew and Chew, 2000, p. 11). On the labor front it was thought sufficient to reduce the variable components of wages that had been introduced in the third industrial relations transformation but this proved not to be so and employers’ contributions to the CPF were cut (Tan, 2004, pp. 301 and 303). A broader and longer term strategy involving the institutions of industrial relations and thereby a transformation of the industrial relations system was undertaken under the rubric of ‘Manpower Planning’. ‘Manpower Planning’ has been adopted as the tripartite label for a national response — made after consultation with eminent management and industrial relations academics with global reputations — to the global forces that are seen to require a shift in the way work is organised and done and in the way working life is lived. In particular, in Singapore, it is represented as an investment in people in order to transit to a knowledge economy (Ministry of Manpower, 1999, p. 7).

**The government’s manpower planning strategy**

The 1999 Ministry of Manpower’s blueprint, Manpower 21, identified six strategies with accompanying recommendations on how to pursue them and named the leading partners. The six strategies are: (1) the integration of manpower planning; (2) the development of lifelong learning for lifelong employability; (3) the augmentation of the talent pool; (4) the transformation of the work environment; (5) the development of a vibrant manpower industry; (6) the redefinition of partnerships. Of its 41 recommendations, 33 require MOM to take the lead, and one each the Ministries of Trade and Industry, Finance, Education and Environment but involving the Ministry of Manpower. The lead partners with MOM specifically include the NTUC and the SNEF for strategies (2), (4) and (6).
For lifelong learning and employability they are required to ‘Continue to provide support for workforce development programs targeted at older and less educated workers, and for developing manpower for strategic industries’. Their responsibilities within the transformation of the work environment are to ‘Promote best HR practices by developing national recognition awards for companies with exemplary HR practices and organising HR conferences’. The roles of the SNEF and NTUC together with that of MOM in redefining partnerships is to organise an annual Manpower Summit and ‘Introduce a Labour Management Partnership Programme to support joint labour-management initiatives’ (Ministry of Manpower, 1999, pp. 52-58). Apart from the involvement of these industrial relations institutions in manpower planning, there is little in the recommendations that relates to the industrial relations of the past except for MOMs responsibilities for occupational, health and safety, workmen’s compensation and amendments to the Employment Act 1968 for greater flexibility.

The NTUC’s strategy for manpower planning

The NTUC’s blueprint, NTUC 21 (National Trades Union Congress, 1997) was produced two years before MOM’s Manpower 21. It identified five pillars for the labour movement in the 21st century: ‘Enhance Employability for Life’; ‘Strengthen Competitiveness’; ‘Build Healthy Body, Healthy Mind’; ‘CareMore’; ‘Develop a Stronger Labour Movement’ (National Trades Union Congress, 1997). A concern here, however, expressed as an imperative in Manpower 21, was the shrinking union membership base affecting the NTUC’s strength as a ‘social partner’. Thus Manpower 21 exhorted the ‘tripartite partners’ to ‘jointly review these issues and study how union membership and leadership could be strengthened so that unions can continue to be an effective partner in Singapore’s tripartite framework (Ministry of Manpower, 1999, p. 48).

Membership growth was the fourth of eight NTUC key programs for adapting to the new work environment (see below) and there has been a continuous growth in absolute trade union membership since 1997. In the last few years this has begun to outstrip employment growth, with density in 2003 passing 20 percent. Since 1997 there have been some changes in the structure of the NTUC mainly towards industry-wide unions and away from the once preferred house unions by amalgamation and merger. Only a few unions chose not to affiliate with the NTUC and they include those representing airline pilots, some catering workers, motor workshops employees and print and media employees.

Anticipating a state of ‘constant job churn’, as well as aiming to equip workers with medical benefits, union memberships and individual training accounts that are portable between employers, the NTUC has put in place eight key programs (NTUC, 2001, pp. 3-6). They deal with community development, industrial relations for competitiveness, leadership development, membership growth, employment and training, productivity push, skills upgrading, and workplace health. They may be seen as: (1) multi functional — the functions of social development, employment management, union agency maintenance and development, and human resource development; (2) operating at different levels — society, work community and workplace; (3) integrating the functions of maintenance, management and development and the different levels with and within the labor movement. When configured in this way they constitute a transformation of the labor movement commensurate with the transformation of Singapore’s industrial relations system.

The employers’ role in manpower planning

While the Chambers of Commerce and the Singapore Manufacturers’ Federation (SMF) have representation on the NWC, the Singapore National Employers’ Federation (SNEF) is the key representative of employers in the national Manpower Planning strategic initiative. Complementing MANPOWER 21 and NTUC 21, SNEF 21 (Singapore National Employers’ Federation, 1997) SNEF listed the following strategies for the new millennium: pursue productivity, stay competitive, win workers, create more high value-added jobs, cultivate corporate citizenship (Tan, 2004, p.119).

The issues considered by the SNEF in 2000-2001 were the NWC recommendations, the representation of executives in rank-and-file unions, portable medical benefits, the monthly variable component, and retrenchment benefit guidelines. The SNEF’s Secretariat comprises salaried appointees and in 2001 included two secondments from MOM. The role of the SNEF
in industrial relations is largely determined by its commitment to Singapore’s tripartism. Thus, the issues that are the concern to MOM and the NTUC are much the same as those that are the concern of the SNEF, but with the SNEF’s greater concentration on labor costs, especially the NWC’s annual wage guidelines, the level of employers’ CPF contributions and the retirement age, which was again increased (to 62 years) in 1999 (Singapore National Employers’ Federation, 2001). The SNEF’s activities that reflect and complement the NTUC’s and MOM’s manpower planning strategies include labour and salary surveys and the provision of a range of courses in management, administration and human relations skills. Its Diploma in Management specialises in Industrial Relations and Human Resource Management. As well as its representation on the NWC and the CPF Board, the SNEF is represented on a range of community bodies.

Globalisation, increased competition and the increasing acceptance of the doctrine of economic rationalism, have created a whole new set of contingencies for management in Singapore, in particular for those managers that were once safely within the public sector. Increased exposure to the business environment has required them to hone their management skills, set strategic directions and be more responsive to markets. Not excluded from the Manpower Planning strategy imperative is the management of human resources, represented professionally in Singapore by the Singapore Human Resource Institute (SHRI) and to some extent by the Singapore Institute of Management (SIM), especially by its extensive management education programmes. Employers and managers are highly institutionalised in professional and developmental organisations in Singapore and where not officially represented are regularly consulted by the Government and employers.

The NWC and a competitive base wage system

The NWC had been urging an increase in the proportion of wage increases being paid as a variable component when, in 2003, the Government-commissioned a report from a ‘Tripartite Task Force’, on wage restructuring (Ministry of Manpower, 2004). Its recommended a Competitive Base Wage System and urged a move away from a seniority based wages with a 70 percent basic wage, a 20 percent annual variable component (AVC) and a 10 percent monthly variable component (MVC) for rank-and-file employees; and 40 percent and 50 percent variable components for middle and top managements, respectively.

Discussion

Singapore’s industrial relations transformations have been in response to the state of the world economy, although partly precipitated by immediate local and regional crises. The first was a result of commitment to industrialisation by a Government released from the constraints of colonial administration. The second was the result of pre-empting the employment effect of the withdrawal of the British military base from Singapore. The third was due to a realisation that if the standard of living of Singaporeans were to continue to rise, MNC investment had to shift to high technology, high value-added production. These three transformations involved institutional changes that have determined the infrastructural arrangements for the fourth.

Tripartism was organised in a range of public sector institutions, from statutory boards to industrial arbitration. While these arrangements remain, the transition from a corporatist to a corporate emphasis has added another dimension to tripartism. This corporate emphasis is particularly apparent in Manpower 21 with its different combinations of participants for achieving each of its forty odd recommendations. Of the three parties, the strategic initiative remains with the Government although the NTUC and SNEF blueprints for the 21st Century predated that of MOM. Because of the strength and seniority of the PAP-NTUC symbiosis, it can be assumed the NTUC’s program had the de facto endorsement of the Government.
Summary
Following the quick recovery from its 1985-1986 economic crisis and during a long decade of economic growth, the industrial relations system of Singapore that emerged from the third transformation - from corporatism to corporate paternalism - was consolidated and refined rather than transformed. A further transformation, this time triggered by the Asian financial crisis of late 1997 continues to this day (2004) and appears to be, in a concentrated form, what many of the older industrialised countries have been experiencing for a couple of decades or so, or longer in the USA according to Kochan et al. (1986), a comparison with which could be justified by the concertina effect of ‘late, late’ industrialisation (Dore, 1979). Heralded as ‘Manpower Planning’ it aims at achieving workforce flexibility and mobility, as opposed to the discipline and diligence of the first and second transformations and the company loyalty and stable employment of the third, to ensure employability as global competition intensifies and technologies advance. The strategic initiative for transformation lies with the Government, but is reinforced through the programs led by MOM and shared with the NTUC and, to a lesser extent, the SNEF, and implemented through the complex of corporatist institutions established and developed in the earlier transformations of Singapore’s industrial relations.

Conclusions
While the original strategic choice model was predicated on the strategic initiatives of management, the strategic initiatives of Government in the Singapore case for four distinctive transformations has largely determines the strategic choices of the other two ‘actors’. With regard to levels of industrial relations activity, the legitimacy conferred by tripartism has ensured that the required responses permeate to all levels, from senior management to the shop floor, particularly with wages policies. Consequently a difficulty encountered with the representation of Singapore’s industrial relations transformations is that the NTUC-PAP symbiosis overshadows such experiences and attitudes workers themselves may have had which might have differed from the official line.

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How could pay practices in New Zealand Public Service organisations contribute to the gender pay gap?

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ABSTRACT

This paper examines pay practices in selected Public Service organisations in New Zealand and analyses how those practices might lead to gender-based pay discrimination. We find that there is a little awareness in the departments of potential gender biases in their pay systems and that departments have limited capabilities to monitor the work of extensively employed remuneration consultants. Conversely, departments seem to better understand the limitations of salary surveys they utilise. Line managers play a central role in implementing each organisation's remuneration policies. However, their training focuses on performance management. In order to minimise gender bias in pay practices we suggest that departments carry out a gender audit of their remuneration practices, introduce gender-neutral job evaluation systems, and broaden line management training and that government actively promote best practices that reduce gender discrimination in remuneration.

Introduction

This paper sets out to examine pay practices in Public Service organisations in New Zealand and analyses how those practices might lead to gender-based pay discrimination. We focus on organisational pay practices, as pay inequalities between males and females are the product of remuneration decisions carried out by organisations. The NZ Public Service comprises 38 departments, employing around 33,000 workers of which 56% are female and 58% are unionised. In 2002 women full-time public servants earned 86.2% of equivalent male gross annual base salary (Gosse and Ganesh, 2002). This raw gender pay gap is divided into two parts: the "explained" gap, which shows how much the differences in the wage determining characteristics between males and females contribute to the gender pay gap (e.g. differences in tenure, age, etc.) and the "unexplained" gap, focusing on how much the differences in the returns to the same wage determining characteristics contribute to the gap. If no gender discrimination in pay exists, there should be no differences in the returns to the same characteristics. Usually the "unexplained" part of the wage gap is considered to be the result of discrimination, although its size is also dependent on how well the wage determining characteristics are defined and measured. At the same time, being part of the "explained" pay gap does not automatically mean that no gender discrimination exists, the best example being the horizontal and vertical segregation of female employees into lower paid occupations.

We first review the literature that identifies the various elements in pay practices that could be the subject of gender bias and, as a result, may contribute to the gender pay gap. We focus on both direct and indirect discrimination. Direct discrimination happens when women are disadvantaged because of decision-making directly related to their gender, while indirect discrimination occurs when a criteria universally applied to both men and women has a disproportionately negative impact on women compared to men (Bryson et al., 1999).

The literature review is followed by the description and analysis of organisational pay practices that we collected through structured interviews with HR managers in five government departments, focusing on three occupations. We conclude with highlighting the major problem areas we identified in the pay practices of these selected organisations that could lead to gender-based pay discrimination and with suggestion for action.
Literature review

In this section we review the literature on the different elements of the pay setting systems that could produce gender bias. These include job evaluation systems; processes surrounding the decisions regarding starting salaries; use of market data, and performance pay systems, including the performance criterion, performance evaluation processes; the link of performance to pay.

Job evaluation is a process whereby the relative worth of jobs are determined systematically to establish their differential worth. It is built on a series of subjective judgments; however, those judgments are arrived at by going through a set of systematic steps. There are several studies that point out how job evaluation systems could produce biased estimates of the worth of female jobs (Arvey, 1986; Steinberg and Haigene, 1987; Weiner and Gunderson, 1990; Figart and Kahn, 1997; Steinberg, 1999). Gender bias could be found in job evaluation in the choice, definition and application of compensable factors by (1) differentially valuing a factor when is found in male jobs vs. female jobs; (2) confusing job contents with stereotypes about inherent female attributes; (3) ignoring factors that are found in women's jobs (invisibility of women's skills); and (4) having an insufficient range of a given factor to reflect the difference between male and female jobs. Using current salaries for calculating weights could also lead to pay discrimination as gender bias is likely to be embedded in current wages leading to existing gender inequities to be further perpetuated (Weiner and Gunderson, 1990). Mount and Ellis (1989) identifies indirect bias in job evaluation, where jobs perceived to be high paying are assigned higher job evaluation points than those perceived as low paying. Grams and Schwab (1985) report a similar result on how current pay level consistently influences the relative and absolute value of job evaluation scores.

Looking at starting salary setting processes, Gerhart (1990) and Kunze (2002) found that there are substantial differences in starting salaries between females and males even after controlling for differences in various employee and job characteristics. Aigner and Cain (1977) and Nieva and Gutek (1980) argue that employers engage in “statistical discrimination” when hiring new employees. Sex stereotypes about women's labour market behaviour – such as higher expected turnover or higher absenteeism negatively affecting their productivity – could lead to gender bias and discriminatory behaviour by risk averse employers. Other researchers argue that women's cultural conditioning leads to their less assertive behaviour in salary negotiations that, in turn, could result in lower starting salaries for females (Rubery, 1995).

As to the use of market data, commercial salary surveys used by organisations are seldom representative, as they contain salary information only from those organisations that are their customers. However, if current pay practices represented in market wages undervalue women's work then even representative survey data will contain gender bias. Further systematic gender bias could be introduced by the use of market data if lower-paying organisations are surveyed for typically female jobs, while higher paying ones for male jobs. This could happen relatively easily, as low wage industries are often employ a high proportion of females (Weiner and Gunderson, 1990). Research in the UK shows that employers' increasing use of flexible and market based pay systems has contributed to the widening of the gender pay gap between men and women (IRS, 1992).

Regarding performance related pay, there is mixed evidence of gender discrimination in performance evaluation processes. A study by Bevan and Thompson, (1992) reported distinct gender bias in performance assessment. Women tend to be evaluated more highly on stereotypical female behavioural traits and less highly on stereotypical male traits (Bryson et al., 1999). Auster (1989) argues that variation in task characteristics influences the degree of evaluation subjectivity and the degree of job sex typing, which could lead to gender bias both in the performance appraisal and salary allocation processes. Peterson et al. (1971) posit that when clear standards exist and when there is increased information regarding performance, evaluation bias is reduced. In terms of differential access to performance pay, it has been well established that women are less likely to receive performance pay as men (Dickens, 1998). In addition, performance pay is more common in larger organisations, for senior staff, who are more likely male, and forms a higher proportion of income the higher level the job is in the organisational hierarchy (Clare, 1995, Dickens, 1998 and Bryson et al., 1999). It has also been found that men received higher level of performance pay than women for the same appraisal rating (Drazin and Auster, 1987).
In a recent NZ study on performance pay by Bryson et al., (1999) only very limited evidence of direct discrimination against women was found. However, indirect discrimination has been reported as far more widespread. Skills that women bring to the organisation are often not included in the performance criteria. When performance payments are made in percentage form, occupational segregation of women in lower paying jobs results in women receiving a lower amount of performance pay on average than men. It is also suggested that the further managerial discretion is removed from head office or from higher-level management to line – management, the less consciousness and awareness there is of gender discrimination issues (Colling and Dickens, 1989).

**Methodology**

This study is based on information collected from structured interviews that were carried out in five selected departments in November and December of 2004. Primarily HR managers were interviewed who, in some departments, were accompanied by remuneration specialists and the focus was on pay practices of three occupations: (1) office clerk; (2) policy analyst; (3) corporate manager. Questions were asked about job structures, the use of job evaluation and market data; practices related to setting starting salaries and salary reviews, the use of performance related pay; benefits offered by the organisation for these three groups of employees; and the role of the union in pay setting. Questions were sent to HR managers in advance. The interviews also solicited the opinions of HR managers on possible sources of gender bias in pay practices. However, a detailed “gender audit” of those practices and their outcomes was not carried out. Several departments indicated during the interviews that they would not be able to provide the necessary information for such a gender audit due to the limitations of their current data collection methods. A focus group discussion was also held with Public Service Alliance - the largest union in the NZ Public Service - organisers and departmental representatives about the gender pay gap and their role in the reduction of it.

Office clerk and corporate manager positions correspond to broad two-digit Statistics NZ classification definitions, while the policy analyst position is defined at the five-digit level and is specific to the Public Service. The office clerk occupation includes all clerks, except customer service clerks, while the corporate manager occupation contains all managers, except Chief Executives, managing directors and diplomats.

The five departments represent small, medium and large departments; three of them are service delivery departments, one is a policy department, and one is a mixed policy and service delivery agency. Two departments have more than 60% of their employees female, one department has almost 67% of their employees male and two departments have a more even gender mix. The five departments employ together somewhat more than one third of the New Zealand Public Service (36%). Four of the five departments have staff on collective agreements and the percentage of staff on collectives in those departments varies between 59% and 69%. However, policy analysts’ and managers’ pay is usually set by individual agreements. While individual agreements often use the collective agreement as their base, they usually offer improved terms and conditions.

The three occupations were selected because they could be found across all departments and are considered important for the operation of the Public Service. They also represent female-dominated (office clerk); a somewhat male-dominated (corporate manager) and mixed (policy analyst) occupations (see Table 1). An occupation is usually considered female/male dominated if 70% or more of those who are employed in the occupation are female/male. The three occupations represent jobs at different levels of the occupational hierarchy. In accordance with the occupational segregation literature (Hakim, 1996), the higher the occupation is located in the hierarchy, the less females are employed in the occupation. Among our three occupations females are over-represented in the low–end, office clerk occupation, are almost evenly represented in the professional policy analyst occupation and are under-represented in the corporate manager occupation. There is considerable variation among the five departments in the share of females in the three occupations. For office clerks the share of females varies between 76% to 90 %, for policy analysts 36% to 57% and for managers 25% to 53%. Salary bands for the three occupations and unadjusted female-male base salary ratios are also presented in Table 1.
Findings and analysis

JOB EVALUATION: All five departments use job evaluation and use the same system for all jobs in the organisation. Only one department reported that for certain high demand jobs (e.g. IT) salaries are matched directly to the market. Job evaluation is used in all departments for establishing internal relativities, linking job sizes to market information, and pay setting purposes. All departments purchase proprietary systems such as Hay (4) and Compeers (1) and three departments reported that the Hay system had been modified slightly for their purposes.

Job descriptions, a crucial element of the job evaluation process, could be source of gender bias. Most departments use standard job/position questionnaires provided by their consultant. Those are filled out usually by line managers. Only one department reported that job incumbents had filled out the questionnaires. Line managers also write the job descriptions after consulting the incumbents. Several instances the consultants and/or HR are also involved in the process.

None of the departments reported the existence of job evaluation committees; in fact one department expressed a strong aversion against setting up such a committee. Most often the consultant carries out the job evaluation with HR playing a quality control and/or moderation role. In those departments where there are collective agreements unions participate to varying degrees in the job evaluation process ranging from the consultant talking to the union when a union job is resized to the union participating in the selection of the consultant, joint approval of job evaluation results, and participation in the implementation.

Only one department carried out an analysis of job evaluation results by gender. Some explain their lack of gender focus with the fact that there are no predominantly male or female jobs in their organisation. In contrast, another department argued that most of their jobs were female-dominated; hence there was no need for checking for gender outcomes of job evaluation results. Generally HR managers in these departments believe that their job evaluation system is free of gender bias. When probed further, they acknowledge that there might be some sources of gender bias in the system by not all aspects of female jobs being picked up. However, even in that instance they believe that the factors that their systems utilise are independent of gender and the weighting may not introduce any bias either. It has also been emphasised by one organisation, which also carries out gender audits, that the major source of gender bias may be not the job evaluation tool itself, but the application of the job evaluation tool and the historical way in which that market has valued particular occupations. All organisations believe that the job evaluation system they use could be utilised for pay equity purposes.

Job evaluation results are often used for creating job hierarchies, important tools for career advancement and salary growth within the same occupation. While there is some variation within the departments, generally the lower level office clerk job family provides fewer opportunities, for advancement, than the professional policy analyst or the managerial jobs. Policy departments created more career progression opportunities for their key policy analyst job class than service delivery departments. The managerial hierarchy was remarkably similar in all departments, although smaller departments have less managerial layers.

SALARY STRUCTURES: In four departments salary structures are created by linking job evaluation results with salary survey data. Usually, the higher level the position is, the bigger the spread of the range. Departments operate with relatively small spreads ranging from 15% - 40% to control
costs. A low spread reduces the variation in salaries that could be attributed to gender bias. Two departments have fixed steps in their ranges. Several departments mentioned that, while they pay great attention to market movements in adjusting salary ranges, their actions are also dependent on the extent of recruitment and retention problems they experience; business objectives and affordability. In two departments range movements are subject to collective negotiations, in a third department staff is consulted. Three of the departments carry out annual reviews and the fourth currently reviews two-yearly. When new ranges are set most employees are automatically moved to the new values. One department requires their managers to deliver on their performance objectives in order to move with the range. None of the departments provide automatic inflation adjustments. Individual employees’ placement and movement within the range is based on their performance evaluated either in the form of competency ratings or performance ratings.

**SALARY SURVEYS:** All five departments use Hay’s salary survey and four of them also utilise Hay’s job evaluation system as well, therefore avoiding some of the pitfalls of job matching and are able to access salary information based on job size. However, four departments use a variety of surveys, such Watson Wyatt’s, Cubiks’ and Mercer’s policy analyst surveys. The State Services Commission’s salary survey is used by two of them although one manager expressed the opinion that results are outdated by the time it is released.

For *office clerk* positions the mid-point in the salary range is based on the public sector median for similar jobs in four departments, while one department uses the all organisations’ median. For *policy analyst*, two organisations rely on the public sector median, one aim for the public sector upper quartile, and two bring in private sector comparisons as well. For managers three organisations use the public sector median, the fourth positions managers 10% above the public sector median, while the fifth uses the all organisations’ median, aiming for the upper quartile.

HR managers seem to understand some of the shortcomings of the salary surveys they use. However, a majority of them believe that the available surveys are reputable, and provide a reasonable coverage of the market. The major problems identified relate to survey representativeness both in terms of the number of organisations in the sample and the type of positions/jobs that are covered. In order to mitigate these problems departments rely on several surveys. One department also mentioned reliability problems for higher-level positions. Large fluctuation in survey results has also been reported caused most likely by changing organisational membership.

**STARTING SALARIES:** The departments use various procedures to setting starting salaries. Only one department, which operates a strong internal labour market sets starting salaries centrally. In two departments line managers have discretion in setting starting salaries within the defined salary ranges for the position, while in the remaining two departments the selection panel’s recommendation is based on policy guidelines and need further approvals by a higher level manager. Major factors considered are the skills, attributes and qualifications, projected future performance of the applicant; recruitment difficulties and the state of the labour market. One department mentioned that the current salary of the applicant and salary expectations also play a role.

Overall these processes leave considerable discretion for line managers and middle managers in setting starting salaries that could lead to differential results for female and male candidates. As a result, training of line managers may be crucial in avoiding any gender bias in these processes. However, only one of the five departments provides training for line managers in this area. This is the only department that carries out a gender audit of starting salaries as well. Another department addresses the issue in its recruitment manual. As four of the five departments do not analyse starting salaries by gender, HR managers do not know whether there are any gender differences in starting salaries at their organisation and, if there is any, whether that is caused by gender bias.

**PERFORMANCE PAY:** In all departments individual performance plays a very important role in setting base pay. In three departments individual performance is measured solely by competencies, while in two departments competencies and performance on key deliverables are combined. There is a direct link in all five departments between the overall competency/performance rating the individual receives and his/her positioning in the salary range (e.g. 99% competency rating results in base salary at 99% of the range).
The extensive use of competencies could introduce bias into the performance management system as ratings on competencies are based on subjective evaluations mainly by line managers. However, most HR managers assert that the criteria used in performance evaluations are relevant, objective and observable. In one department they have recently moved away from Management by Objectives approach to competencies based on best practice behaviours, as they felt that the outcomes of their main activities were very hard to measure. In another department competencies are interpreted rather broadly, as performance competencies include expected results and generic organisational competencies as well. HR staff in this department expressed the view that the results-oriented part of the performance competencies is more objective than the organisational competencies.

In three agencies the line manager carries out performance evaluation after the individual completed self-assessment. One agency uses multiple rater assessment for all staff and 360 processes for managers, while another one uses 360 feedback for all of their staff. All organisations use some moderation process of competency/performance ratings across the organisation, however only two departments analyse those ratings by gender. One of those departments reported that females generally out-perform males. Most department’s use standardised performance evaluation forms and thoroughly document the process. One department has just completed an audit of the performance evaluation process - but not its outcomes - and found it 85% compliant.

As line managers play a key role is performance evaluations training on interpersonal skills, evaluator biases and gender issues are crucial for avoiding any gender bias. All departments carry out line manager training in performance management, although the amount of training time and the issues covered varies considerably. In three departments ordinary employees also receive information and training about the performance evaluations process. Union involvement in the performance management process also varies across the departments. Two agencies report that the union has been involved or consulted in the development of competencies.

In most departments it is awarded based on individual performance, in most departments the size of the bonus varies between 4-10% of base salary and generally it does not build into the base. Two departments have a separate evaluation tool for bonuses; in one department they are based on performance competencies, while in another on delivery of key tasks and contribution to a significant business outcome is considered. None of the departments analyse the distribution of bonuses by gender.

**Conclusion**

Remuneration practices in the five departments are remarkably similar. They also use largely similar remuneration system for all three occupations we have studied. All of the five departments rely heavily on the services of remuneration consultants. However, those consultants make very few modifications to their products to accommodate the special needs of these departments. The extent of departmental oversight of their products and services varies across the departments. There is a little awareness in the departments of potential gender biases in their pay systems. Moreover, the extent of gender discrimination in their pay processes is largely unknown, as only one from the five departments carries out a detailed analysis of gender outcomes - a gender audit - of the various remuneration practices. HR managers seem to equate gender bias with direct discrimination against females and believe that their remuneration systems are free of that. Only when probed further would these managers acknowledge that various, mainly indirect, forms of gender discrimination could be present in various elements in their pay system systems.

There is an almost universal reliance on salary survey information for setting salary ranges and adjustments to those ranges. HR managers seem to understand some of the limitations of those surveys and try to overcome those by using several surveys. For most positions midpoints are established based on public sector medians, consequently, public sector organisations generally base their salary movements on each other’s actions. Salary ranges around the midpoints are relatively small reducing the room for gender differences.

Line managers play a central role in implementing each organisation’s remuneration policies. However, training of line managers is generally restricted to performance management, although they are instrumental in the job evaluation processes and setting starting salaries as well.
Individual performance plays a key role in each department in setting base salaries. As a result, what is evaluated, by whom and how is crucial. Performance is measured primarily by competencies and is evaluated by line managers. The subjective nature of this process is mitigated by (1) the careful selection of competencies, sometimes in consultation with employees and unions; (2) the use of standardised forms and procedures; (3) management training; and (4) moderation processes to ensure consistency and fairness across the organisations. However, gender awareness is not a key component of these, otherwise laudable, practices. For example, only one department analyses performance evaluation outcomes by gender and moderation processes do not include any gender focus either.

In order to minimise gender bias in pay practices we suggest that all departments carry out a detailed gender audit of their remuneration practices at regular intervals. The audit would include, at minimum, a detailed analysis of job evaluation results, starting salaries, performance evaluation practices and results, and bonuses by gender. We consider the introduction of a gender-neutral job evaluation tool in each department a cornerstone of achieving pay equity. We also suggest that government actively promote best practices that reduce gender discrimination in remuneration in the NZ Public Service including the use of standardised procedures and forms, and the development of detailed policy guidelines to reduce managerial discretion. There is also a need for increased union and staff involvement in every step of the pay process in the form of joint committees. Existing moderation processes need to include a gender focus as well. As line managers are key decision-makers in pay processes, management training is crucial. Similar training of employee representatives and union delegates are also necessary to enable them full participation in the work of those joint committees. Departments rely very heavily on the products and services of remuneration consultants. There is a need to strengthen departmental capabilities in these areas so they could carry out effective oversight over the consultants’ activities.

References


Pattern bargaining in the Australian public service. 
Still one size fits all?

Michael Lyons and Louise Ingersoll
University of Western Sydney

ABSTRACT

The industrial relations policy of the federal Coalition government is to encourage industrial bargaining to occur at the enterprise or individual level, free from ‘outside’ influences. While it encourages devolved bargaining at the agency and individual level within the federal public service (Australian Public Service), this policy creates tensions with its role as a centralised policy maker, economic manager and employer of the APS workforce, and in some respects the adoption of New Public Management. In practice, the government retains considerable centralised control over agency bargaining outcomes, which is a de facto method of pattern bargaining. By analysing the substantive outcomes from nine APS agency level certified agreements (hours of work, pay and leave entitlements), the paper discusses whether this ‘one size fits all’ model is evidence of an appreciation that public sector industrial relations is separate and distinct from private sector industrial relations, or another example of duplicity in the federal Coalition government’s ideology driven approach to industrial relations.

Introduction

New Public Management (NPM) has three identifiable components: the adoption of private sector styles of management and administration; the application of post-Fordist work organisation and design; but also includes the retention of a public sector philosophy despite these other innovations (O’Brien & Fairbrother, 2000: 59). This last aspect of NPM is often overlooked by some of its advocates (Leishman et al., 1995; Cope et al., 1995; Cope et al., 1997) who fail to appreciate the ‘poor fit between private and public sector objectives’ (Goss, 2001: 3). For example, the practice of public sector management cannot easily be transposed with private sector management as the relationships of the former to the parliament, the executive and the community are fundamentally different to the latter’s relationship to boards of directors (Podger, 2000: 25). An important consequence of this appreciation is that industrial relations in the public sector cannot easily mimic that found in the private sector (Colley, 2001: 12).

This paper discusses analysis of the content of nine federal public service collective agreements from agencies with disparate characteristics in terms of function, size and agreement type in order to identify any conflict between ideology and practice. This ‘cross-section’ of agreements suggests there is considerable prescription of procedural matters forcing agencies to adhere to the government’s ideological predisposition. While there is little or no prescription on substantive matters (conditions of employment), the analysis shows agency managers have not chosen to vary conditions in any significant way. We conclude that the standardisation of substantive outcomes is due two possible influences: a recognition that public sector industrial relations is idiosyncratic; or the government’s parameters for agreement making are an example of employer initiated pattern bargaining which is at odds with the government’s approach to bargaining in the private sector.

Bargaining in the APS

The Australian Public Service (APS) – the Commonwealth government’s workforce – consists of about 100 individual agencies (Yates, 1998). In the past the industrial relations of the APS was relatively complex, with more than 130 industrial awards regulating many conditions of employment, and over 20 separate trade unions being party to the awards (Yates, 1998). By 1995 there were only nine APS awards, and by 1998 just one APS wide award (Shergold, 2000: 20). Currently, the official ‘employer’ of APS staff is the Department of Employment and Workplace Relations (Anderson et al., 2002; Shergold, 2000: 18). However, the government’s attitude is that the ‘primary employment relationship is at the agency level’ (Macdonald, 1998: 49).
In 1991, the Commonwealth’s business enterprises (GBEs) were allowed to negotiate their own agency collective agreements (Preiss, 1994). Agency level agreements were also negotiated across the APS under the Labor government of the early 1990s (O’Brien & Fairbrother, 2000: 63; O’Brien and O’Donnell, 2002: 107; Yates, 1998: 83-84). The shift from service level employment regulation to the agency level is justified on the basis that each agency has separate functions and roles, and human resource management could be aligned with agency needs and objectives (Yates, 1998: 86). Yet collective bargaining devolved to the agency level creates its own problems, particularly the lack of skills, expertise and experience of agency managers in industrial bargaining (Yates, 1998: 89). In addition, agency level bargaining can be resource intensive in terms of the time and effort involved for the outcome (Shergold, 2000: 20).

The implementation of NPM presents governments with a dilemma: how can these new management and work practices be put into effect without compromising the overall interests of the government as a policy maker and the employer of the public service workforce (O’Brien & Fairbrother, 2000: 62; O’Brien & O’Donnell, 2002: 106). Put another way, a balance needs to found between the control of substantive outcomes and procedural processes notwithstanding the tension created by having different levels (service wide or agency) exercising authority over separate activities (O’Brien & Fairbrother, 2000: 64). An example of the tensions between centralised policy making and financial control on the one hand, and decentralised management on the other, is the enterprise bargaining round in the Australian Capital Territory (ACT) public sector of the late 1990s (Fairbrother & O’Brien, 2000: 56). The bargaining round in the ACT public service of 1998-2000 was devolved to the sub-agency level, with 50 agreements negotiated. Despite this highly fragmented bargaining, there was still significant centralised control of 17 service wide ‘core’ bargaining topics (Junor, 2000: 70). Moreover, the lack of skills, expertise and experience of the sub-agency managers resulted in a timid approach to the scope of bargaining and/or ‘photocopy’ bargaining of more or less ‘essentially the same agreement’ (Junor, 2000: 72).

In order to overcome some of these tensions, the Coalition government’s strategy towards public sector industrial relations has been to adopt a ‘loose-tight’ policy (O’Brien & O’Donnell, 2002). For instance, the 300 page Public Service Act 1922 was replaced with a much revised statute in 2000 (Public Service Act 1999) which substituted prescription with values and principles (Anderson et al., 2002). Conversely, the government imposes a ‘tight’ framework within which agency level industrial bargaining takes place. The current framework Policy Parameters for Agreement Making in the APS (December 2003) states:

1. Agreements are to be consistent with the Government’s workplace relations policies. This includes:
   - fostering more direct relations between agencies and their employees;
   - protecting freedom of association;
   - providing scope for comprehensive AWAs to be made with staff; and
   - displacing existing agreements and, wherever possible, awards.

2. Improvements in pay and conditions are to be linked to improvements in organisational productivity and performance
   - other than in exceptional circumstances, pay increases are to apply prospectively.

3. Improvements in pay and conditions are to be funded from within agency budgets.

4. Agreements are to include compulsory redeployment, reduction and retrenchment provisions, with any changes not to enhance existing redundancy arrangements
   - an Agency Minister may, in consultation with the Minister Assisting the Prime Minister for the Public Service, approve separate financial incentives to resolve major organisational change. Such incentives are to be cost neutral to the agency in the context of the major organisational change.

5. Agreements are to facilitate mobility across the APS by:
   - maintaining structures that are consistent with the Classification Rules, with salary advancement to be guided by performance; and
   - retaining portability of accrued paid leave entitlements.
6. Agreements are to include leave policies and employment practices that support the release of Defence Reservists for peacetime training and deployment.

This tight control of bargaining outcomes has been criticised by unions for placing limitations on the topics that can be negotiated and included in agency level agreements (O’Brien & Fairbrother, 2000: 64; Senate Committee Report, 2000: 17; Yates, 1998: 87), and this criticism has also been echoed by some agency managers (O’Brien & O’Donnell, 2002: 109). In many respects, the policy of centralised control of the devolved bargaining processes contradicts aspects of NPM (Anderson et al., 2002). It also seems inconsistent with the ideology, if not the legislative policy, of the Coalition government. Specifically, the government has attempted on several occasions to proscribe pattern bargaining (Sheldon & Thornthwaite, 2001). The Workplace Relations Amendment Bill 2000, for example, defined pattern bargaining as ‘conduct or bargaining, involving common wages and/or other common employee entitlements… that extends beyond a single business and is contradictory to the objective of encouraging agreements to be genuinely negotiated between parties at the workplace or enterprise level’ (Hancock, 2000: 88, emphasis added). A typical example of pattern bargaining by a union is the strategy pursued by the National Tertiary Education Union (O’Brien, 1999). Arguably, the tight control of APS industrial relations practiced by the government is also an example of pattern bargaining.

The devolution of much employment regulation from the service level to the agency level can be criticised for having an element of déjà vu about it, as agencies are required to ‘reinvent’ employment regulation and policies previously decided in a centralised framework (Podger, 2000). The lack of free advice from the coordinating APS department, Employment and Workplace Relations, available to some agencies has also added to perceptions that many agreements merely ‘reinvent’ past employment regulations and policies (O’Brien & O’Donnell, 2002: 110). For instance, the general staff agreement within the Australian Taxation Office is almost identical to the executive level agreement (Anderson et al., 2003: 5). In other words, APS agency negotiations are simply ‘photocopy’ bargaining (O’Brien & O’Donnell, 2002: 110). Indeed, some agency managers expressed the view before the Senate’s inquiry into APS employment matters that they are still operating under a ‘one size fits all’ culture (Senate Committee Report, 2000: 26). Given that the Coalition’s bargaining framework discourages trade union involvement, this tight control generates problems for managers in relatively highly unionised agencies (Anderson et al., 2003: 11).

**Agency certified agreements**

With APS bargaining devolved to the agency level, the expectation would be that there is considerable variation with the conditions of employment for the APS staff in each agency. In order to examine this proposition we analysed a number of APS collective agreements across a range of agencies with differing characteristics. Three of the agencies could be classified as large, each employing over 19,000 staff. Five agencies could be classified as medium sized, each employing between 2,000 and 5,000 staff. And one agency could be classified as small, employing less than 1,000 staff. The large agencies are the Australian Taxation Office (ATO), Centrelink (formerly the Department of Social Security), and the Department of Defence. The medium sized agencies are the Australian Customs Service, the Australian Bureau of Statistics (ABS), the Child Support Agency (CSA) which is formally part of the Department of Family and Community Services, the Department of Employment and Workplace Relations (DEWR), and the Department of Veterans’ Affairs. While the small agency is the Department of the Treasury. The nine agencies perform a range of services and activities, including advice to government (DEWR and Treasury), direct ‘client’ services to the public (Centrelink, CSA and Veterans’ Affairs), and government services (ABS, ATO, Customs, and Defence). The staffing numbers and details of agency activities were ascertained from the latest (as time of writing) agency annual report (2002-2003). The approximate staffing numbers for each agency are: ABS, 3000; ATO, 22000; Centrelink, 27000; CSA, 3000; Customs, 5000; Defence, 19000; DEWR, 2100; Treasury, 800; and Veteran’s Affairs, 2500.
All nine agencies have currently operating collective agreements with staff which have been certified by the Australian Industrial Relations Commission in accordance with the Workplace Relations Act 1996 (Cth). While all the agreements are ‘Certified Agreements’, three agencies have ‘non-union’ agreements (s. 170LK) and the other six are ‘union’ agreements (s. 170LJ) with at least one union being party to the agreement (see Table 1). The relevant agreements analysed are:

ABS Certified Agreement 2003 to 2006;
Australian Customs Service Certified Agreement 2002-2004;
Australian Taxation Office General Employees’ Agreement 2002;
Centrelink Development Agreement 2003-05;
Child Support Agency (General Employees) Agreement 2002;
Department of Veteran’s Affairs Enterprise Agreement 2004-2005;
DEWR Certified Agreement 2002-2004;
The Defence Employees Certified Agreement 2002-2003; and

It should be noted, however, that not all agreements cover all the staff in each agency. All the agencies have a number of individual level agreements, Australian Workplace Agreements, with the senior staff (O’Brien & O’Donnell, 2002). And some agencies have non-union certified agreements with executive level staff, the ATO for example (Anderson et al., 2003). We examined the agreements to identify variations in three areas of the APS conditions of employment: hours of work, pay, leave entitlements.

**Hours of employment**

Table 1 shows a comparison across the nine agreements of the working hours of APS staff. There is little variation in the ‘core’ working hours in each agency, with all being a span of between 11 and 12 hours from about 7.00 a.m. to about 7.00 p.m. The only noticeable difference is with Customs, which has shift work arrangements, which is not all that surprising given the 24 hour, 7 days a week operation of the agency. There is also little variation in the typical hours worked per day within those ‘core’ hours – ranging between 7 hours, 21 minutes and 7 hours, 30 minutes – and the number hours to be worked each month – ranging from 147 hours to 150 hours. Seven of the agreements include paid non-work days over the Christmas-New Year period from 2 to 3 days. The two agencies which do not have a ‘Christmas shutdown’ period, Customs and Centrelink, again is not all that surprising given the nature of each agency’s activities. The failure to detect substantive divergences among the hours of employment of the APS in the nine agencies supports the contention that devolved public sector bargaining is in reality ‘photocopy’ bargaining.

**Pay and allowances**

Table 2 shows a comparison across the nine agreements of the pay and allowances of APS staff. Unlike hours of employment, there are some prominent differences. Overall, public sector employees earn more than private sector employees (ABS, 2004; Borland et al., 1998). Since the onset of devolved bargaining, some agencies have negotiated higher relative pay increases than others, with the ATO being conspicuous in this respect. The capacity of an agency to negotiate pay increases is restricted by the APS agreement making parameters, as pay must be funded from within agency budgets. Consequently, the government’s budget allocation to the agency has a major impact on negotiating pay increases. For instance, management of the Australian Federal Police (AFP) were forced to acknowledge publicly that it was operating under an ‘extremely tight financial position’ because of the government’s budgetary allocation (AFP, 1997; 1998), while at the same time more demands and responsibilities being placed on it by the federal government (AFPA, 1998: 12). As a result, the AFP was compelled to spend a lower proportion of its budget on staffing than other police agencies in Australia (AFPA, 2001: 106). It is likely that similar circumstances impact on some of the agencies examined in the present study (DEWR, Treasury and Veterans’ Affairs, for example). Moreover, the pay differential between agencies as a consequence of devolved bargaining implicitly affects inter-agency mobility of APS staff (O’Brien & O’Donnell, 2002: 119). For example, the lower paying agencies have problem attracting and retaining employees (O’Brien & Fairbrother, 2000: 64).
<table>
<thead>
<tr>
<th>Agency</th>
<th>Australian Bureau of Statistics</th>
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<th>Australian Taxation Office</th>
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<tbody>
<tr>
<td>Agreement type</td>
<td>Non-union</td>
<td>Union</td>
<td>Union</td>
<td>Union</td>
<td>Union</td>
<td>Non-union</td>
<td>Union</td>
<td>Non-union</td>
<td>Union</td>
</tr>
<tr>
<td>Christmas shutdown</td>
<td>2 days</td>
<td>nil</td>
<td>2 days</td>
<td>nil</td>
<td>2.5 days</td>
<td>2.5 days</td>
<td>3 days</td>
<td>2 days</td>
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<tr>
<td>Core working hours</td>
<td>07.00-19.00</td>
<td>07.00-18.30 (shift work)</td>
<td>07.00-19.00</td>
<td>07.00-19.00</td>
<td>07.30-19.00</td>
<td>07.00-19.00</td>
<td>07.30-19.00</td>
<td>07.30-19.00</td>
<td>07.00-19.00</td>
</tr>
<tr>
<td>Daily working hours</td>
<td>7.21 (147 per month)</td>
<td>36.45 p.w. (147 per month)</td>
<td>7.21 (147 per month)</td>
<td>7.21</td>
<td>7.26 (148.4 per month)</td>
<td>7.30 (150 per month)</td>
<td>7.30 (150 per month)</td>
<td>7.30 (150 per month)</td>
<td>7.30 (150 per month)</td>
</tr>
<tr>
<td>Agency</td>
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<tr>
<td>Agreement type</td>
<td>Non-union</td>
<td>Union</td>
<td>Union</td>
<td>Union</td>
<td>Union</td>
<td>Non-union</td>
<td>Union</td>
<td>Non-union</td>
<td>Union</td>
</tr>
<tr>
<td>Linked pay increases</td>
<td>Linked to agency outcomes</td>
<td>Satisfactory performance</td>
<td>Satisfactory performance</td>
<td>Meet/ exceed expectations</td>
<td>Satisfactory performance</td>
<td>Satisfactory performance</td>
<td>Satisfactory performance</td>
<td>Satisfactory performance</td>
<td></td>
</tr>
<tr>
<td>Performance pay</td>
<td>nil</td>
<td>Limited to staff at top of classification</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
<td>Not defined (policy based)</td>
<td>Yes, but absorbed by salary after Sept 2004</td>
<td></td>
</tr>
<tr>
<td>Relocation payment</td>
<td>Not defined (policy based)</td>
<td>Re-assignment only.</td>
<td>Fixed sum. Eligibility defined.</td>
<td>Varies if initiated by employee</td>
<td>Fixed sum. Eligibility defined (promotions excluded).</td>
<td>Varies if initiated by employee</td>
<td>Variable &amp; discretionary</td>
<td>Not defined (policy based)</td>
<td>Variable &amp; discretionary</td>
</tr>
</tbody>
</table>
Minor variations in the allowances available to staff are evident, thought most offer an allowance if the employee has a first aid qualification and/or speaks (and uses) a relevant community language. Most agencies subsidise staff relocation costs, though there are some restrictions if the reason for the relocation is due to the initiative of the employee (transfer or promotion). Advancement to higher pay increments in all nine agencies is based on meeting performance management criteria, and with the Centrelink agreement more rapid advancement is allowed if the staff member exceeds the performance expectations. The Treasury agreement does not detail the pay advancement mechanism (clause 3.2). Only the ABS agreement specifically links pay increases to meeting ‘business’ outcomes (clauses 33-45). A notable feature of Table 2 is the general lack of performance based pay clauses, other than those found with the performance management system. While some APS agencies have been particularly enthusiastic about imposing a ‘performance culture’ among staff and implementing a pay and reward system to facilitate this outcome, the Department of Finance and Administration for instance (O’Brien & O’Donnell, 2002: 112-116; O’Donnell & Shields, 2002), the cross-section of agreements examined for the present study indicates that a direct link between performance and pay has little attraction for APS managers and/or APS staff. In some respects this outcome is not all that surprising as O’Donnell and Shields (2002: 439) argue that the evidence ‘provides no clear endorsement’ for individual performance based pay mechanisms in public sector employment. Moreover, in assessing the utility of performance based pay in the public sector a former Premier of Queensland concluded: ‘A major reason for the failure of performance pay in Australia to improve public sector productivity, is the differing motivation of public servants in their careers’ (Goss, 2001: 6, emphasis added).

**Leave entitlements**

Table 3 shows a comparison across the nine agreements of the leave entitlements available to APS staff. Many leave entitlements in the APS are prescribed by relevant legislation (e.g., Long Service Leave (Commonwealth Employees) Act 1976, Maternity Leave (Commonwealth Employees) Act 1973) and thus cannot be varied by clauses in agreements. While annual leave is not prescribed by statute, all the agreements contain the community standard detailed in the Australian Public Service Award 1998 of four weeks (about 150 hours) paid leave per annum for fulltime staff, and pro-rata for part-time staff, despite the fact that the agreements displace (i.e., ‘override’) the APS Award.

Of the three conditions of APS employment examined for this paper, the most variation appears to be with the manner and form of leave entitlements. With respect to annual (recreation) leave, five agreements permit it to be taken at half pay in order to extend the period of leave, three agreements specifically permit accrual of annual leave, and four agreements allow for the ‘cashing out’ (payment in lieu) of annual leave. All the agreements have provision for carer’s leave, though the mechanism used to assess the entitlement varies: in some agreements it constitutes part of personal leave, and in others it is drawn from a ‘pool’ available to staff determined by a ‘headcount’ of employees. The minimum period for carer’s leave is in the Customs, DEWR and Veterans’ Affairs agreements (5 days), with most allowing between 2-3 weeks, while the Defence agreement permits 3 weeks though this may be extended depending on circumstances and need. There is also some variation with the provision of maternity leave, with most allowing a half pay option, and all agreements having ‘top up’ provisions of a combination of paid and unpaid leave. The least variation occurs with respect to paid sick leave, as all the agreements allow between 3-4 weeks per annum. No agreement provides for the ‘cashing out’ of sick leave, which is apparently inconsistent with government policy, and thus would not be approved by DEWR when they vet draft agency agreements prior to submission for certification (Anonymous, 2004). However, the ‘cashing out’ of sick leave does not seem to be against government policy in regards to private sector agreements as they are contained in some Australian Workplace Agreements (e.g., Accuweigh and Shoalhaven Ex-Servicemen’s Club) and are publicised by the Office of the Employment Advocate (OEA, 2004). Notwithstanding the differences in leave entitlements detailed in the agreements it is probable that in practice the differences are not as extensive as they seem ‘on paper’.
<table>
<thead>
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<tr>
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<td>Union</td>
<td>Union</td>
<td>Union</td>
<td>Union</td>
<td>Non-union</td>
<td>Union</td>
<td>Non-union</td>
<td>Union</td>
</tr>
<tr>
<td>Annual leave</td>
<td>Half pay option.</td>
<td>Accrued up to 450 hours.</td>
<td>Not accrued</td>
<td>Half pay option</td>
<td>Cash out up to 5 days</td>
<td>Not accrued after 60 days</td>
<td>Half pay option.</td>
<td>Half pay option.</td>
<td>Half pay option.</td>
</tr>
<tr>
<td></td>
<td>Deemed leave after 40 days</td>
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<td></td>
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<tr>
<td></td>
<td>accrued</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carer's leave</td>
<td>18 days (personal leave)</td>
<td>5 days (personal leave)</td>
<td>Up to 2 weeks (pooled)</td>
<td>Up to 2 weeks (personal leave)</td>
<td>Up to 2 weeks continuous (personal leave)</td>
<td>No limit (personal leave)</td>
<td>15 days, discretionary extension (personal leave)</td>
<td>Up to 5 days (personal leave)</td>
<td></td>
</tr>
<tr>
<td>Parental leave</td>
<td>Maternity Leave Act (half pay option) plus 2 weeks paid</td>
<td>Maternity Leave Act (half pay option). 40 weeks unpaid for child birth</td>
<td>Maternity Leave Act (half pay option). 12 weeks paid adoption leave</td>
<td>Maternity Leave Act (half pay option). 6 weeks paid adoption leave. 5 years unpaid for child birth</td>
<td>Maternity Leave Act (half pay option). 2 paid weeks. 16 months unpaid for child birth. 2 paid weeks for non-maternity</td>
<td>Maternity Leave Act (half pay option). 6 days paid for child birth/ adoption. Unpaid miscellaneous leave</td>
<td>Maternity Leave Act (half pay option) plus 2 weeks of paid personal leave</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sick leave</td>
<td>3 weeks p.a.</td>
<td>15 days p.a.</td>
<td>3 weeks p.a.</td>
<td>4 weeks p.a.</td>
<td>4 weeks p.a.</td>
<td>18 days p.a.</td>
<td>3 weeks p.a.</td>
<td>15 days p.a.</td>
<td>18 days p.a.</td>
</tr>
</tbody>
</table>
Discussion and conclusions

O’Brien and O’Donnell (2002: 104) argue that the Workplace Relations Act has had its most noticeable impact in the APS. While this conclusion is accurate with respect to the encouragement of trade union participation in APS industrial relations, our analysis of agency level bargaining questions this assertion with respect to the employment conditions of APS staff. The nine APS agency agreements examined have a range of different characteristics: the agencies differ in size; the agencies differ in roles and activities; and the agreements differ in type, with some being union agreements and some being direct staff agreements. In light of these disparate attributes, a reasonable expectation would be that considerable variations exist in the employment conditions across the nine APS agencies. Surprisingly, few substantive variations were identified. All nine agencies have remarkably similar regulated hours of employment. The allowances paid to staff are also similar, though some agency agreements are more generous than some others. The mechanism for staff to advance to a higher pay increment is almost identical for seven of the agencies. Perhaps the most surprising feature of the nine agreements – in terms of pay – is that what they contain, but what they omit. No agreement outlines a system of performance based pay, despite the rhetoric of some APS managers (O’Donnell & Shields, 2002). And finally, while there is some divergence among the leave entitlements available to the APS staff, most of this variation appears to be concerned with the technical procedures used to calculate leave, rather than the actual periods of leave that form part the conditions of employment. Furthermore, when these leave entitlements are compared with what is available to employees in the private sector a reasonable assessment would be that they are somewhat generous (Grace, 2003). Consequently, it is difficult to conclude, based of the contents of the nine agency agreements, that the operation of the Workplace Relations Act has had an overall detrimental impact on the conditions of employment of APS staff. Indeed, O’Brien and Fairbrother (2000: 64) note that many of the changes made to the APS by the Coalition government are ‘more apparent then real’. However, the outcome might be different in other Commonwealth government agencies not analysed in the present study.

Notwithstanding the above remark, the employment conditions detailed in some of the agreements seem to be less attractive than the others. It is perhaps no coincidence that the contents of the non-union agreements (ABS and Treasury specifically) appear to provide scope for more intense managerial prerogatives, relative to the others. That is, the particular employment condition is either not set out in the agreement and thus is determined by management policy, or permits a high degree of management discretion (i.e., linking pay to individual performance and relocation allowances). This observation supports the argument of O’Brien and O’Donnell (2002) indirectly, as the exclusion of union influence and participation will, over time, have an adverse impact on employment conditions found the APS.

Explaining the lack of substantive variation across the nine agreements highlights the tensions and contradictions with the Coalition government’s industrial relations policy on the one hand, and its role as the ‘employer’ of the APS workforce on the other. It is the government’s desire to have industrial relations devolved to the workplace level and even the individual level. The disfavour it shows towards the regulation of employment at the industry level, coupled with the ideology of expunging trade unions from the industrial relations environment, can been seen from its past attempts (and almost certainly future efforts) to prohibit pattern bargaining. However, in its role as APS employer it cannot permit agencies to deviate too widely from its policy and budgetary framework in the course of their industrial bargaining. In one sense the tight control exercised by the Coalition government over the scope of agency bargaining is recognition that the third, and often overlooked, element of NPM – the retention of a public service philosophy – influences the thinking within the Coalition parties. The maintenance of a ‘one size fits all’ regime via the promulgation and enforcement of the Policy Parameters for Agreement Making in the APS can be interpreted as an acknowledgement that the management and employment practices applicable to the public sector are separate and distinct from those found in the private sector.
An alternative interpretation of the tight control exercised by the Coalition government’s de facto policy of pattern bargaining in the APS, while at the same time seeking to forbid similar conduct by unions in the private sector, is that it is just another instance of Coalition hypocrisy, similar to the effective prohibition placed on the negotiation and inclusion of clauses in certified agreements relating to the payment of union bargaining fees by non-union members (see s. 298Z of the Workplace Relations Act, inserted by the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Act 2003), despite the rhetoric of limiting third party involvement in both the substantive and procedural aspects of enterprise bargaining. The shape of the Howard government’s policy towards public sector industrial relations over its fourth term will determine which of these two interpretations is correct.

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References


International differences in employment relations: 
What are the relative merits of explanations in terms of strategic choice or political economy?

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We dedicate this paper to the memory of our friend and colleague, the late Vic Taylor formerly of the Australian Graduate School of Management, University of New South Wales. We are so sorry that we will no longer be able to discuss this paper with him.

ABSTRACT

In comparative employment relations (ER), there are contrasting arguments that there are: 1. international pressures leading to convergence and 2. national pressures leading to divergence. This paper aims to evaluate the relative merits of the ‘strategic choice’ and ‘political economy’ approaches in explaining national differences in ER arrangements. We identify four ‘touchstones’ of differentiation between ER systems: the government’s role, the degree of enterprise management autonomy, the character of unionism, and the role of collective bargaining. We locate seven national ER systems in terms of the four touchstones. We argue that a political economy approach has more potential than a strategic-choice approach as a framework for comparing ER systems internationally, especially if our focus extends to a wider range of countries than the usual developed market economies (DMEs), for example, to include also developing economies of Asia and of central Europe.

Introduction

In their comparative study of ER in telecommunications and car manufacturing, Katz and Darbishire (2000) identify ‘converging divergences’ whereby ER systems are converging on nationally similar systems albeit with high levels of internal differentiation. Their analysis echoes many other discussions of convergence, in which the requirements of modernisation (Kerr et al., 1962), or of late development (Dore 1973), or of international competition (Porter 1985), or of modernising elite strategies (Sil 2002) pull ER systems in similar directions. Such convergence pressures are reinforced by the human resource (HR) strategies of multinational corporations (MNCs) and by the influences of international agencies and supranational governments, in particular the European Union. Macro and micro level influences are leading in the same direction, towards similar patterns of ER. The ‘variety of capitalisms’ school has been identifying ways in which different ‘business systems’ are associated with different patterns of ER (Hall and Soskice 2001). Institutional arrangements, including state structures, modes of collective organisation differ between countries, leading to different forms of ER. There are international pressures leading to convergence, but national pressures leading to divergence (Locke and Kochan 1995).

Our first, substantive, objective is to give a sharper focus to this emerging consensus. Our second, methodological, objective is to evaluate the relative merits of ‘strategic-choice’ and ‘political economy’ approaches in explaining differences in national ER arrangements. Strategic choice concepts began to be used extensively in comparative ER research in the 1980s (Kochan et al., 1986; Purcell 1989; Storey 1989). By 2000 the concepts of strategic management had become an accepted vocabulary of much comparative ER research. However, others were developing a broader ‘political economy’ approach, (Hyman 1975; Frege 2003). As the following sections show, different approaches highlighted different issues and supported different conclusions, even where empirical analyses agreed, for example in discussions of the decline in union density.

To realise these two objectives the paper is in five sections. The second section identifies four ‘touchstones’ of differentiation between ER systems: the role of the state, the degree of enterprise management autonomy, the character of unionism, and the role of collective bargaining. The third section outlines the strategic-choice approach to analysing ER. The fourth section outlines an alternative political economy approach to analysing ER systems, which we believe to be a more promising framework. The fifth section is a brief conclusion.
‘Touchstones’ of national employment relations systems

From Dunlop (1958) onwards, the ER literature provides several formal models of national ER systems. For example, Hall and Soskice’s (2001:21-33) model of co-ordinated market economies and liberal market economies, exemplified respectively by countries like Germany and the US, provides a useful means of examining differences, such as between education, training and ER. However, instead, we identify four touchstones that represent the major elements in much ER literature.

The first touchstone is the government’s role in ER. How far does the state and the broader regulatory regime determine the structures, policies, and outcomes of ER? The state’s role in establishing the regulatory framework encompasses legislation (e.g. fundamental property rights as well as labour issues) and executive action (e.g. in industrial disputes), and cultural manipulation (as in the demonisation of specific groups). Crouch (1993) identifies the interpenetration between the state and the ER system. The business system may also influence ER, through legitimating different patterns of action (Whitley 1999).

The second touchstone is the degree of enterprise level management autonomy in ER: how free is enterprise level management to develop ER according to its own perceptions of the enterprise’s strategic requirements? Managers may or may not be constrained by the state, by investors, by other employers, by union power, or by public expectations.

The third touchstone relates to collective employee organisation, whether informal through workgroup action or, especially, formal, through unions. More specifically, systems differ in the density of union membership, the degree of union focus upon economic or upon broader political and social issues, and the relationship between unions and political parties.

The fourth touchstone is the role and pattern of collective bargaining. The role refers to the extent to which collective rather than individual determination prevails in job regulation. The pattern includes the level of centralisation or decentralisation in bargaining structures.

We consider seven countries (Australia, Germany, Japan, South Korea [hereafter referred to as Korea], Poland, the UK and US) against the four touchstones. Figure 1 depicts the current situation based on: Bamber et al. (2004); supplemented by Frege (2003) for Germany, Meardi et al. (2002) for Poland, Edwards (2003) for the UK, and Katz and Kochan (2003) for the US. The role of the state is seen as lowest in the US, whilst at the medium level in Australia, Japan and Korea, but at a significantly higher level in Germany and still higher in Poland. The level of enterprise autonomy is highest in the US and UK and slightly less in Australia and Japan. Enterprises enjoy less autonomy in Poland and even less in Germany. Union organisation is least in the US. It is lower in Australia, Korea and the UK than in Germany or Poland, though density has declined even in Germany and Poland since 1989. Collective bargaining remains a key, but not a dominant, means of pay determination in Australia and the UK, whilst it is higher in Germany and lower in Korea, Japan, Poland and even lower in the US. The ER profiles of the four countries thus differ significantly, differences that would be even more evident if space permitted further elaboration and empirical demonstration.
Comparative employment relations from a strategic choice perspective

How does the strategic-choice perspective relate to the four touchstones?

**ROLE OF THE STATE:** In view of its focus on enterprise-level business strategy, it is not surprising that those working in a strategic-choice perspective have devoted little attention to the role of the state. The focus of strategic-choice research on ER at the enterprise level is represented in Boxall and Purcell (2003) where the close link between HR management (HRM) and business strategies is the major theme. Sources which appear to give greater weight to the role of the state see it as part of the ‘external context’ of the firm, rather than an integral element in the ER system (Mabey et al., 1998; Newell and Scarbrough 2002).

The increases in management power were themselves a reflection of changes in state policies, at least in part. In the US the deregulatory policies adopted by successive administrations undermined the commitment to collective bargaining originally based on the New Deal legislation of the 1930s, resulting in a ‘representation gap’ (Towers 1997). In the UK the post-1997 New Labour government continued many of the industrial relations policies initiated by the earlier Conservative governments. In Germany, the combination of enterprise level codetermination and industry wide collective bargaining is buttressed by legislation (Mückenberger 2003). In Poland the state’s approach to privatisation determined the shape of the ER system. National level state influence is reinforced in Europe by the EU’s role, where the regulatory regime has sponsored social partnership. In Australia and other Asian countries the state continues to intervene significantly in ER in recent years.

The state’s actions were fundamental to changes in enterprise level management’s capacity to undertake ER initiatives. The strategic choices of senior managers and HR directors were thus not the inevitable outcome of competitive market conditions, but fundamentally influenced by political conditions.

**DEGREE OF MANAGEMENT AUTONOMY:** The strategic-choice perspective underlines the role of management initiative: (Kochan et al., 1986:237). Corporate business strategy determined HR strategies, which in turn determined individual ER policies and practices. Researchers with a descriptive approach and, especially, those with a prescriptive one emphasised the integration between HRM and business strategy, with HR differences associated with differences in business strategy, typically analysed using Porter’s (1985) generic competitive advantage models (Storey and Sisson 1993). Strategies for ER are seen as third-order, functional strategies (Purcell 1989). The descriptive literature has documented the decline of collective bargaining and the enhancement of managerial authority through HRM initiatives, whilst the prescriptive literature has outlined the ER policies and structures appropriate for the achievement of business objectives, as articulated in the early Harvard manifesto on HRM (Beer et al., 1984; Dowling and Welch 2004).

A strategic-choice perspective emphasising increased management autonomy may not provide the most helpful analytical framework, for at least four reasons. First, enterprise strategies are founded upon structures of property relations, themselves determined by state structures. Second, management initiative is constrained by the structure of international competition. Third, there are differences in national business systems and the range of acceptable ways of conducting ER, the templates of acceptability, making some strategic choices more likely than others (Scott 1995). Fourth, public-sector ER is usually bound more tightly by political considerations, including state traditions and public expectations.

**ROLE OF UNIONS:** Writers in the strategic-choice perspective tend to see unions as having only a limited role. The assumption of unity of interests embedded in strategic management thinking became visible in ER research (Kamoche 1998:287). The justification for union organisation became contributing to the effectiveness and efficiency of the enterprise through the development of mechanisms of ‘voice’ - articulating, aggregating, and ordering employee grievances. Union effectiveness became interpreted as contributing to the firm’s market performance, not interest representation. Whereas industrial relations research in the 1970s, especially in the UK, may have neglected management, the 1990s focus on managerial strategic-choice and the linkage between business strategy and HRM strategy marginalised consideration of unions.
The strategic-choice literature has viewed union decline as an enabling condition for the development of HRM. Research has documented the decline in union membership, bargaining power, and institutional strength. The decline has been noticeable in Australia, Japan, Korea, Germany the USA and the UK. It is also evident elsewhere in Western Europe (with the general exception of Scandinavia) and Eastern Europe. However, the focus on declining levels of union membership as a measure of declining union significance can be misleading. Even where management adopts individualised HRM policies, this is partly in response to perceptions of the threat of union organisation, HRM strategies are more likely to be adopted in establishments with union representation than in non-unionised ones (Legge 1995). The coverage of collective agreements remains wider than the scope of union membership in all of our countries, except Japan. In some countries (e.g. France) the application of the terms of collective agreements may be legally required even where employees are not union members. In Korea in enterprises with 50 percent or more union density, collective agreements cover non-union members. Such arrangements can reduce the incentive for union membership, but extend union influence. The political influence of union organisations exceeds their membership levels, especially in political systems in which union density is low, as in parts of Western Europe (including Germany), Asia (including Australia, Japan and Korea) and in Eastern Europe (including Poland). Unions also perform wider social roles, in association with other types of social organisation. In Socialist and former Socialist countries unions formed ancillary organisations to political parties and in Poland the Solidarity movement began as a union.

**SCOPE OF COLLECTIVE BARGAINING:** In the strategic-choice perspective, ER are determined either by unilateral management decision making or by collective bargaining (Locke and Kochan 1995). In Australia, the US and UK managers’ strong ideological commitment to a broad definition of managerial prerogatives undermined collective bargaining, although elsewhere, especially in Germany and Scandinavia, there was less ideological opposition to collective bargaining (Poole et al., 2001). The survival of collective bargaining depends upon government action, the legal framework, and the unions’ ability to maintain their institutional strength, itself partly dependent upon product and labour market conditions in their recruitment territories. The decline of collective bargaining has been documented by writers in the strategic-choice tradition. Kochan et al. (1986) documented the collapse of the New Deal settlement that underpinned collective bargaining in the USA in the 1980s. In the UK there was a significant contraction in the proportion of workplaces covered by collective bargaining as well as a narrowing of the range of issues addressed (Millward et al., 2000). In place of supporting collective bargaining, US labour policy has been increasingly concerned with the substantive rights of individual employees, but the level of substantive rights has been set low. A similar trend is evident in UK, where the post-1979 Conservative governments weakened the power and limited the roles of unions. The post-1997 New Labour governments have established individual entitlements, including a minimum wage, rather than providing legislative support for collective bargaining. In Australia, the post-1996 Conservative government has increasingly undermined the roles of unions, arbitration and collective bargaining.

**Comparative employment relations: A political economy perspective**

The strategic-choice approach to ER discussed above was developed in the 1980s and the early 1990s. Therefore, it does not fully take into account trends in the international political economy since then that have significant implications for convergence-divergence in ER. Three trends are especially relevant. First, the intensification of international competition manifested as globalisation, especially in manufactured goods (international competition in most services remains less intense) (Giles 2000). This was intensified further with the growth of China as a major industrial competitor, increasingly displacing Japan and the newly industrialising economies (NIEs). Textiles initially provided China’s leading edge into world markets, followed by a wide range of basic manufactured goods (Moore 2002). India is another ‘awakening giant,’ competing successfully with developed and then, NIEs, for instance, in providing call centres. The economic ascent of China, India, and other developing economies has at least two implications for ER theory. Directly, their rise draws attention to a wider range of political/economic models of ER. Indirectly, their impact on the product markets for manufacturing and to a lesser extent for services in other economies undermines the viability of other systems.
The second trend is the wide spread of ‘deregulation’ policies. Deregulation impacts directly and indirectly on ER. Directly, governments (e.g. Thatcher UK and Howard Australian) have initiated moves to deregulate aspects of labour markets and many such policies have had significant implications for ER. (Although many deregulatory policies have legitimised re-regulatory practices rather than promoting fundamental deregulation.) Deregulation of product markets has less direct implications, but nevertheless can still have profound implications for ER, as in telecommunications and aviation (Katz 1997; Calder 2003) - in both sectors deregulation led to increased competition between traditional, bureaucratic organisations and new, more agile competitors. The new competitors were generally less bureaucratic, more flexible, following HRM strategies involving more individualised ER policies, leaner and more flexible work organisation, and lower pay levels, and were unionised to a much lesser extent than their older competitors.

The third trend is the collapse of Communism. The collapse had three direct consequences for ER. First, in post-Socialist economies it led to new systems of ER that combined new institutional forms with remnants of Socialist practice. Second, the collapse of Communist internationalism weakened support for left-wing unionism, especially in the developing world. Moreover, third, the collapse of Socialism boosted the confidence of capitalist ideologists, particularly liberal ideologists in Australia, the US and UK, with the impending 'end of history' reinforcing neo-liberalism and the anti-collectivist and deregulatory policies mentioned above.

Viewing ER as a socio-political process makes it feasible for international ER research to reflect the full variety of ER systems. This variety is broader than the range of countries traditionally covered by comparative research. Although most researchers have considered the Japanese system, few include the full range of European and Asian systems. It is appropriate to take into account the former Socialist state systems in Europe, as well as the Indian and the Chinese ER systems. To widen the range of systems covered by an adequate comparative model an approach linking ER to the wider political, economic, and social environments is required. It should be dynamic, incorporating endogenous and exogenous change. It should be capable of handling the diversity of international, national, and sub-national institutions. It should recognise the plurality of interests, the duality of co-operation and conflict within the enterprise, and the dialectic between interests and institutions. The focus should include the bargaining power of participants in ER and the factors that influence the exercise of such power, inside and outside enterprises.

In the integrated perspective we suggest here the focus of analysis is the distribution of power within the enterprise and in the larger society - a form of pluralist political economy approach that links ER to the broader polity and economy, but does not reduce ER to merely an aspect of class struggle. An integrated political economy perspective thus links systems of production, the role of government, the broader social and economic environment, and ER institutions at the enterprise, industry, national, and international levels. The approach advocated is similar to Wilkinson’s ‘production systems’ approach, if with a different, more political emphasis (Burchell et al., 2003). The perspective is generally applicable and is especially helpful for exploring ER in NIEs, such as China, India, and South Korea, and in transitional former Socialist economies in Eastern Europe. The approach draws upon a non-Marxist (as well as Marxist) political-economy tradition, involving an analysis of the interaction between interests and institutions (Smith and Meiskins 1995; Pontusson and Swenson 1996; Murray et al., 2000; Wailles 2000). Interests and institutions are influenced, in different ways and to different degrees, by national modes of integration into the international political economy (Wailles and Lansbury 2003).

An integrated political economy approach moves beyond the debates on convergence and divergence (Van Ruysseveldt 1995; Budhwar and Debrah 2001). International developments may have different effects upon ER, depending upon the mode of integration of the national economy into the international system. Hence the effects of globalisation are likely to be different in a country heavily dependent upon exports, such as Sweden, from a large country with a large domestic market, such as the US, and ER will be influenced accordingly. In the former the pressures of international competition may require a dual system, with a ‘sophisticated modern’ HRM strategy in the internationally oriented export sectors, whilst the domestically insulated service sector may retain more traditional structures. In the latter ER may be expected to remain a more coherent system. In Eastern Europe, including Poland, the changes since 1989 have resulted in highly-segmented ER systems, with foreign owned companies following HRM policies, but with limited spill over between segments. Using such an approach, let us reconsider the four issues we identified as touchstones.
ROLE OF THE STATE: The state was central even during the period of dominance of Dunlop’s (1958) functionalist systems approach, since the political consensus of the 1950s provided the necessary enabling conditions for the relatively smooth functioning of the collective bargaining in Australia, the US, UK and several other countries. The role of the state retains its significance for all varieties of political economy. The vital role of the state in Socialist and ex-Socialist economies is evident. The Chinese Communist Party’s decision to adopt a more reformist and open approach in 1978 was fundamental for subsequent developments, whilst political events have been crucial for former Socialist states in Eastern Europe. In developed market economies (DMEs) too the role of the state is fundamental, at both the macro and the micro levels. The state plays the major role in perpetuating national business systems, which provide the context for ER. As Whitley (2002:xviii) has argued, core national institutions, primarily the state, structure ‘the environment of economic actors so that distinctive economic logics become established that are associated with particular kinds of production systems.’ At the micro level, labour legislation continues to proliferate, for ER practitioners. While recognising the importance of national regulatory regimes, the EU reserves major issues of employment regulation to national regulation, under the principle of subsidiarity. The state provides the legal and institutional arrangements whereby ER processes are conducted. The nature of such arrangements has significant influence on the outcomes of ER processes in most work situations. This influence is of course usually more direct in the case of public-sector employers.

The linking role of the state in national business systems is particularly evident in research in the continental European tradition. For example, co-ordinated market systems such as Germany involve a close linkage between enterprises, the educational system, sector-level arrangements for industrial training, the ER system, and public policy (Hall and Soskice 2001). Similarly, although the sector-level arrangements of the classic Swedish model weakened in the 1990s, the social contract survived (Hammarström et al., 2004). The EU remains committed to tripartism, involving the state, unions, and employers’ in joint decision-making over the issues covered by the Social Chapter, and has fostered the growth of tripartite institutions in the former Socialist states of Eastern Europe, including Poland. (Although, the impact of tripartite decisions upon business has been the source of much controversy, with unionists in Eastern Europe regarding tripartite institutions as largely symbolic (Martin and Cristescu-Martin 2002:178-9).) Detailed national Labour Codes continue to seek to regulate ER even at enterprise level in some parts of Eastern Europe.

DEGREE OF MANAGEMENT AUTONOMY: An integrated political economy approach suggests limitations to the degree of management autonomy. Management autonomy is constrained by state action and by the modus operandi of the national business system. It is also constrained by the structure of international competition in product markets and on occasion by the bargaining power of employee organisations, especially in the public sector. Using an integrated political economy approach, we view managers as pursuing strategies shaped and constrained by the enterprise’s political and economic environments at international, national, industrial sector, and enterprise levels. There is no a priori assumption about the strength or the location of the constraints. Hence enterprise level managers have greater autonomy in Australia, Japan, Korea the US and UK than in Germany or Poland. In Germany the state and industry-level associations limit enterprise level autonomy, whilst in Poland the state and unions, often operating via political linkages, constrain enterprise management.

ROLE OF UNIONS: The first major dimension of differentiation between types of union movement is the degree of focus on limited economic or broader political concerns. By using an integrated political economy approach we can see unions as a means of exercising economic power and as a means of political mobilisation. The emphasis of the strategic-choice perspective has been on specific economic objectives, with ‘business unionism’ prevailing in the US and providing the model for other movements. In the political economy approach unions are both economic organisations and a means of political mobilisation, whether on the shop floor or through the ballot box, or both. As Hyman (1989:221) argues, ‘the most successful of the European union movements examined are those which have sustained a close articulation between the politics of production and the politics of politics.’ Union organisers may aim to mobilise workers for
political objectives, even if the incentives for potential individual union recruits to join unions may be economic (Undy and Martin 1984:186-9). Union leaders and activists are disproportionately influential in the development of union strategies because rank-and-file union members have few incentives to participate in collective decisions and members’ participation rates are low, except in decisions on pay awards and strike action. Political mobilisation may be an intended outcome of union organisation, as the early Socialists in UK unionism in the late nineteenth century, or may be an unintended consequence of union organisation. Hyman (2001) shows the close association between political movements and union organisation in France, Germany, and Italy.

**SCOPE OF COLLECTIVE BARGAINING:** Collective bargaining is usually one of the essentials of organised industrial relations. ER systems differ in the levels at which bargaining occurs, the participants in the bargaining process, and the scope of the agreements or contracts made, as well as in the outcomes of the bargaining process. There have been major changes in the institutions of collective bargaining since the 1980s in many countries, including those included in Figure 1. Katz and Darbishire (2000) have identified an international trend towards a reduced role for industry-level bargaining and towards decentralised enterprise-level collective bargaining. Many employers’ organisations in Australia, the US and UK have redefined their roles to focus on providing consultancy, advice, technical support, and professional development for personnel professionals within enterprises rather than the conduct of multi-employer collective negotiations, whilst in Germany employers’ industry level organisation retains significance and in Poland industry level bargaining has not developed. Although collective organisation remains a cornerstone of unionism, the growth of services-oriented unionism, whether based on providing individual benefits such as shopping discounts or insurance against arbitrary exercise of employer power, has tended to place relations between unions and their members onto a more individualised basis.

These and other changes have led researchers in the strategic-choice tradition to emphasise the decline of collective bargaining alongside a broader de-collectivisation. However, many have exaggerated the extent of the decline by focusing research on English-speaking countries: the US, UK and Australia. In their study of ER in 20 countries Traxler *et al.* (2001:197) concluded that between 1980 and 1996 the coverage of collective bargaining increased in five countries (Finland, France, the Netherlands, Portugal, and Spain - it also increased in Korea), declined in five (Australia, UK, Germany, Japan, and the US), stayed the same in two (Belgium and Sweden), with incomplete data for three (Austria, Canada, and Denmark). Levels of collective bargaining remained high in the public sector, whilst even in the private sector the mean coverage of collective bargaining over all of these systems changed only from 69 to 61 percent of employees, with the largest changes being in the US and UK. The International Labor Organisation remains committed to collective bargaining, whilst the EU’s social partnership arrangements institutionalise collective organisation. The growth of collective bargaining in former Socialist systems has increased the extent of collective bargaining internationally. It is also easy to exaggerate the extent of changes in the level of collective bargaining. Of 27 countries examined in 2002 only six (the Czech Republic, Hungary, Japan, Poland, the UK, and the US) had company level bargaining as the dominant mode, despite the presumed universal trend towards decentralised bargaining structures (Carley 2004).

**Conclusions**

This paper had two objectives. The first objective has been substantive - to indicate variations in ER systems between countries by focusing upon four touchstones for comparison. From the literature the four comparators identified were the role of the state, the degree of enterprise level management autonomy, the role of unions, and the scope of collective bargaining. We do not claim that the touchstones are the only possible ones, nor are they independent of each other - for example, if union density is low, then there is likely to be little collective bargaining. But they are amongst the key ones in most systems. This was illustrated by a brief analysis of seven ER systems. The comparison showed continued differences between national ER systems, with different profiles. There is probably a broader range of systems internationally in the 2000s than in the 1980s, due to the collapse of Socialist systems and their replacement by different types of post-Socialist systems.
The second objective has been methodological - to outline two alternative perspectives on ER systems, and the contrasting emphases to which they give rise. The first, the strategic-choice perspective highlights the role of employers' initiatives, especially in developing ER responses to international product market competition. The role of the state is seen as limited, unions as having declining significance, and collective bargaining marginalised. We have argued that this framework does not provide the basis for a comprehensive analysis of the dynamics of comparative ER, especially if a wider range of countries is examined than the usual OECD English-speaking countries. To provide a more comprehensive approach we have begun to sketch an integrated political economy approach.

An integrated political economy approach provides a framework for analysing international, national, sector and enterprise level influences on ER. The paper has sought to incorporate economic and political factors. But in reaction against deterministic approaches we have emphasised the ‘political’ in the political economy approach, in three senses. First, political refers to fundamental social relationships, of which the most important are property relations, and their importance for ER. The significance of such influences is especially evident once comparative ER research moves beyond developed market economies to focus also on developing economies. Second, the approach is political in its emphasis on the relationships between specific participants in ER and political actors, for example in the relationships between employers, unions, and political institutions. Third, it is political in that the relationships between participants in the ER system are based on power relations as much as on market relations.

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References


Performance appraisals in Australian universities – imposing a managerialistic framework into a collegial culture

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ABSTRACT

As a result of federal government pressure in the late 1980’s Australian universities now find themselves embracing managerial practices at the expense of their traditional collegial practices. The application of managerialism into the university sector has seen the inculcation of business practices, including the widespread application of performance appraisals, into an environment which has in the past, been self-regulatory. Performance appraisals as a tool of managerialism, have provided university administrators with a mechanism which provides a sense of compliance with private sector practices. But has it worked? This paper examines the nature of performance appraisals and its usage within one university and questions how successful the introduction of such practices has been. In doing so, it identifies areas of further research.

Introduction

Historically, universities have been subjected to limited control by government.Since the late 1980’s however, universities in Australia have been put on notice by government: either align yourself more to the interests and practices of the business sector or suffer the financial consequences. In order to survive the crisis brought about by cutbacks to university funding, as well as to remain economically competitive in the global marketplace, universities have moved away from their traditional role to one more closely aligned to the business sector. With this alignment we have witnessed the inculcation of business practices into academe. In this ‘new’ university, students are now viewed as ‘clients’, deans are regarded as ‘managers’ and knowledge is marketed as a commodity, to be bought and sold. One outcome of this commercialisation of education is that universities are now being subjected to ever increasing levels of accountability, part of which has involved the widespread application of performance appraisal systems.

Performance appraisals which have a high degree of social legitimacy because of the implicit accountability factor, have been implanted into an environment which has in the past, been self-regulatory. This paper examines the nature of performance appraisals and their value within one Australian university.

Performance appraisals and its critics

The performance of work by employees has long been evaluated. Grint (1993) identifies performance appraisals going back to the 3rd century in China. Historically these performance appraisals were largely unsystematic, simple in their calculation and focused solely on the time, effort and resources expended by employees in the production of output. Indeed, there have been attempts, over the last 100 years, to measure and control the work of the academic through the use of various forms of inspection, quality control and payment by results but they have all failed dismally (Smyth 1989). The move to corporate managerialism comes straight out of the nineteenth century and uses products or outcomes as the sole arbiters of efficiency or effectiveness (Smyth 1989).
In its contemporary application, performance appraisals have become more ambitious in range and expected benefits. Performance appraisal is

‘… a process that identifies, evaluates and develops employee performance to meet employee and organizational goals… the appraiser identifies performance through observation and the collection of performance-based information, evaluates this performance against set criteria and or indicators, and develops performance by eliminating performance problems, providing training and development activities and establishing higher goals (Dessler, Griffiths, Lloyd-Walker & Williams, 1999:452).’

Unlike its predecessors, performance appraisals today are designed not only to account for current and foreseeable expenditure of time, resources and effort but also encapsulate future goals and expectations of both the organization and the individual. Despite the widely acclaimed benefits of this new form of performance appraisal, their value has been widely criticised. Newton and Findlay (1996) after a wide ranging study, concluded that performance appraisals rarely benefitted the individual. This was because they are predominantly concerned with surveillance, accountability and control. This view is echoed by Townley (1992) who believes that performance appraisals are a pseudo-scientific management tool designed to manipulate and control staff. Performance appraisals, according to Grint (1993:69) are flawed because ‘they don’t so much discover the truth about the appraised, as construct it… In some cases the impact has been negative.’

In addition to these criticisms the process of performance appraisals have also been criticised. (Grint 1993, Swan 1991, Cipolla & Trafford 1995, Stone 1998 and Longenecker & Gioia, 1988). To these criticisms can be added the underlying assumption that the appraiser has the requisite skills and abilities to do it well. I think there is sufficient evidence in the literature to support a justified skepticism of the utility of performance appraisals. Given the wide ranging criticisms, one can only wonder if Grint is perhaps understating the case when asserting of performance appraisals that ‘rarely in the history of business [has] such a system promised so much and delivered so little’ (1993:64).

The nature of universities

Only the Church and the monarchy of England have longer traditions than universities. Dating back to medieval times, European universities saw themselves distanced from the functional needs of the society in which they operated. From this tradition has grown the belief that universities are autonomous, liberal academies committed to independence, neutrality and the advancement of knowledge without deference to politics or religion. Often referred to as an ‘ivory tower’, universities were seen to be impregnable to outside forces which might seek to influence the role the university played in society. ‘The ivory tower… is more than a romantic ideal; it is at the core of the academic value system and to a very large extent, represents our comparative advantage as truly independent institutions of teaching and research’ (Kearns 1998:154).

The latter part of the 20th century saw an erosion of the ivory towers of academe, globally. In Australia, it came about as a result of Dawkins higher education policy reforms of the early 1990’s. Despite the fact that the federal government had no constitutional power over universities, by offering ‘tied grants’ to the states it effectively corralled universities under the direct control of a central administration in Canberra. As a result of the changes to the Australian university system, the work done by academics has undergone a shift away from the previous collegial model to a corporate-managerial model of mission statements and performance management. In assessing these changes Mahony (1990) contends that these changes did considerable damage to the fabric of the existing higher education system.

Dawkins’ proposals, represented a major shift from the state influencing decisions about the nature of educated labour to one of the state controlling (under a good deal of financial duress) decisions by individual educational providers about what counts as higher education (Smyth 1991). Part of the reason for the introduction of the new managerialist approach to higher education was the desire for accountability and predictability. Smyth (1991) cites 4 examples as evidence of moves to introduce ‘predictability’ into universities.

First the centralisation of control in Canberra saw the move away from a collegiate model within universities in which decisions were made by groups of peers engaged in robust argument. Second,
the desire by the central administration for ‘predictability’ saw the introduction of performance appraisal systems in to universities. Third, the same bureaucratic desire for predictability saw a concomitant expansion in the size of administrative cadres within universities, often at the expense of teaching and research activities. Finally, the development of redundancy procedures within universities enabled vice chancellors to disregard time-honoured tenure arrangements which had long been the backbone of academic freedom.

These changes were not unique to Australia. They were part of a global trend where specific social, economic and political agendas underpinned the emergence of this new system of managing universities. These agendas included the political priority to be economically competitive in the global marketplace. Universities were seen to be integral to the achievement of these national goals. Managing universities therefore became a key priority for governments. This growing desire for control by the state over the university could be seen as evolving from two sources: the development of the mass university and an unfavourable economic environment which necessitated government expenditure to be judiciously distributed and used to maximum effect (Neave, 1982). Within this climate we witnessed the subtle transformation of universities; a transformation oriented to the marketplace.

Locke (1990:8) refers to this trend in universities as signifying ‘the rise of edubis’. He defines “edubis” as an approach to managing the university as one which “assesses the value of a university to society in figures of a balance sheet with the short term objective of feeding its graduates into the job market”. He goes on to assert that the voice of the university no longer represents values of academe but rather the values of business and business leaders and this importation of ideas is leading to a decline in both academic influence and in ethical standards. The inculcation of business practices into academia has also imbedded new criteria for measuring and assessing academic work. In this environment, ‘efficiency’, ‘accountability’ and ‘productivity’ are directly linked to defined and targeted markets for academic courses. While corporate managerial practices may deliver significant cost efficiencies to the university, managerialism comes at a significant cost, particularly for those academics with a strong sense of professional identity (Nixon, 1996).

It has caused major problems for academics for whom a different logic drives their behaviour. “The universities institutional logic - the ideal liberal academy- is one of resistance to the needs of the State and the criteria of the marketplace in shaping the organisation and the conduct of learning” (Townley 1997:276). This institutional logic is reinforced by academic work which is highly discretionary, defines and implements its own goals, sets performance standards and sees those standards are maintained. Over generations, universities have therefore generated a rationale for how professionals should be managed. They have developed a resistance to interference by external sources particularly when it threatens their independence. For these reasons academics, anecdotally, view performance appraisals as threatening their professional discretion and expertise as well as introducing a degree of standardisation and rationalisation to their work.

Academics derive high levels of satisfaction and motivation from both the intrinsic rewards of their job and their perceptions of academic freedom, freedom in which to create and disseminate knowledge (Adams, 1998). Introducing managerialism in to this environment, may deliver some economic benefits but one adverse consequence might be academics exhibiting low levels of commitment to their organisation as a result of the perceived organisational rigidity and a culture of stifled learning and creativity (Winter et al., 2000).

There is an interesting dichotomy taking place in universities. As universities research and teach about the changing nature of organisations today they are in fact watching themselves move in the opposite direction. Despite the fact that many organisations are deserting Tayloristic principles and turning towards more worker-participative procedures, higher education is being forced to desert its collaborative and collegial model and move towards a management structure which bares an unhealthy resemblance to the ideas of Frederick Winslow Taylor. Today increased managerial control is well advanced under the guise of restoring international competitiveness. Academic skills are becoming increasingly isolated and fragmented to make the work more specific and therefore more easily codified and measured for performance appraisals. Ideological control of the work of the academic is shifting to one of technical control over contexts that are framed by the norms and values of business (Smyth & Hattam 2000).
How has this shift in control happened? In the past university administrators were often distinguished academics who not only understood the history but the role of the university. In the corporatised university of today, administrators are just that, administrators. They are professional managers who see their role as applying business principles to every element of the university and measuring their success in terms of technical efficiency alone. Most administrators would acknowledge that universities are complex organisations. Part of this complexity comes from the varying foci that universities have in terms of research and teaching. Even in one single university, research and teaching attached to different disciplines, require different organisation and support. How naïve it is to think that the uniformity and line control evident in business or industrial organisations can be applied to universities and not diminish creative or academic productivity. One could ask why does it appear that academics have been complicit in the move to a managerialistic environment? The answer lies in the fact that the commodification of higher education has become so imbedded in university culture and been part of the professional discourse to such an extent that many academics may not readily realise the extent to which they are implicated (Nixon et al., 2001).

Universities and performance appraisals

Universities are now under immense pressure to generate increasing portions of their own income. As has been identified, this has resulted in a reorientation of traditional management practices to one that has seen universities engage with business more intimately and in doing so replicate many of its management practices. The widespread adoption of performance appraisals in the university sector has been one such practice. The introduction of performance appraisals into universities is driven by the perception that not only will it provide predictability it will also provide accountability. In countering that argument, Stone (1998:265) says that ‘not only is there a belief that performance appraisals are not appropriate for academics, they are also seen as an attack on academic freedom as well as a potential tool to monitor and control staff, preventing unpopular research or discussion not popular with the university.’ Lonsdale (1998:303) supports Stone’s position. ‘Past approaches to …appraisal and performance management in higher education have had limited and confused purposes and their contribution to enhanced institutional performance and quality has been minimal.’


...increase motivation, foster productivity, improve communications, encourage employee growth and development and help solve work related performance problems. In addition it can provide a systematic basis for compensation, promotion, transfer, termination and training and development (Longenecker & Gioia 1988:41).

Using one university as a case in point, this paper considers how well these diverse expectations of performance appraisal are realised within the academic environment. Are performance appraisals used for determining individual forms of remuneration amongst academic staff? The answer is no. The university sector is covered by the National Tertiary Education Union (NTEU) which negotiates on behalf of all academic employees certified agreements with individual universities. The wages and conditions of academics are therefore determined on a collective basis and make no reference to the outcomes of individual performance appraisals. This is unlikely to change in the foreseeable future as the NTEU has a long held belief that performance-based pay schemes are merely devises seeking to intensify the work effort and increase the control of management” (Stone 1998:265). A critical factor that Bryman, Haslam & Webb (1994) identified in their study of British universities was the recognition of the importance of organisations implementing appraisal recommendations. In acknowledging the failure of universities to implement appraisal outcomes they argue that it was not necessarily a result of indifference on the part of appraisers or universities but rather an inability to resource the range of outcomes identified in the performance appraisals. This failure to implement appraisal outcomes, for what ever reason, has the potential to jeopardise the whole appraisal system. This applies equally to Australian universities as it does to UK ones.
The recession of the late 1980's and early 1990's changed the dynamics and value of performance appraisals in business organisations (Kennedy 1999). A good performance appraisal didn't necessarily mean more money. Weren't employees lucky to still have a job? “Once organisations began to disconnect raises from performance the appraisal process was on the ropes. Not only did the connection between reviews and rewards suffer but as organisations flattened, the connection between reviews and promotions diminished as well” (Kennedy 1999:51). If the appraisal process was ‘on the ropes’ when organisations disconnected raises from performance appraisals, how then does academia in Australia fair when there has never been that connection?

Are performance appraisals in universities used to determine directly, who should be promoted? At the university in question, the answer is no. Most Australian academics are paid and promoted on a four grades scale – Grade A (associate lecturer), Grade B (lecturer) Grade C (senior lecturer) Grade D (associate professor). Within grades A-C there are a number of levels. In academia, promotions occur when an individual has reached the top of the scale for their grade. Even then promotion is not automatic, and is usually based on certain research, teaching and administrative criteria being achieved to the satisfaction of the promotion panel. The actual performance appraisal plays a very small role, if any, in determining whether someone is promoted to the next level. Once an academic has reached the next level they climb the incremental ladder without deference to the performance appraisal which is carried out annually. So it does not matter whether the academic is the best or worst researcher or teacher, there is very little direct link between pay, performance and promotion.

Given that one of the key functions of performance appraisal is to identify training needs, is this reflected in academia? Again, in the university in question, the answer is no. In the pursuit of achieving organisational goals one would expect the universities to be highly active and financially forthcoming in allowing academic staff time off and funding their training deficits. Such is rarely the case. When it does occur, for example, it is usually training related to the introduction of new information technology, and is typically undertaken regardless of performance appraisals. The training necessary to be promoted from one grade to the next typically involves more time and resources than most universities are prepared to provide. The acquisition of PhD's are usually undertaken at the personal prerogative of the academic rather than to satisfy a measurement standard in a performance appraisal. The issue of teaching skills is rarely identified in performance appraisals and is usually covered in the probationary period of an academic’s appointment and are no longer an issue once the academic moves from the probationary period. Annual performance appraisals then become at best, the opportunity to ask for some minor training – often computer related - and usually with no direct link to pay or promotions.

Do academics get performance feedback in their performance appraisals? Yes they do but, “…in a performance oriented company there is no room for egalitarianism. Inadequate performance cannot be tolerated… employees who achieve want to be recognised and rewarded for their efforts. To motivate performance, outstanding performers must be identified and rewarded accordingly” (Stone 1991:150). Unless managers have a range of options to access after performance appraisals, then the value of performance appraisals to the organisation is limited. In the egalitarian confines of academia, the value of performance appraisals is almost negligible. For over a 100 years in education there have been attempts to measure and control the work of the academic through the use of various forms of inspection, quality control and payment by results but they have all failed dismally (Smyth 1989).

Smyth (1989) sees collegiality as a counter discourse to managerialism and with that goes the implicit arguments against performance appraisals. First he argues, the basis of collegiality is one of sharing, trust and participation compared with distrust, control and retribution. Second, collegiality in universities has a different tenet to management and control. It is about individuals who share and ‘connect’ with one another and everyone is aware of that connectedness ie those who do the work have the responsibility for assessing the work and making judgements about its worthwhileness. “Collegial judgements…are no less rigorous than highly quantitative, authoritarian and impositional forms of knowledge” (Smyth 1989:153).
Conclusion

Performance appraisals as a tool of managerialism, have provided university administrators with a mechanism which provides a sense of compliance with private sector practices, internal accountability and control in addition to a means to standardise and rationalise behaviour. Given the apparent flaws inherent in performance appraisals universities would be better placed to focus on what they had; a model which was highly participatory in nature, reflected the culture and environment in which it operated, was no less rigorous in its intent and which had served the academic community well in the past.

However, while there is extensive research regarding performance appraisals in private sector workplaces, the empirical evidence as to the effectiveness of performance appraisals in academia, is silent. While this paper has presented one position regarding the applicability of performance appraisals in academia it has also identified the paucity of empirical research in this specific area. Hopefully this paper has provided a platform for further examination of performance appraisals in the academic environment.

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References


The statutory regulation of child labour in Queensland

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ABSTRACT

Child labour is an important international issue. In the past, international attention has focused almost exclusively on the problems of child labour in developing countries (ILO 1973 and 2004, Mendelieivich 1979, Suvarchala 1992). This trend gained momentum in the 1990s, with the recognition of the resurgence and importance of child labour for those countries (Dorman 2001, Basu 1999). However, it is a myth to think that child labour in developed countries has been eliminated (Piotrkowski and Carruba, 1999: 131). Wealthy nations like Britain, the United States and the Netherlands engage a higher proportion of children below 16 years in regular work than do India, Kenya, Brazil and Thailand (Lieten and White, 2001:2). This startling fact has led the Australian Children’s Rights News to conclude that, ‘within one decade, child labour has graduated from a non-issue to centre-stage in international social concerns’ (Australian Children’s Rights News 2001: 1).

International research indicates that child labour is an important social problem. Children are particularly vulnerable in the labour market and face a range of unique hazards to their health and wellbeing. Employment can interfere with a child’s education and socialisation (Hyndman 1990, Kristoffel 2001, Ryle & Hughes 1998). Perhaps the most important issue associated with child labour is the problem of health and safety. Workplaces that are safe for adults are not necessarily safe for children and young people. Equipment and tools designed for adults may not protect children. Children are particularly vulnerable in the workplace as their incomplete physical development makes them especially susceptible to exposure to chemical and biological hazards and musculoskeletal disorders associated with weight-bearing activity. Psychological development issues also make them susceptible to injury due to poor risk assessment, vulnerability to peer or work pressure and poor judgment (Castillo, 1999). Children experience further vulnerability as they are mostly employed in temporary jobs where they generally receive less health and safety training than do full-time workers. Moreover, children in temporary jobs are also less likely to have their interest represented by trade unions (Brosnan and Loudon, 2004).

In most developed countries, child labour is regulated – to some extent. In the UK, all children who work need to obtain a work permit from a local authority, signed by an educationalist and a doctor (Lavalette, 1999). In the USA, child labour is regulated by the Fair Labour Standards Act, which prohibits some forms of work and regulates others (Whittaker, 2004). In most countries in continental Europe, children and school students are prohibited from working – although much illegal work does take place. Japan also has similar restrictions on child labour as apply in Europe and North America (Hobbs, McKechnie and Lavalette, 1999).

Child labour is also a significant issue in Australia. A growing proportion of children and young people are engaging in work. No longer are children and young people just involved in traditional jobs around the home, child minding, and paper rounds but substantial numbers are working in casual and even part-time jobs in the service sector.
The 2001 Victorian report into child labour estimated that the participation rates of 15-year-olds had increased from 10 to 39 percent between 1972 and 2001 (Victorian Government 2001). In Queensland, for instance, almost half of all school children in 2004 were engaged in paid labour- up from a third in 1987 (Commission for Children and Young People and Child Guardian, 2004:9).

Most Australian states have recently updated their systems of regulating child labour. (Fenwick 2003, Parkinson 2001). Queensland is currently doing this, as there is little legal protection for children. Victoria regulates child labour through a permit system. In South Australia, the Industrial Relations Commission, through the award system, is empowered to protect children's interests at work. In Western Australia, children under 15 years are prohibited from employment, with minor exceptions. In NSW, children are excluded from some occupations and a permit system operates in the entertainment and related industries. Queensland is significantly behind the other states in employment protections for children and has perhaps the weakest and most ineffective system of child labour regulation on the main land.

The aim of this paper is to examine the state of the statute law regulating child labour law in Queensland. Such research is vital as there is little research into the legal regulation of this highly vulnerable segment of the labour market in Australia. While there is some research into Australia's international obligations towards children by Creighton (1996 and 2001) and Dabscheck (1998), such research is restricted in its focus and does not address the actual state of legal regulation of child labour in Australia. This topic is also timely, as governments in several states including Queensland, have initiated reviews of child labour in recent times (Commission for Children and Young People and Child Guardian, 2004; Victorian Government, 2001). This paper is divided into two substantive segments- a review of the legislation relating to the employment of children in Queensland and a discussion of the implications of the present legislative framework.

Legislation relating to the employment of children in Queensland

Legislation relating to the employment of children in Queensland may be classified into two major categories and a number of sub-categories. The two major categories are – provisions regarding the general welfare of children and by implication, their employment and specific employment legislation applying to children. Provisions regarding the general welfare of children include legislation covering education and work experience and anti-crime provisions. The specific employment legislation includes the Industrial Relations Act 1999 (Qld), legislation relating to the training and apprenticeship of young persons and age restrictions legislation for entry into certain occupations.

The major feature of this legislation is its piecemeal and uneven nature. This makes it difficult to enforce and even harder for young persons and parents to be acquainted with their rights and obligations. It also means that employers and potential employers may be unaware of their obligations towards young workers. This may put young workers at risk as well as leaving employers liable for breaches of their statutory duties.

Provisions regarding the general welfare of children and, by implication, their employment

Historically, under the Children's Services Act 1965 - repealed in 1999 - children were restricted from occupations or activities that exposed them to moral or physical danger. A permit system was used for children employed in entertainment-related activities involved in television, photography, modeling, public performances, or sporting events. The department responsible for the families' portfolio administered the Act. We are currently researching the operation and effectiveness of this Act but our preliminary research indicates that it was largely ineffective. This Act was replaced in 1999 by the Child Protection Act.

The Child Protection Act 1999 is the central piece of general legislation relating to the protection and welfare of children in Queensland and hence has a major albeit implicit impact on child employment. It has been enacted to implement the United Nations Convention on the Rights of the Child. Interestingly, this new legislation does not include any specific provisions related
to child employment and instead places the responsibility for child welfare explicitly with the parents or guardians of children. Thus the legislation emphasises the primary role of families in protecting children.

A ‘child’ is defined as ‘an individual under 18 years’ (s. 8) and includes a ‘young person’ where the young person is under 18. It also clarifies the meaning of the term ‘harm’ to a child as being ‘any detrimental effect of a significant nature on the child’s physical, psychological or emotional wellbeing. It is immaterial how the harm is caused’. Thus the harm may be the result of abuse or neglect of a child, or the result of exploitation including perhaps exploitation by a parent or guardian who is also an employer. (s. 9).

A Court must find a child ‘in need of protection’ before making a child protection order in relation to a child. A ‘child in need of protection’ is one who has suffered harm, or is at unacceptable risk of suffering harm; and ‘does not have a parent able and willing to protect it’. The alleged harm to a child may be investigated and certain orders made under the Act (s. 10 and s. 14). The intention of the words ‘does not have a parent able and willing to protect the child from harm’ is to limit the circumstances when the State can remove children from the custody and guardianship of their parents. If the child’s protection can be achieved by the parents (possibly with help from the State), an order for the State to assume guardianship of the child will generally not be made.

The definition also includes situations where the risk of harm is caused by the child’s own actions or someone outside the home- which once again could include an employer. Risk of harm includes circumstances where no harm has yet occurred but is likely to occur if no action is taken to protect the child. This may include circumstances where past evidence relating to other children indicates risk to the current child. We would envisage that this provision would cover situations where the child is being lured, perhaps with money or other inducements, to participate in illegal or immoral activities at the behest of criminals.

**EDUCATION AND WORK EXPERIENCE LEGISLATION:** Since 1875, Queensland has had compulsory schooling, which has restricted labour market involvement of young people. Under the current *Education (General Provisions) Act 1989*, young people are required to continue their schooling until they are 15 years old (s. 2). Under s. 119 the onus is placed on a parent not to employ or cause or permit to be employed during the school hours a child of compulsory school age unless there is in existence a dispensation granted in accordance with s. 115(1). This would cover situations where the parent engages in home-based work and the child assists. Because of these limitations on the employment of school-aged children during school hours, under regulation 114 of the *Education (General Provisions) Regulation 2000* an authorised entity in a non-government school and the chief executive officer of a government school may approve employment for a student, instead of participation in the institution's educational programs.

Further, children can be exempted from compulsory schooling for work experience. Work experience programs are regarded as being part of the educational experience of the child but nevertheless are strictly controlled. Under s. 6 of the *Education (Work Experience) Act 1996* an educational establishment may make work experience arrangements for its students with a ‘work experience provider’ under which the person will provide experience to the student as part of the student’s education. Such a work experience arrangement has to be no more than 30 days duration in a school year, must be made prior to the student commencing the work and must be approved by the student’s parent (s.12). Under s.10, a student on work experience is taken not to be the employee of the work experience provider and a law prohibiting employment or regulating working conditions does not apply to work experience. Thus while students may labour in jobs to gain work experience, they are not entitled to wages and other basic job entitlements. Work experience students do have some protections as the *Workplace Health and Safety Act 1995* still applies to them as well as any law that prohibits the employment, or regulates the working conditions, of persons who do not have particular qualifications. Interestingly, while compulsory schooling does require students to attend school during school hours, there are no restrictions placed on the amount of hours that children can work outside school hours.
ANTI-CRIME PROVISIONS RELATING IMPLICITLY TO THE EMPLOYMENT OF CHILDREN: The Criminal Code 1899 contains a large number of provisions relating to the protection of children. The Code prohibits the indecent treatment of children (s. 210); the procuring of children for immoral purposes (s. 219) the use of children for obscene acts and publications (s. 228) In relation to most of these sections a child is defined as a person less than 16 years of age - this being the age of consent. However there are clear implications in the rest of the legislation (see below) concerning the responsibilities of persons over 16 in relation to sexual offences involving minors.

The Code also has extensive provisions against the prostitution of minors. Section 229G makes procuring a person to engage in prostitution an offence. Under subsection (2) a maximum penalty of 14 years imprisonment may be imposed upon the person if the procured person is not an adult (this means a person below the age of 18 years). Under s. 229H a person who knowingly participates in the provision of prostitution by another person commits a crime. Under subsection (2) a higher penalty is imposed upon the offender if the person engaged in the provision of prostitution is not an adult. And finally, s. 229K prohibits a person who is not an adult from being on premises providing prostitution.

Section 286 (1) of the Code also imposes a wide duty on every person who has care of a child under 16 years to take the precautions that are reasonable in all the circumstances to avoid danger to the child's life, health or safety; and take reasonable action to remove the child from such danger. Whether a child is helpless or not, if the person omits to perform that duty they may be held to have caused the consequences that result to the life and health of the child. A 'person who has care of a child' includes a parent, foster parent, step-parent, guardian or other adult in charge of the child, whether or not the person has lawful custody of the child. We would maintain that an employer might well be included as an 'adult in charge of a child' in certain circumstances.

Specific legislative provisions also exist with regards to adult entertainment and pornography involving children. Section 155AA of the Liquor Act 1992 (Qld) prohibits minors (those under 16 years) from being in adult entertainment areas of licensed premises and specifically prohibits them from performing such entertainment. However the Act exempts minors who may be otherwise employed on licensed premises, or who are receiving training for employment, or work experience and even allows them to handle liquor (s.155 (4)(b)). Protection against children's involvement in pornographic films and photographs exists in the Classification of Films Act 1991 (s. 43) and the Classification of Publications Act 1991 (s. 18). Both of these sections prohibit the procuring of children for the production of pornographic material. The Classification of Computer Games and Images Act 1995 prohibits the use of children for the making or production of objectionable video games (s. 28). All of these enactments clearly prohibit the employment of children for these activities and in this context a child is defined as a person under the age of 18 years. The legislation though goes further in that it targets images of persons under 16 years or those 'who look like' persons under the age of 16 years (s. 3 of all three Acts).

(B) Employment legislation applying to children

HEALTH AND SAFETY LEGISLATION: Until recently, children were offered a number of protections under health and safety legislation. The old health and safety legislative regime originated from the 1891 Royal Commission into shops, factories and workshops, which found evidence of serious child labour abuse at work (Report of The Royal Commission, 1891). Following the British model, the Queensland factories and shops legislation provided a number of protections for children. For example, under the Factories and Shops Act 1960, there were prohibitions on children working in factories and shops and cap of maximum working hours. Children were also offered some protections under the Inspection of Machinery Act 1915, which prohibited children working with various types of machinery. With the introduction of Roben-inspired legislation in the 1980s and 1990s, all child-specific regulations were removed from the current legislation in the Workplace Health and Safety Act 1995. Admittedly, the new legislation covers everyone at a workplace whereas the old legislation did not do this or cover every workplace. However the specific protections afforded to children have gone. This means there is no allowance for the especially vulnerable position of children in the workplace. There is, of course, information dealing with the safety and health of young people at work (based on a Western Australia publication) and an
extensive data-base (in fact a certificate course) to inform students of the importance of health and safety in the workplace and their rights and obligations. We would conclude that although there were many problems with the old proscriptive factories and shops type legislation (Bohle and Quinlan, 2000), at least it did include some specific protections for children. Current OHS legislation offers no such protections.

**INDUSTRIAL RELATIONS LEGISLATION:** The other main legislation regulating children at work is under the industrial relations legislation. The *Industrial Relations Act 1999* (Qld) regulates the employment of ‘young persons’ apprentices and trainees and overlaps to an extent with students subject to the *Vocational Education, Training and Employment Act 2000.*

The *Industrial Relations Act 1999* makes the regulation of the employment of young persons (those under 21 years) an ‘industrial matter’ under s.7 – they being defined as employees under s.5 (when it is read in conjunction with s.275– see below), along with apprentices. Furthermore under s.128(2) and (3) of the Act, wage rates fixed by the Commission under an award for young persons may be fixed on a progressive scale based on the wage rates payable to employees 21 years or over in the same calling. But in making such an award the Commission must consider the age and experience of persons under 21 years. These provisions apply to young persons other than apprentices or a persons subject to the *Vocational Education, Training and Employment Act 2000*.

Apprentices and trainees though are covered under s.136 and s.137 of the *Industrial Relations Act 1999.* Under s.137 the commission may make an order fixing minimum wages and employment conditions for apprentices or trainees whether or not they are employed under an industrial instrument (which includes an award or agreement under the Commonwealth Act). In making such an order, the commission may consider the age, competency, or method of progression through training of the apprentices or trainees.

In terms of vocational placements of students (as defined by the *Vocational Education, Training and Employment Act 2000*), under s.140A the Commission may make an order fixing remuneration and conditions that apply to a student working for more than 240 hours a year. In making an order, the commission may consider the objectives of the vocational placement scheme; attributes of students including age, competency, and any disabilities; the kind of work to be done and experience to be gained; any relevant industrial instrument; and any remuneration or benefit the students are receiving from the Commonwealth or the State. The Commission may make such orders at the initiative of any party interested in the vocational placement of young people. This includes the Training Recognition Council, an organisation, or the Minister.

The Act also recognises the vulnerability of young persons in terms of their capacity to understand their contractual rights. Under s.275 the Full Bench of the Commission may on the application of an organisation, State peak council or the Minister declare a class of persons to be employed under a contract of service rather than a contract for services. In so doing they must take into account the interests of disadvantaged groups, which includes young persons. This enables young persons potentially to receive a higher level of legislative protection. Likewise under s.156 (1) the Commission must not certify a Certified Agreement unless, it is satisfied the terms of the agreement were explained in a way that was appropriate, having regard to a young persons’ particular circumstances and developmental needs under s.202. Queensland Workplace Agreements (QWA) cannot be made with employees under 18 years (s.192(4)). Despite this, under s.203 the commission in determining whether a QWA is not contrary to the public interest, prior to approving it, may consider the particular circumstances and needs of young persons, including apprentices, trainees and outworkers (s.203(6)(c). Finally inspectors in enforcing the provisions of the Act must have particular regard to the interests of young people (s.351).

As a final point, two provisions relate to the payment of wages of young persons. Under s.398 minors are specifically allowed to recover amounts of underpaid wages as if they were 18 years. But under s.701 (3) if in a calling, under a relevant industrial instrument or under a general ruling for the Queensland minimum wage, an employee’s wages depend among other things, on the employee’s age, the employee must not give false information, when seeking employment, or while so employed. Clearly the aim of this provision is to protect the rights of employers against unscrupulous young people.
Finally, since certified agreements or industrial awards of the Commission are equivalent in legal status to statutory instruments we included them in our study. We searched the Queensland Department of Industrial Relations web database for clauses relating to children. We recorded some 450 odd ‘hits’ using ‘children’ as the search term. We then randomly examined approximately 150 of these instruments. We found only three types of clauses related to children and youth. First, many awards and agreements contained a schedule of junior wages. Second, in a very limited number of cases, there were specific clauses, which stated that, ‘[n]o junior other than an apprentice shall be employed in callings to which an apprenticeship applies’ (Hotel, Resorts and Accommodation Industry Award – South-Eastern Division 2002). These clauses replicate the effect of the Vocational Education, Training and Employment Act 2000, discussed below. Third, we located a very small number of instances where there were clauses that fixed the ratio of adults to juniors or prohibited juniors from working alone (Tab Agents Association Enterprise Bargaining Certified Agreement, 1998). It is likely that the absence of specific clauses relating to children and youth is due to the award simplification and restructuring process of the 1980s and 1990s. We concluded therefore that the current Queensland award and agreement system offers few specific protections for children.

LEGISLATION RELATING TO THE TRAINING AND APPRENTICESHIP OF YOUNG PERSONS: Queensland has a long history of legislation pertaining to apprentices such as the Apprentices and Minors Acts 1929 and earlier statues going back to the NSW Apprentices Act of 1828, which applied to the District of Moreton Bay. This type of legislation offered young people some protection in particular callings as youth were assumed to be inexperienced workers and in need of supervised training and mentoring over some years. The current Vocational Education, Training and Employment Act 2000 (Qld) is the modern version of the older apprenticeship laws. It aims to establish a system to provide for vocational education and training in Queensland. Under s. 89 the council may declare an occupation a restricted calling and thereby restrict anyone under the age of 21 years from being employed in that calling unless they complete a qualification or are employed as an apprentice under a registered training contract. A person does not contravene this section if the person provides a young person with a vocational placement under chapter 4, part 2.

Interestingly, though under s. 114 a law, to the extent it prohibits or regulates the employment of a person, does not apply to a vocational placement agreement. However, this exemption is modified so as not to exclude the Anti-Discrimination Act 1991; laws with age or sex restrictions; or laws that stipulate a qualification or registration in order to do the work.

AGE RESTRICTIONS LEGISLATION FOR ENTRY INTO CERTAIN OCCUPATIONS: A number of Acts impose age restrictions for entry into certain occupations. These may be divided into Acts that are concerned about protecting the health and safety of minors and Acts that may be broadly categorised as concerned with persons having a certain level of maturity because of the responsibilities attached to an occupation- particularly the handling of money.

The first category includes for example mining and explosives legislation. Thus under s. 272 of the Coal Mining Safety and Health Act 1999 the site senior executive for a coal mine must ensure that a person under the age of 16 does not work as an underground coal mine worker. Similar provisions apply under the Mining and Quarrying Safety and Health Act 1999, to mines, other than coal mines (s. 250). Likewise under s. 36 of the Explosives Regulation 2003 in order to obtain a fireworks contractor’s licence, the chief inspector must be reasonably satisfied that the person is 21 years or more; and considering other specified circumstances, is an appropriate person for the issue of the licence.

The second category includes legislation controlling the licensing of casino operators, pawnbrokers, second hand dealers, and charity collectors. Under s. 34 of the Casino Control Act 1992 a person cannot work as a casino ‘key’ employee (who must also be licensed) or a casino employee, unless they are 18 years or more. Similarly under the Second-hand Dealers and Pawnbrokers Act 2003 a person must not carry on a business of dealing in second-hand property or act as a market operator unless the person is a licensed second-hand dealer and over 18 years (s. 7). And a pawnbroker must not employ a person under 17 years to take property as
a pawn (s. 67). Finally under the Collections Act 1966 s17 schedule 1 of the regulations and s. 22 of the Collections Regulation 1998 children under 15 must not act as collectors without the previous written consent of 1 of the child's parents or guardians and, if the consent is given, the child must be accompanied by an adult when collecting money. (5). Similarly, under the Criminal Code (Animal Valuers) Regulation 1999 for a person to be eligible to be appointed as an animal valuer he/she must be an adult.

Discussion

The foregoing review of statutory regulation of child labour in Queensland reveals a large patchwork of provisions that overlap and are unclear as to the extent of their operation. This probably makes State enforcement difficult, potentially haphazard, costly and most likely ineffective. It makes it difficult for young persons to know, let alone understand, their rights and obligations and difficult for adults to advise them and protect them. In all probability, it also makes it hard for employers to know their obligations towards young persons and under what statutory provisions they would be accountable (YWAS 2004: 19).

Further, the levels of specific protection for children appear to us to be weak. Some protections, which applied to children under the old health and safety legislation and the Children Services Act 1965, are no longer in operation. Even with the provisions, which currently cover children, it is unclear how effectively these are being enforced. Given the high degree of participation of young people in the labour market, we believe that the laws pertaining to them are most likely ineffective.

A more systematic approach to the regulation of children at work needs to be taken to bring Queensland into line with other States. A single Act covering child employment is warranted. Given that Queensland has tried and abandoned a permit system, we would not think that such a system would be feasible. It would almost certainly prove to be highly bureaucratic and resource intensive. Having said that, we also believe that the system of child labour protections should be comprehensive and not exempt or provide fewer controls for small business or the primary sector. All employers have a responsibility to protect children at work. All employers need to be covered by the legislation as research indicates that children and adolescent workers have a higher risk of occupational injury and illnesses, especially in family businesses, on farms and in the informal sector of the economy (Mayhew, 1998 and 2004).

In terms of the detail of any child employment statute, we would recommend the following. Firstly, there needs to be a clear definition of what is meant by a 'child' for employment purposes. Such a provision could also set down a classification according to age for the purposes of employment (see our third recommendation). Second, the main aim of any legislation should be clearly specified. There needs to be statutory recognition that the welfare of children at work is primarily the responsibility of the employer. The responsibilities of parents should also be specified. Third, there needs to be a basic safety net of provisions that protect children including a minimum age of employment, maximum weekly hours of work (for instance, 10 hours maximum during school periods and 30 hours during holiday periods), maximum span of hours without a break (say three hours) and prohibitions on night work between 9.00pm and 6.00am. Fourth, there should be specific prohibitions for work in occupations or industries that expose children to obvious moral or physical danger or harmful chemicals, substances or processes. This would also include a prohibition on jobs where children lack the maturation skills to adequately and safely perform the work. Finally, there should be specific provisions requiring employers to provide suitable supervision and training for children at work.

Alternatively and as a minimum, we envisage that the present problems with the statutory controls on child labour could be overcome with the enactment of a Child Employment Schedule to the Industrial Relations Act or the Child Protection Act 1999 that lists the various provisions enacted for the protection of children and the various agencies charged with their enforcement. As part to this process, the various sections relating to child employment could be revised to avoid duplication and to properly update and modernise the law in this area. This Schedule could be combined with codes of practice developed for the main industries and occupations where children and young people work. These could target specific problem areas of children's employment and outline the main responsibilities of employers to protect the interests of children at work.
Whichever of the two models is adopted, however, there needs to be a clearly specified enforcement regime. We would recommend that responsibility for enforcement be placed with the industrial inspectorate of the Department of Industrial Relations because it is ideally suited to administering and protecting children's interests at work. The inspectorate is highly experienced, has a professional cadre of inspectors making regular workplace visits and has the expertise to deal with a wide range of work-related issues. It can, as the need arises, refer serious matters of child employment abuse to parents, the police, or other agencies as required. While the creation of a new Child Employment Inspectorate attached to the Commission for Children, Young People and the Child Guardian is equally feasible, we believe that such an option would lead to unnecessary duplication. Once again, though we would maintain that whichever enforcement system is adopted, it needs to be supported by a suitable advertising and educational campaign, in order to make a major impact in alleviating community concern about child employment. In this regard, a youth employment policy unit located in either the Department of Industrial Relations or the Commission for Children and charged with policy making and community education, would greatly assist this process.

Conclusion

Child labour is an important international issue both in Australia and overseas. The incidence of child labour is growing and more research needs to be directed to this important topic. In response to this development, Australian governments in a number of states have reviewed child labour laws in recent years. In this paper we examined the statutory regime relating child labour in Queensland. We argued that child labour legislation is piecemeal, probably ineffective and clearly in need of reform. The Commission for Children, Young People and Child Guardian is currently reviewing child labour in Queensland. It is hoped that the outcome of such a review will improve the Queensland system of child employment protections and bring Queensland in line with other mainland States. We conclude that an effective system would entail separate legislation to cover all aspects of children's employment. At a minimum though, the enactment of a schedule to either the Child Protection Act or the Industrial Relations Act that lists the various provisions for the protection of children, supported by targeted industry codes of practice, is overdue.

1. Under section 115, the chief executive may grant to a parent of a child of compulsory school age dispensation from compliance with compulsory enrolment and attendance provisions (8.00am to 4.00pm of a school day) for a specified period of time

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References


**Union strategy and structure in a decentralised environment: An exploratory study of the Community and Public Sector Union**

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**ABSTRACT**

The paper examines the strategic and organisational responses of the union covering Australian Public Service (APS) employees, the Community and Public sector Union (CPSU), to the challenges of managerial and industrial decentralisation in the APS. Since 1987, the regulation of work in the APS has undergone several forms of decentralisation. Like other employers in the federal industrial relations jurisdiction, the APS has responded to changed industrial relations legislation between 1988 and 1996 by relocating wage bargaining to workplace level, and, latterly, to individual level. The paper highlights that the changes to the CPSU’s structure provided the conditions for a new model of democratic legitimation in the union in the form of Divisional Councils and Sections comprised of workplace delegates. In addition, while the reorganisation of the union facilitated a union strategy compatible with the ACTU’s organising and bargaining models, the union continued to face a bargaining environment involving both decentralised agency bargaining and central oversight over the bargaining process by the Department of Employment and Workplace Relations.

**Introduction**

The paper examines the strategic and organisational responses of the Community and Public Sector Union to the challenges of managerial and industrial decentralisation in the Australian Public Service. Since 1987, the regulation of work in the APS has undergone several forms of decentralisation. Like other employers in the federal industrial relations jurisdiction, the APS has responded to changed industrial relations legislation between 1988 and 1996 by relocating wage bargaining to workplace level, and, latterly, to the level of individual employees. Successive governments have vigorously pursued the new bargaining agenda with their own employees, as part of a more general shift to devolved public sector management practices. There is no novelty in the argument that decentralisation has been driven by policy from the centre. Rather less attention has been paid, however, to the interplay of centralisation and decentralisation on the structures and strategies developed by the CPSU.

The paper reviews the hybrid centralised/decentralised models of federal public sector employment relations engineered by Labor and Coalition changes to industrial relations legislation and public sector management in the 1990s, with a particular focus on the period since 1996. Of particular concern is how the CPSU has responded to the hybrid model of bargaining it has faced under the Coalition Government since 1996. We map union responses to the changed bargaining context, starting with the major structural changes beginning in 1987 that brought the (C)PSU into existence. Centralised bargaining had been compatible with branch- and state-level consultative structures and a ‘service’ model of unionism, with paid officials heavily involved in addressing individual cases. The new union rode out the early-1990s wave of industrial decentralisation, without changing this structural configuration. After 1996, however, it reversed its earlier focus on centralised industrial negotiation and decentralised deliberative structures and servicing functions. In the new model, national-level deliberative and policy capacity was enhanced through a move away from the old state/federal structure to greater reliance on divisional councils of delegates with similar interests, composed of sections that mirrored agency-level bargaining units. Membership communication and advisory services, on the other hand, were centralised and allocated to organisers and call centre staff, in order to free up industrial officers and division secretaries for workplace-level bargaining. A second theme of the paper is an examination of whether this restructuring of the CPSU also enhanced the prospects of union democracy. While the reorganisation of the union was designed to increase the union’s negotiating strength at workplace level, to what extent has the development of divisional councils comprised of a majority of workplace delegates increased membership involvement in the union’s internal decision-making processes?
What is union strategy anyway?

There are some conceptual difficulties in applying business-oriented models of organisational strategy and effectiveness to unions, despite recent attempts to do so (Gardner 1989; Gardner and Palmer 1993). In business environments, the prime objectives are profit maximisation and shareholder value. By contrast, unions (and many other not-for-profit community organisations) have an overall objective of membership welfare, whose nature is difficult to define and whose achievement is likely to be multi-dimensional (Child, Loverage and Warner 1973). Organisational literature distinguishes between ‘goals’ and ‘systems’ models. The ‘goals’ model starts from the assumption that organisations have clear and defined objectives that are pursued through the formulation and implementation of purposeful strategies. System theories adopt a biological metaphor and emphasise the maintenance, effectiveness and ‘health’ of organisations. Thus the achievement of specific goals is subsidiary to the ‘healthy’ survival of the organisation (Gahan 1999). A combination of the two approaches may be more useful than either approach alone, in determining the success of union strategy or the simple application of business strategy to union activity (Fiorito et al., 1993). Organisational survival, then, is a broader and more complex issue than the achievement of immediate goals. Nevertheless palpable and continuing achievement of specific objectives may be crucial to maintaining membership loyalty and organisational well-being in the longer term.

The second dimension of this debate concerning the interaction of organisational strategy and effectiveness relates to union democracy. While registration status within the arbitration system requires a measure of representative democracy, the centralised nature of arbitration and other centralised processes affecting state sector workers placed a premium on the development of relationships between union officials, employer organisations and state institutions rather than union members, employees and individual employers. In this environment workplace organisation and participative (as distinct from representative) union democracy remained underdeveloped. In the context of decentralising regulatory systems, it has been argued that greater union membership involvement in the workplace is not just a desirable organisational goal in itself, but is also necessary for the more effective achievement of union goals and the longer term survival of unions (Fairbrother 1986; O’Brien 1999).

Discussions of union strategy and legitimacy in Australia have until recently been cast within the framework of ‘dependency theory’, i.e. the effect of arbitration on union strategy and behaviour. Howard argued that unions were weakened by their incorporation into the state via the arbitration system (Howard 1977). Scherer, on the other hand, argued that unions were strengthened by arbitration. He argued that militant and strategically located unions were able to legitimise and extend their gains made outside the immediate sphere of influence (Scherer 1985). While there has been considerable discussion of the effect of arbitration on unions (Gahan 1999), there is a strong consensus that workplace based unionism has been underdeveloped in Australia because of the necessity for unions to operate within a centralised framework. With the decentralisation of the regulatory framework and the changing role of the state within that environment, an argument has emerged that one of the keys to arresting union decline and enhancing union effectiveness is the development of a workplace-based model of union organisation (Peetz 1998). This has been accompanied by a concerted effort of the Australian Council of Trade Unions (ACTU) to persuade unions to shift more towards a more ‘active’ organising / bargaining model of union activity and away from a more ‘passive’ servicing model of unionism (ACTU 2003).

Historically, unions organising state sector unions have a somewhat different experience with arbitration. Many unions organising professional and quasi-professional workers were denied full access to state-level arbitration until the 1970s and it was not until the 1980s that many categories of public sector workers were able to seek registration in the federal arbitration jurisdiction. Moreover, the salaries and working conditions of public sector workers were primarily determined by intermediary bodies such as public service boards, acting as the agents of governments (O’Brien 1999). This was a different model of centralisation. If workplace organisation was hampered in state sector unions it was more a reflection of the desire of governments to maintain control of their own employees through centralised processes, rather than the incorporation of public sector unions through arbitral mechanisms. Nevertheless, the centralised bargaining structures faced by state sector unions also led them towards more centralised approaches to bargaining that gave lesser emphasis to workplace-based organisation and strategy. Since the late
1980s, federal governments have been using their centralised powers as employers and paymasters of public sector workers in order to drive an apparently decentralised industrial agenda. In order to understand union responses, it is necessary to clarify the degree of decentralism in the agendas of successive Labor and Coalition governments.

The limits of decentralism in APS bargaining structures

THE LABOR HYBRID MODEL: The organisational structure of the CPSU was largely a legacy of the structure of the employment framework in the federal public service from the 1920s until the early 1990s. The employment structure of the APS had been highly centralised with common classification and payment systems across the service. Many of the employment arrangements were established in legislation and service-wide determinations were made by the Commonwealth Public Service Board acting as the employing authority. The regime was modified, in part, by public service unions’ access to arbitration. This highly centralised regime was modified somewhat in the 1980s, with agencies and departments given greater responsibility for personnel arrangements. When the Public Service Board was abolished in 1987, its functions were divided between the Department of Finance, the Department of Industrial Relations and the Public Service Commission. Moreover, the multiplicity of small agencies and departments were consolidated into a number of large ministries usually under the political supervision of a Cabinet Minister. The three central agencies largely maintained supervision of employment and industrial relations arrangements on behalf of the government. Even when the Labor government experimented with a modified version of agency-level bargaining between 1992 and 1995, the service-wide employment structures remained largely in place.

In the early 1990s the Labor government established a bargaining structure within the APS that incorporated both centralised and decentralised elements. In 1992 an agreement was signed with 27 public sector unions providing for the development of more flexible employment conditions in exchange for an overall wage adjustment. Agency managements were permitted to make agreements with unions operating within an agency. Those agencies that were able to make an agreement were required to return some of the savings to a central fund that would be used to pay wage increases to agencies where no agreement had been reached. The CPSU had resisted this ‘foldback’ mechanism, but eventually had to accept it. The resulting organisational difficulties arose from the fact that the CPSU and its predecessors had been long used to bargaining centrally at the APS level. The union responded by negotiating agreements where it could, but it made no major organisational adjustments to meet the complications of this new bargaining environment.

The brief period of decentralised bargaining from 1992 to 1995 at least prepared the CPSU for the more challenging environment after 1996. Indeed in the view of the Department of Industrial Relations official who coordinated bargaining within the APS, the experience of decentralisation helped to revive a rather moribund federal public service union (interview with Yates 1999) although there was significant resistance to operating within such a system among the membership of the CPSU (O’Brien and O’Donnell, 1999).

THE COALITION’S ‘LOOSE – TIGHT’ MODEL: In contrast to the Labor government’s model, the new Coalition government was determined to have ‘real’ agency level agreements without providing any incentive for some agencies to rely on any central funding arrangements beyond the normal level of wage supplementation of approximately 1.3% provided annually to all agencies (Reith 1996). Nevertheless agency managements were not permitted to exercise absolute autonomy in making agreements with employees. All agreements had to conform to the government’s general industrial relations policies as well as the specific parameters established by the government for bargaining within the APS. These parameters included a requirement that salary progression be based on ‘effective performance arrangements’; that direct agreement making with employees be encouraged and that such agreements should displace APS-wide award arrangements where possible and that the process was to be supervised by the Department of Employment, Workplace Relations and Small Business to ensure adherence to government policy (Reith 1999; Yates 1998; O’Brien and O’Donnell 1999). The CPSU regarded the role of Department as the ‘invisible’ third party at the bargaining table (interview with senior officials 2004).
Thus the CPSU was faced with a bargaining structure that was operationally decentralised, but still had a significant level of central supervision. The CPSU sought to have bargaining take place within some APS-wide framework that had been the situation when the Labor government had experimented with a partly decentralised system in the early 1990s. The government declined to have such an arrangement, partly because it wanted to have agency level agreements replace APS wide arrangements and partly because it wanted to avoid accepting the CPSU and other public sector unions as bargaining partners (O’Brien and O’Donnell 1999). Whatever APS-wide arrangements remained would be the product of government unilateral choice rather than an outcome of bargaining with public sector unions. The CPSU then had to deploy resources developed for a centralised environment to a radically decentralised environment. Hitherto, the union had bargained centrally or used the Industrial Relations Commission to establish centralised arrangements. Whereas there was one set of industrial arrangements covering the federal public sector there are now over 200 agreements (interview with senior officers, CPSU 2004).

This increased demand on union resources was compounded by the service model of unionism on which the CPSU was operating. Its organisers and industrial staff were responsible for dealing with individual problems of members, whilst consultative structures and union facilitation mechanisms dealt with the more general issues that arose within agencies. This largely service model was located within an organisational framework that left much of the day to day work of the union to state and territory branches – particularly the three largest branches in New South Wales, Victoria and the Australian Capital Territory. While the national level of the union was not without power, it did not have the capacity to readily redeploy resources to meet the demands of a largely decentralised operational environment.

**Ad hoc adjustment by the CPSU – c 1996 - 1999**

The necessity to bargain could not, however, wait for a major organisational adjustment within the union. Industrial Officers and Organisers, together with delegates within agencies, had to proceed with bargaining. In doing so the union faced a number of major obstacles to effective bargaining. First it had to seek recognition by agency managements as the legitimate representative of employees. This was not a problem in agencies where the union had significant presence. In Centrelink, for instance, the senior management took a ‘pragmatic’ decision to bargain with the CPSU (interview with industrial relations manager 1999; interview with CEO 2004). Where union membership was lower – such as in the Department of Finance and the Department of Foreign Affairs and Trade – various methods were used to marginalise the role of the union. These methods included having non-union employee negotiating groups alongside union bargaining teams. In other agencies where the union had a stronger presence, it had to work around mechanisms designed to minimise its influence. The management of the Australian Bureau of Statistics, for example, established an elaborate employee consultative mechanism to go over the head of the union. This was of limited success as there was a strong tradition of rank and file organisation within the agency, although the union was not strong enough to prevent an agreement being made with employees directly rather than with the union (O’Brien and O’Donnell 1999). Instead of just bargaining the union had to establish its legitimacy to represent employees. So achieving recognition was a resource-intensive process even before bargaining took place. Moreover, where the draft agreement was unsatisfactory or the management put it to the employees directly, the union had to run ‘no’ campaigns – with mixed success.

Stretching its human resources to cater for a bargaining system was not the only problem faced by the CPSU. The *Workplace Relations Act 1996* had effectively limited one of the union’s most effective industrial weapons in the public sector – selective bans in agencies where immediate damage could be inflicted on the employer. Hitherto, federal public unions could take selective industrial action such as banning certain activities without running the risk of employees being stood down for not working as directed. The absence of an effective ‘no work, no pay’ provision in the APS had meant that public sector unions could take selective industrial action without the necessity of ‘organising all out strikes where members would be ‘docked’ for time lost. The clarification of the ‘no work, no pay’ provisions in the *Workplace Relations Act* was regarded by APS senior managers as the most effective sanction on union activity (Yates 1998). So without this industrial weapon the union were forced to organise industrial campaigns that relied much more on propaganda and interaction with members in order to mobilise activity. It is not surprising
that there has been a significant decline in industrial action in the form of strikes and selective bans in the APS in the last four years, although this, in part reflected a general decline in industrial action. Such a situation presented another level of organising complexity to the union.

Organisational structure of the CPSU: competing power centres

The union’s slowness in responding to the first wave of decentralisation in the 1990s was probably related to the fact that it already undergone a major organisational change in 1987, following the amalgamation of the Administrative and Clerical Officers Association with the Australian Public Service Association (Fourth Division Officers) to form the Public Sector Union (PSU). This amalgamation largely reflected significant changes that had taken place in the APS as a consequence of the office restructuring process that had been wrought by the application to the APS of the 1987 structural efficiency principle. The formal distinction between ‘permanent officers’ and other ‘employees’ (mainly located in the fourth division) was made less sharp by the abolition of a wide range of clerical assistant positions and the evolution of six classification levels to cover most APS employees. A subsequent amalgamation brought together the PSU with the State Public Service Federation (the federal identity of state public service unions) to form the Community and Public Sector Union. This latter amalgamation was more driven by the ACTU union consolidation agenda rather than reflecting organisational developments within the APS and state public services, although one of the ex post facto justifications of the ACTU strategy was that it would prepare unions for a more decentralised bargaining environment. The CPSU and the SPSF still operate as largely autonomous entities.

The structure of the (C)PSU in the early 1990s reflected this amalgamation, with strong state and territory branches within a federal structure. While negotiations remained centralised much of the day-to-day work of the union was undertaken at the branch level. The three largest branches in NSW, Victoria and the ACT with the bulk of the membership carried most weight in the union (interview with senior officials, CPSU, 2004). Indeed in the early 1990s the leadership of the ACT branch was not factionally aligned with the federal office. Until the mid-1990s this fissure between the second largest branch of the CPSU and its national leadership was a source of disunity within the organisation that was manifested in arguments about union strategy and tactics. While the union operated within a centralised bargaining structure, it was not really a national organisation with a capacity for centralised political coordination.

Following the consolidation of federal departments in 1987, the CPSU, however, had begun to put more resources into delegate structures and began to develop the union along sectional rather than regional lines. So a number of agencies and departments with related functions were organised into a division with an elected secretary, who was usually a full time official of the union, and there were division councils made of members elected from the agencies within each division. Within the division there were a number of sections. The capacity to service the agencies, however, still lay with state and territory branches. Industrial officers and organisers from the state branches, usually with national industrial officers acting in a coordinating role, provided services to members. So while the structure of the union was modified to provide three power centres in the union – the national office, the state branches and the divisions – the industrial, financial and much of the organising resources remained within the state branches (interview with senior CPSU official 1999, interview with senior CPSU officials 2004; Cooper 2001: 429). While the rationale for developing the divisional and section structural was to shift resources into bargaining activities and away from servicing functions (Cooper 2001: 429-430), it is not unreasonable to conclude that the national leadership of the union saw the divisions as a counter balance to the state branches, particularly those branches who did not share the political outlook of the national leadership. The model usually involved a national official of the union fulfilling the role of the section secretary with industrial officers and organisers working within a particular section. So while the state officials were employees of branches, their work was largely determined by a division secretary who was more likely than not, located at the centre.
Decentralised bargaining structures and organisational adjustments

While the development of the sections may have been motivated by internal factors within the union, the development of operationally-decentralised bargaining structures after 1996 meant that the sections took on a rationale that fitted better with the new environment (Gepp 1999; interview with senior officials, CPSU 2004). In 1996 the CPSU realised that it needed to provide a more consistent service to its members across Australia. Union organisers used to spend up to 50 percent of their time dealing with individual grievances, perhaps 40 percent talking to members and 10 percent talking to non-members. The critical question for the CPSU was ‘how do we have a model of unionism that will enable us to survive post 1996?’ (interview with division secretary 2004).

In response to this question, the union decided that membership servicing was going to be undertaken nationally instead of at the individual or agency level and established a Membership Service Centre. It operates until 9.00pm and is staffed by 12 experienced organisers. They have access to all documentation in relation to public sector certified agreements and have been trained in areas such as occupational health and safety. The union claims that the Service Centre highlights the extent to which the CPSU has adopted the ACTU’s organising model and adapted it to the public service environment (interview with a division secretary 2004). In addition, all the financial arrangements of the union were centralised. Prior to 1996 the union used to have eight sets of accounts that required auditing and this has been reduced to one. While this could be defended in efficiency terms, it also had the effect of giving the centre more control of the distribution of resources within the union. The strategy was to shift resources to supporting an organising model of the union with an emphasis on organising staff and less emphasis on administrative support staff. This is symbolised, rather curiously, by the fact that no CPSU office has a reception desk (interview with senior CPSU officials 2004). These initiatives enabled resources to be shifted to on the ground organising and to bargaining that had become a central and continuous part of union work. One division secretary, a long time full time official of the union, claimed that if these initiatives had not been taken then membership may have fallen up to 40 percent instead having been maintained at steady state in recent years (interview with a division secretary 2004).

Communication with members

The union’s communication with its membership has changed from a series of publications by individual branches to one newsletter published nationally. In the early 1990s the national office of the union felt to need to publish a separate newsletter to its members in the ACT to counteract the leadership of the ACT branch that was led by a different faction from the national officers. While there was some resistance from some branches to this change, it has meant that theunion has overcome the problem of different policy positions being outlined by different branches of the union in their publications. This, it was claimed, created problems in negotiations for the union as employers would highlight these inconsistencies in the Industrial Relations Commission. Members would also realise that contradictory views were being expressed by different parts of the union in official publications. Overall it made the union appear ‘unprofessional’ (interview with division secretary, 2004). Like many other unions the CPSU makes extensive use of its website to communicate with its members, although it is far from clear whether this improves communication or runs the risk of creating information overload for members. On the other hand, it is an additional and readily accessible form of communication when the union had difficulty gaining access to members in agencies that are not highly unionised. The legislatively-based limitations on access of union officials to workplaces forced to union to use less orthodox methods to make contact with members and non-members in particular workplaces.

At the office of the Australian Government Solicitor, where only between 10 and twenty percent of staff were members, the union had been aiming to improve what it perceived to represent a poor management offer for much of 2004. The union campaign involved talking to union and non-union members, although management had refused the union access to the organisation which had made organising increasingly difficult. The union conducted a survey of all staff and some 60 percent of employees signed a petition in support of the union. The question for the union though was how to communicate with non-members given the resistance by management to union access. One strategy adopted was to telephone all employees who signed the survey.
Union organisers were trained to follow a planned conversation guide to convey the message that if AGS staff wanted a union negotiated agreement they needed to join the union (interview with division secretary, 2004).

While these tactics were largely driven by a legislative environment, these initiatives took place in an organisation where there had been a significant shift of political power. Hitherto, power had been shared between the national officers and the regional secretaries. That power was largely shifted to divisions and particularly to division secretaries. Given that division secretaries were often national officials that shifted the balance from the regions to the centre. As a trade off the larger regional secretaries were often also division secretaries. This enabled key regional officials to exercise power within the new structure, but their power derived from their location in the division rather than regional structure. So power was shared between the regions and the centre but within a structure that had been largely promoted and established by the centre. So in order to deal with the challenge of continuous decentralised bargaining, the union needed to centralise its financial resources and its service capacities and recast its bargaining capacity where there was a sharing of power between the centre and the regions. What implications did this have for union democracy?

Centralised structures, organisational effectiveness and union democracy

It has been argued elsewhere that the achievement of union objectives in a decentralised bargaining structure is facilitated by operation of internal union democracy. Almost regardless of the formal union structure, unions are usually a coalition of forces, traditions and experiences that increasingly have to operate within a regulatory framework that encourages enterprise fragmentation over organisational unity. In this fragmented bargaining environment the operation of internal union democracy can assist in maintaining organisational solidarity (O’Brien 1999). Indeed it has also been suggested that decentralised bargaining itself can provide for union renewal along more democratic lines (Fairbrother 1986). On the face of it the CPSU gave primacy to organisational effectiveness in a decentralised environment, rather than emphasising the legitimising role of internal union democracy. Indeed with the reorganisation of the union into divisions rather than regions, and the centralisation of financial and servicing functions suggest that survival in the new bargaining environment required that the centre be strengthened over the periphery. This was, however, counterbalanced by the fact that regional secretaries were usually also division secretaries. Moreover, division councils were restructured to provide for a majority of rank and file members, albeit under the leadership of full time officials. One senior official, who was also a division secretary as well as a national elected officer, suggested that this rendered the divisions as the principal institutions of democracy in the union rather than the strategy of the union being dominated by the management committee located at the centre (interview with senior CPSU officials 2004). Of course, representative structures are not by themselves guarantors of internal democracy but at least they provide for the potential for the greater operation of internal democratic processes.

Conclusion

The paper has explored whether the CPSU’s reorganisation enhanced the union’s ability to cope with the increased demands of a more decentralised bargaining environment. In order to cope with the challenges of decentralised bargaining it was necessary for the union to centralise many its functions, with an associated shift of political power to the centre. Nevertheless, the reorganisation of the union’s structures provided union officials with increased resources to devote to organising new members and to agency-level bargaining. The restructure has also enabled the union to transfer an increasing proportion of the resources devoted to individual grievances to experienced organisers in its Membership Services Centre. The reorganisation of the union could not address the reality of ongoing central oversight over the bargaining process in the APS by the Coalition Government though the union did insist that agencies resist the intervention of the Department of Employment and Workplace Relations.

The paper also examined whether the changes to the CPSU’s structure provided the conditions for increased union democracy. Where the bargaining environment becomes increasingly fragmented, a focus on increasing internal union democracy may represent a key means of maintaining solidarity across a large number of work sites.
Decentralised bargaining may also enhance the prospects for union renewal along more democratic lines where unions embrace a more inclusive model of membership representation to facilitate union survival (Fairbrother, 1986; O’Brien 1999). The restructuring of the union into division councils with a majority of rank and file members provides the conditions for a new model of democratic legitimation in the union according to those division secretaries interviewed for this paper. Future research aims to gather the responses of workplace delegates themselves and to assess their perceptions of whether increased union democracy has occurred under this new structure.

References

Yates, B. (1998) Interview with Bernie Yates, First Assistant Secretary, Department of Workplace Relations and Small Business, 20 February.

Interviews with Community and Public Sector Union Officials
Interview with Senior CPSU official , Melbourne, December 1999
Interview with Section Secretary and Assistant Secretary, Melbourne, August 2004.
A survey of 1153 undergraduate university students showed that while students have quite favourable attitudes towards unions, only one in three wanted to join a union after graduation. A large proportion of respondents were unsure of their views toward unions. Discipline and parental experiences with unions were sources of significant variation in union sympathy. Students with positive experiences of union membership, irrespective of union or future occupation, were more likely to want to join a union after graduation. The paper concludes that unions should do more to promote the role and achievements of unions to student workers, as well as develop coordinated strategies that respond to students’ contemporary transition from part-time to full-time work.

Introduction

As the transition from full-time education to full-time employment has become more prolonged and more difficult, the group of ‘student workers’ has become a popular topic for those writing about youth labour markets. Students enrolled at university, vocational education, or secondary school are a significant proportion (32%) of the labour market of 20-24 year olds. Students form the majority (62%) of the part-time labour market within this group (ABS, 2002: 24). For young people, growth in employment has been in part-time jobs in the retail; accommodation, cafes and restaurants; and health and community service sectors while the number of full-time jobs in the manufacturing and finance sectors held by young people has fallen (Wooden and VandenHeuvel, 1999: 44). However, the student-work phenomenon has largely been informed by perspectives other than industrial relations: for example, educational sociology (McInnis and Hartley, 2002), workplace learning (Yashin-Shaw et al., 2002) or social policy (Bessant, 2002). This paper considers what effects the now commonplace combination of full-time study and part-time work has on the union attitudes of Australian university students. Unions would be wise to appreciate the experiences common to student workers, as well as the differences, if they are to develop effective strategies to recruit this new generation.

Union density of young people has been low for at least twenty years (Sloan, 1985), with the concentration of young adults in the under-unionised retail and recreation (hospitality) sectors accounting for much of the difference. High labour turnover in these sectors in particular was seen as a factor inhibiting unionisation (Sloan, 1985). Even from this low base, the decline in union membership among workers under 25 over the last ten years has been dramatic. In 1993, 21.5% of workers aged 15-19 and 30.0% if 20-24 year old workers were union members. By 1999, membership had fallen to 14.2% and 16.6% respectively (ABS, 1999). These are the lowest levels of all the age categories. Overall, union membership fell from 37.6% to 25.7% in the same period. This trend is similar to that in Western Europe (Kahmann, 2002: 20; Waddington and Kerr, 2002).

Research in the area and union strategy has become more focussed on what unions can do to improve their representation among young people. Biddle et al., (2000) identified a critical gap in knowledge about the function of unions. Young people maintained stereotypes of unions as dominant in ‘male-dominated industry, where tough dangerous work demanded tough, even intransigent unions’ (Biddle et al., 2000: 38). Unions needed to make their role in protecting award entitlements clear, as well as their capacity to improve conditions at the workplace level. Unions also needed to be open to learn more from young people, especially about the way that they are seeking to manage their own working trajectories (Dwyer and Wyn, 2001). The challenge for unions was not to persuade young people of the benefits of unionism, but ‘to assist them to see that unions can have an important role in their working lives rather than other people’s’ (Biddle et al., 2000: 40). This is a particular challenge for student workers, who view their participation in the part-time labour market as temporary and have different workplace priorities.
The union movement has recently recognised that ‘student-workers’ have distinct priorities and occupy distinct spaces (Bessant, Lipsig-Mumme, and Watts, 2002). Bessant et al. argue that unions should actively engage with young workers in spaces like universities or TAFE colleges and acknowledge that their working lives have begun. It is predicted that this will serve two, connected purposes. First, it will assist unions in organising young workers in the sectors in their current casual and part-time jobs in retail and hospitality. Second, it will establish a positive relationship with young people that can be carried into their subsequent, professional careers. In this view, unions should foster university spaces as ‘communities of unionism’ (Lipsig-Mumme and Nielsen, 2002). The ACTU and many affiliates agree, and are devoting more resources to engaging with student workers (ACTU, 2003).

**Determinants of union membership**

Various factors have been demonstrated to be predictors of attitudes towards unions. Australian analyses have focussed on structural predictors, but favourable attitudes towards unions have become more important in the last ten years, since the end of compulsory unionism. Barling, Kelloway and Bremmermann (1991) found that, among their sample of Canadian high school and college students, young people's attitudes towards unions were significantly predicted by their perceptions of their parents' attitudes toward unions. Previous work experiences have been found to be critical to whether or not workers decide to join a union (Lowe and Rastin, 2000). Lowe and Rastin (2000: 209) find that attitudes toward unions solidify during the three years following university graduation. Unfortunately, the authors only tested subjects' job conditions, attitudes and job status after graduation, despite reporting that 62 percent of university students had been in paid employment during their final year of study (Lowe and Rastin, 2000: 209). Dekker, Greenberg and Barling (1998), in a small sample (126) of secondary and university students, investigated the attitudes towards unions of student part-time workers. Their study confirmed the strong influence of family socialisation. However, it failed to establish any connection between the quality of the young people's part-time jobs and their attitudes towards unions. They speculate that the absence of any connection between the two factors may be because part-time work contributes less to the general well-being of students, and that the transitional nature of part-time work for students ameliorates the excesses of poor job quality (Dekker et al., 1998: 53).

Certainty, young people's beliefs during the time they are at university and shortly after are in a state of flux. Lowe and Rastin (2000: 216) hypothesise that values taught in university courses may affect young workers's orientation towards unions, but there is little published evidence to support the proposition. Schuster and Buckley (1981) found that female students who had taken management courses where unions were covered favourably were more likely to adopt positive attitudes towards unions. Numerous studies have indicated that university courses do have an impact on values, like conservatism and individualism, that are demonstrated to be associated with attitudes towards unions. While university students generally become more open minded and more liberal in their social views, they also are more likely to develop conservative views about their intended profession that reinforce elite notions of professional control and self-regulation (Anderson, Western, and Boreham, 1973). These values, once formed, are likely to persist into the first years of professional practices (Anderson et al., 1973: 45). Jackstadt, Brennan and Thompson (1985) found that after a semester of introductory economics instruction, college students had more economically conservative views (such as supporting free markets and opposing government ownership and intervention). The authors could not distinguish, however, between the possible effects of the attitudes of the lecturers, bias in course materials, or the conservative leanings of the students themselves. A much more recent study (Magdol, 2003) suggests that the capacity of university courses to change values might be decreasing, as class sizes increase and personal interaction decreases, and as students participate in other sites of adult socialisation, such as paid employment. Nonetheless, Magdol did find that students taking introductory sociology classes did become more liberal, although students taking an advanced sociology course on the family displayed no significant change in family values. Thus, there is strong evidence to consider a young person's field of study as a factor that may influence their attitudes towards unions, independent of their occupation.

The magnitude of the decline in unionisation among young workers has prompted some to claim that this is due to fundamental differences in values of the new generations of workers.
Allvin and Sverke (2000) argue that young Swedish workers are more individualistic than their older colleagues. They found that younger union members were attracted to the instrumental benefits of union membership: representation that protects their employment and improves their conditions. In contrast, older generations continue to identify with the ideological mission of the union, such as economic democracy. On this basis, they argue that union strategy should respond by dispensing with a solidaristic ideology. In contrast, Waddington and Kerr (2002) found no evidence that a generation of ‘Thatcher’s children’ in the United Kingdom had developed more individualistic, anti-union attitudes. Moreover, they also concluded that engagement in alternative forms of protest was complementary to, rather than a replacement for, union membership. Some North American commentators have even suggested that the upcoming generation of workers, who despite rising levels of education confront low job quality and non-standard employment, may herald ‘a third wave of unionism’ (Pfeiffer, 1999: 64, in Loughlin and Barling, 2001: 554). Although attitudes toward unions in Australia may be improving (Peetz, 2002), this is not a sufficient condition for increased membership.

One factor that should be central to unions’ strategies toward young people is awareness and opportunity. An ACTU survey in 1989 found that young people have little awareness of trade unions and that their main reasons for not being members of a union was that they had never been asked to join, or that they had had previous negative experiences with unions (Gallagher, 1999: 237-238). This survey, now fifteen years old, also found that young Australians had quite negative views of unions. In particular, they saw unions as not offering any assistance in the transition to the workforce (Gallagher, 1999: 237). Young workers in the United Kingdom were inhibited from becoming union members by a combination of employer hostility and union absence. In a survey by Waddington and Kerr (2002: 313), non-members nominated ‘my employer does not allow or recognise unions’ was the most common reason for not joining a union, and ‘not been asked to join’ was nominated by a quarter of non-members as one of the two main reasons for not belong to a union. And yet contact of itself may not be sufficient. The quality of the interaction with the union is also an important consideration. Gallagher (1999: 250-251) cites research that suggests that ‘experiences such as being personally invited by union officials to attend a union meeting; being informed of employee rights under the contract; or being introduced to the local union steward were significantly related to the worker’s support of a union’. Thus the picture of what may influence a university graduate’s decision to join a union is complex. Three important factors are family socialisation, the influence of their studies, and previous experiences with unions.

Method

During 2003, 1153 students completed surveys in 52 final-year classes across a range of degree courses from two universities in the same capital city. In a majority of instances, students completed the questionnaire during class time. On other occasions, they were asked to take a questionnaire and return it later. Based on the total enrolment figures for the classes, 1153 represents a response rate of 29%. The number of questionnaires distributed to 8 classes was not recorded. Of the remaining 44 classes (representing 86% of responses), 1565 questionnaires were distributed and 998 returned, giving a response rate of 64%. The questionnaire is the first stage in a study designed to track young people’s expectations, beliefs, and values as they move from combining study and part-time work to full-time work. Beliefs about management and unions were measured using a series of single items. Students responded using a five-point Likert scale (1=strongly agree, 5=strongly disagree) with the additional option of expressing ‘NA=no opinion’.

Sample characteristics and overall union attitudes

The results confirm previous studies that show a very high degree of labour market participation by university students, especially those under 25. Table 1 summarises the key characteristics of the sample. Nearly three quarters of young workers in the study are employed on a casual basis, but nearly half of all respondents under 25 were working in industries other than retail and hospitality.
TABLE 1
Key characteristics of sample

<table>
<thead>
<tr>
<th></th>
<th>18-24</th>
<th>25+</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>912</td>
<td>241</td>
</tr>
<tr>
<td>Currently employed</td>
<td>73.7</td>
<td>67.7</td>
</tr>
<tr>
<td>Employed as casual</td>
<td>76.5</td>
<td>50.7</td>
</tr>
<tr>
<td>Working in retail or hospitality</td>
<td>54.2</td>
<td>18.2</td>
</tr>
<tr>
<td>Working in job relevant to university studies</td>
<td>27.5</td>
<td>43.5</td>
</tr>
</tbody>
</table>

The results from this survey indicate a level of union preference much closer to what actual membership figures would suggest than previous surveys, taken from data compiled by ACIRRT (Bearfield, 2003: 6). Thus the results of the survey could suggest a higher level of support amongst the whole young worker population, except that university-educated professionals have the second highest rate of unionisation of all occupational groups (ABS, 2001). What is more likely is that both sets of results reflect the gap between intention to join a union, and opportunity to join. Differences in wording may account for some of the discrepancy between the two data sets.

TABLE 2
Attitudes towards unions: comparison with earlier surveys

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>I'd rather be in a union</td>
<td>54</td>
<td>48</td>
<td>51</td>
</tr>
<tr>
<td>I expect that in my job after graduation, I will want to belong to a union</td>
<td>-</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>Unions in Australia don't look after their members</td>
<td>35</td>
<td>41</td>
<td>19</td>
</tr>
<tr>
<td>Australia would be better off without unions</td>
<td>24</td>
<td>26</td>
<td>12</td>
</tr>
</tbody>
</table>


The sample suggests opinions of union performance among young people continue to improve. Interestingly, the over 25 year old age group included in the sample also recorded a much more positive view of trade unions.

TABLE 3
Management trustworthiness – comparison with other surveys

<table>
<thead>
<tr>
<th></th>
<th>1995 (AWIRS)</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management are trustworthy (1995)/</td>
<td>50</td>
<td>21.8</td>
</tr>
<tr>
<td>Management can be trusted to keep its word (2003)</td>
<td>36</td>
<td>43</td>
</tr>
</tbody>
</table>

When asked about management trustworthiness, both groups of respondents again recorded more emphatic responses than in the previous AWIRS results. However, younger students are much closer to their older colleagues in their views: Table 3 shows both groups indicated a very low degree of trust in management. Among students in the sample under 25, those who work, in whatever industry or occupation, have a more cynical view towards management than those students who do not.

A surprising outcome of the survey was the large number of respondents who felt they had no firm opinions about management, unions, and the employment relationship. Of 891 respondents under 25, 93 had no opinion as to whether they would want to join a union after graduation and 186 had no opinion as to whether Australia would be better off without unions. Similarly, 196 or 22% of respondents had no opinion as to whether unions in Australia do not look after their members. This likely indicates a large degree of ignorance about the function of unions in the
workplace and society among this age group. They have not been exposed to the role of unions either their workplaces or in the school curriculum. This lack of exposure has seemingly led to ignorance about how employment conditions are determined. Over a quarter of respondents under 25 years of age reported that they did not know how their pay and conditions were determined. These results suggest that more than one in five university graduates enters the full-time workplace with little understanding of the processes or institutions of industrial relations, despite having many years experience in the part-time labour market.

**Previous union membership**

As Table 4 shows, only 10.1% of the sample aged under 25 (or 13.3% of those currently employed) reported that they were currently a member of a union. A further 11.1% had previously been union members. A similar proportion of respondents 25 and over were current union members, although a much higher proportion indicated they had previously been union members (most likely a reflection of their longer experience in the workforce).

<table>
<thead>
<tr>
<th></th>
<th>25 and over</th>
<th>Under 25</th>
<th>Total 25 and over</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No, never belonged</td>
<td>No, but once belonged</td>
<td>Yes</td>
</tr>
<tr>
<td>Not currently working</td>
<td>48.8</td>
<td>36.6</td>
<td>48.8</td>
</tr>
<tr>
<td>Currently Working</td>
<td>49.7</td>
<td>36.8</td>
<td>49.7</td>
</tr>
<tr>
<td>Total 25 and over</td>
<td>49.4</td>
<td>36.8</td>
<td>49.4</td>
</tr>
</tbody>
</table>

Of the 125 respondents under 25 who indicated, nearly two thirds of current and former union members had been members of the Shop, Distributive, and Allied Employees’ Association (SDA), the union representing retail workers.

<table>
<thead>
<tr>
<th></th>
<th>A lot or little worse off</th>
<th>Made no difference</th>
<th>A lot or little better off</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership status:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former member</td>
<td>13.2</td>
<td>68.1</td>
<td>18.7</td>
</tr>
<tr>
<td>Current member</td>
<td>2.2</td>
<td>47.2</td>
<td>50.6</td>
</tr>
<tr>
<td>Total</td>
<td>7.8</td>
<td>57.8</td>
<td>34.4</td>
</tr>
<tr>
<td>Union:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No union indicated</td>
<td>12.5</td>
<td>67.9</td>
<td>19.6</td>
</tr>
<tr>
<td>SDA members</td>
<td>3.7</td>
<td>50.0</td>
<td>46.3</td>
</tr>
<tr>
<td>Members of other unions</td>
<td>9.3</td>
<td>58.1</td>
<td>32.6</td>
</tr>
<tr>
<td>Total</td>
<td>7.7</td>
<td>57.5</td>
<td>34.8</td>
</tr>
</tbody>
</table>

Perceptions of union benefit demonstrated consistent relationships with current and future union membership. Although the number of responses is small, it suggests that very few young workers have negative experiences of union membership.
The top half of Table 5 shows that a high proportion of workers, even among current members, consider that union membership has made no difference at all. Predictably, over half of current union members feel their membership has advantaged them. Those respondents who did not report a union (who were mostly former union members) were less positive towards their union experience than respondents who were members of the SDA or other unions. A Chi Square test revealed however no significant differences between the union experiences of current and former SDA members and student workers who are current or former members of other unions. As would be expected, positive experiences of union membership had a strong, significant correlation (Kendall’s tau b -0.258, P<0.001) with wanting to join a union after graduation. A Chi-Square test revealed no significant differences (p=0.0196) in wanting to join a union after graduation between SDA members and those belonging to other unions.

**Impact of discipline, industry, occupation and parental union membership**

The impact of external factors on attitudes towards unions is now considered.

<table>
<thead>
<tr>
<th>TABLE 6</th>
<th>Union attitude by Discipline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In my job after I graduate, I will want to belong to a union (%)</td>
</tr>
<tr>
<td></td>
<td>Strongly agree</td>
</tr>
<tr>
<td>Arts/ Social Science</td>
<td>27.8</td>
</tr>
<tr>
<td>Business/ Law</td>
<td>9.4</td>
</tr>
<tr>
<td>Science/ Health/ Engineering</td>
<td>10.6</td>
</tr>
<tr>
<td>Total</td>
<td>15.0</td>
</tr>
</tbody>
</table>

There were significant differences among the students based on their discipline group (Chi Square p < 0.001). As evident in Table 6, students studying business or law programs were the least likely to favour union membership in the future, whereas students studying arts or social science programs were more supportive of union membership. This mirrors union membership levels in the future occupations of the graduates, particularly as business and engineering professionals have much lower rates of union membership (ABS, 2001).

There were few differences in attitudes between students aged under 25 and working in retail and hospitality and other industries; and those working in jobs relevant to their studies and those who were not. Students working in retail or hospitality were more likely to agree that management should try to cooperate with unions (p=0.011). Students working in relevant jobs were less receptive to unions: they were significantly less likely to agree that they would want to belong to a union when they graduate (p=0.010) and that management should try to cooperate with unions (p=0.038).

Table 7 cross-tabulates attitude toward union membership, with the respondent’s parents were union members. Again, an unanticipated result was the high proportion of respondents (44% of respondents under 25) who did not know if either of their parents had been a member of a union while they were in high school.

Respondents who knew their parents had been members of a union were twice as likely as the other respondents to indicate a future preference for union membership. Those who were aware their parents had not been members of a union were more than twice as likely to have firm views against union membership than the other two groups. Students who did not know their parents’ union status were more undecided.
### TABLE 7
Union attitude by parental union membership (under 25 only)

<table>
<thead>
<tr>
<th>Parents member of a union</th>
<th>Agree or Strongly</th>
<th>Neither agree nor</th>
<th>Disagree or strongly</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agree</td>
<td>disagree</td>
<td>disagree</td>
</tr>
<tr>
<td>Don’t know</td>
<td>27.9</td>
<td>56.9</td>
<td>15.2</td>
</tr>
<tr>
<td>Yes</td>
<td>49.8</td>
<td>33.3</td>
<td>16.9</td>
</tr>
<tr>
<td>No</td>
<td>23.0</td>
<td>38.8</td>
<td>38.3</td>
</tr>
<tr>
<td>Total</td>
<td>33.8</td>
<td>44.7</td>
<td>21.4</td>
</tr>
</tbody>
</table>

### Discussion

The results of this survey provide evidence that the attitudes towards unions of young Australian workers are determined by the same factors as in other countries and that students, even those in the part-time workforce, demonstrate 'a high degree of neutrality' towards unions (Willoughby & Joyce: 1986, quoted in Lowe & Rastin, 2000: 216). Comparison with earlier surveys suggest that fewer young workers have hostile attitudes towards unions. However, this does not equate to a high level of support for union membership. Only a third of students under 25 indicated they would want to join a union after graduation. This is higher than the level of unionisation among young people but only longitudinal data can confirm what proportion of graduates will actually join a union. It would also be beneficial for future surveys to explore further young people’s opportunity to join unions, taking into account such relevant factors as working in a unionised workplace, and cost of membership and demand for union services.

The increase in ‘student-workers’ has not created a generation of university graduates who view work as inherently exploitative. Although retail and hospitality are the popular choice for a clear majority of teenage student-workers, more than four in ten student-workers, by their final year of university study, are working in other industries. Students with an early start on their career, who are already working in jobs relevant to their field of study, demonstrate less cynicism towards managers and less interest in union membership. This might be due to such students seeing unions as less relevant to their real career, but it may also be due to workplace and job factors not explored in the study. Moreover, attitudes toward union power and performance were not related to any variable related to students’ employment. This does suggest that attitudes of other student workers may become less favourable towards unions after graduation.

Other factors showed a stronger relationship with attitudes towards unions. A students’ area of study, even at the broad category level used here, had a predictable relationship with attitudes toward union membership. However, the results do not indicate the source of this relationship. There are three possible sources of this relationship, and each would have different implications for union strategies. First, there are the structured, obvious relationships that a number of professional unions, such as teachers, nurses, and journalists, have established with final-year programs in these courses of study. Second, there are the values embedded in the curriculum, and those held by lecturers. Third, there is the possibility that program choice reflects values already held by the student. This is a question that should be addressed in future studies, especially if increasing class sizes and a lower engagement with the university have reduced the impact that university courses may have on changing students’ values (Magdol, 2003). If this effect is confirmed, it is likely to be particularly noticeable in Australian universities, where class sizes and student disengagement have increased markedly over the past ten years (McInnis, 2001).

One finding of the survey that unions should take particular note of is that young people may be participating in the workforce in greater numbers than ever before, but they are unaware about the achievements and continuing role of the union movement. However, there is some evidence that this is not contained to young people (Joint Governments’ Submissions, 2000: 87). The current generation of workers under 25 years of age are not aware of the way in which unions can be integrated into the social fabric of the economy and society in the way that they were until the end of the Accord (in 1996).
Many had not even entered the workforce at the time of the MUA dispute. Recent projects such as the NSW curriculum project Union Teach and Clara Weeke’s project, where young trade unionists visit classrooms to discuss the movement, are positive indications that the union movement is prepared to increase awareness and support among young people.

One of the most difficult issues for unions to adjust to is the different priorities that young people have for their part-time work. In particular, job security is not the concern for student workers that it is for the majority of current union members. The quality of work is also less salient for student workers, and hence less of a motivating force to seek union membership, as they view their current employment as transitional (Gallagher, 1999: 244). Most young workers who are or have been members of a union report it making no difference. Yet there are young people who have had positive experiences of union membership, and they are significantly more likely to display a positive attitude towards unions. In a Canadian study, young workers expressed a stronger desire than adults for unions to be involved in resolving their workplace issues (Gomez, Gunderson and Meltz, 2002). Moreover, even if young people do not intend to stay in their student jobs for long, this is not necessarily the barrier to unionisation that it is often assumed to be (Cregan, 1991: 516). If unions can establish credibility with young workers before they enter the full-time workforce, they will be better placed to capitalise on the graduates’ unmet expectations. Graduates from a range of disciplines have increasing difficulty finding permanent, full-time work. Often they have had to settle for temporary or casual jobs, requiring them to hang on to their student jobs as well, or accept jobs for which they are over-qualified as a ‘stepping stone’ to their career (Dwyer, Harwood and Taylor, 1998). Those that find jobs are often disappointed to be under-utilised and not given appropriate support and developed (Arnold and Mackenzie Daly, 1992; Feldman and Turnley, 1995; Peronne and Vickers, 2003). It is in unions’ interests to establish their credentials on job quality as early as possible, if graduates are to feel they have an alternative to high job turnover (Dwyer et al., 2003: 8).

The best prospects for engaging these young people and building a sense of unionism is for all unions with a stake in them working together. But such a strategy would need to overcome considerable political obstacles. Although in the Netherlands, the central trade union body was able to introduce a type of ‘young union card’, the central body has a lot more influence over affiliates than the Trade Union Congress in the UK (Waddington and Kerr, 2002: 314) and the ACTU. This would require a degree of cooperation and integration that has seldom been evident in the union movement up to this point. But the potential benefit is great: a more central, conscious strategy could give unions more control over early interaction with trade unions. In particular, contact with union organisers who can respond to the relevant work questions in students’ lives, which span both current part-time job and future career. Organising in these spaces also increases the likelihood of recruiting potential ‘core’ union members, who rather than being neutral or unsure toward unions already have positive attitudes towards union and union membership. These young workers would then be more likely to join their union both in their student job and graduate job, even where union presence may be low or weak (Cregan and Johnston, 1990: 101). This is the practical effect of creating a ‘community of unionism’ in universities.

Conclusion

For the union movement, these results show that this generation is there to be persuaded. Young people have not made up their minds about trade unions. That being so, there is strong evidence in this survey, consistent with other studies, that there are a number of determinants of union membership. Young people who are aware their parents were union members were significantly more likely to agree that they would want to belong to a union. Young people who were aware that their parents were not union members were significantly less likely to agree that they would want to belong to a union, although the relationship was not as strong. However, a third of respondents could not answer whether or not their parents were members of a union.

As a result, the effect of family socialisation is weakening, especially insofar as it is a negative influence on union sympathy. The students’ area of study also correlated with their intention to join a union after graduation. This may be the result of values held by students before beginning their courses, or the result of broader values and more specific pro-union encounters during their university studies. The final element however, is previous union membership. This is something
that is a consistent factor in previous studies but it is something that hitherto has received scant attention with regards to university graduates’ transition from part-time and casual student jobs to full-time professional jobs. Professional and white-collar unions will likely find it easier to recruit new graduates if they have already had positive experiences with unions. Their interests, and those of the movement, may best be served by investing in new, collaborative strategies to reach out to student workers.

References


Gender and ideology in employment interactions

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ABSTRACT

This paper is presented as a contribution to a less masculine conceptualisation of industrial relations systems. ‘Gender’ as applied to an individual’s attribute of masculinity or femininity is related to ‘gender relations’ as exemplified in patriarchal social values. A review of industrial relations writing on ideology and theory leads to an exploration of dominant social values and processes of state intervention. A re-casting of industrial relations systems theory on the basis of the feminist and radical critique is then attempted in which a non-linear system model (the ‘spherix’) relates individual employment outcomes to ‘binding ideology’.

Introduction

This paper builds on the paper ‘Key Factors in Industrial Relations Outcomes’ (Ostenfeld, 2003). There a cubic matrix was suggested as an alternative way of conceptualising industrial relations systems. Environmental contexts were ascribed to the various axes of the matrix. Subsequent discussion focussed on the place of gender in the matrix. Following from that discussion, this paper considers the feminist (and radical) critiques of the systems model in an attempt to contribute to a less masculine conceptualisation of industrial relations systems. The spherical conception of the matrix (herein described as a ‘spherix’) that emerges from this process represents an attempt to integrate social realism, a critical perspective and political economy, as discussed by Hyman (1994:171) and Godard (1994:3), with the structural and behavioural accounts of social relations. This integration is attempted through locating industrial relations interactors within persistent social contexts such as patriarchy and capitalism. Through highlighting value systems such as patriarchal gender relations the bargaining and other structures that are superficially constitutive of industrial relations may offer deeper explanation of employment outcomes.

Gender is envisaged to be multi-dimensional within the proposed spherix. First, ‘gender’ in part describes the attribute of ‘masculinity’ and ‘femininity’, most usually ascribed, respectively, to men and women. In general terms the outcomes for most men and some (masculine) women in the terms of the employment contract may be contrasted with the outcomes of most women and some (feminine) men. It is proposed to plot the location of interactors in the spherix in terms of these employment outcomes. Second, ‘gender relations’ pervade the employment interactions spherix, constituting a part of the ‘ideology’ or ‘values’ that condition, or act as ‘intervening variables’ (Shalev, cited in Hyman, 1994:177) providing the context for employment interactions. Edwards expresses this in terms of ‘rules of employment shaped by legal, political, economic, social and historical context’, a context in which the various elements ‘do not exert direct influence on behaviour’ (1995:5). Godard calls such social institutions ‘first order’ explanations, part of the foundations for theoretical analysis (1994:17). He sees such ‘theoretical realism’ as an extension of social action analysis (1994:14), with the task of critical theory to go further in deconstructing the role of social institutions and facilitate ‘emancipation’ (Godard, 1994:17).

Re-conceptualising industrial relations systems

‘Key Factors in Industrial Relations Outcomes’ outlines a re-conceptualisation to multiple dimensions of the two-dimensional flow-charts that, generally, list the actors, processes and rules outcomes of industrial relations systems theory. The architecture of the ‘matrix’ is provided by the environmental contexts described by Dunlop (1958). The dynamism of the matrix can be attributed to Dabscheck’s General Theory (1994), later dubbed the ‘orbital theory’ (Michelson and Westcott, 2001).
Dabscheck modifies Dunlop’s original conception of an industrial relations system in two important ways. First, Dunlop’s three ‘actors’ are replaced by ‘$n$’ ‘interactors’. Second, the system is made dynamic through the interplay between interactors in their quest for authority. This interplay moves beyond the quest for ‘survival’ found in the Dunlop system to a quest for ‘authority’. It was proposed in ‘Key Factors in Industrial Relations Outcomes’ that the outcomes of the behaviour of the interactors could be plotted on the matrix as they respond to and shape their environmental contexts as set out in the structure of the matrix. If system outcomes were evaluated in terms of, for example, actual wages and employment conditions, then it is those outcomes that would be plotted on the matrix.

The original proposition of a matrix of outcomes came from a case study of bargaining in Victoria involving the United Firefighters’ Union (Ostenfeld and Lewer, 2003). A simple crossed-line (two-factor) diagram was used to illustrate the dynamic nature of the interplay between environmental and organisational factors in the determination of employment interaction outcomes as the Australian regulatory framework decentralised. This matrix was developed into a three-dimensional cube as key structural factors determining varying employment interaction outcomes were considered (Ostenfeld, 2002, 2003).

The cubic-box shape of the matrix as it was illustrated in these papers has evolved to a spherical notion of the matrix, thence the ‘spherix’. This has helped to locate the dynamic force of the structural variables of the matrix through using the centre of the spherix as a reference point. The structural variables exert either beneficial or detrimental effects in their interplay with system interactors, acting thus either as centripetal or centrifugal forces as the case may be.

If the ‘authority’ motivation of interactor behaviour may be conceptualised as a motivation to move closer to the locus of power in a masculinist employment interaction spherix, then beneficent environmental and organisational factors will act in such centripetal terms, facilitating the movement of the interactors towards the centre. Maleficent factors will act in centrifugal terms, as an outward driving force, impeding the movement of the interactors towards the centre. Herein lies a critical difference between the spherix as it has evolved and the original cubic, or ‘condo’ matrix. The ‘locus of power’ was originally ascribed to an axis, and conceived in terms of the State. However the radical and feminist critiques of industrial relations systems theory show that institutional structures, including the State, reflect and nurture dominant forces in society. Factors such as capital, in capitalist societies, and masculinity, in masculinist societies, are such dominant forces. The ‘locus of power’ is not an axis, but can be conceptualised as the centre of the spherix, and is socially constructed. Institutions such as the State reflect and reconstruct, through subjectivity, what is socially ascribed as ‘model’ – e.g., white, Anglo-Saxon, protestant and heterosexual masculinity.

**Pluralist commentaries and radical and feminist critiques of IR Systems**

Academics have been calling for a re-casting of industrial relations theory from all sides. From within the pluralist tradition, for example, Kochan argues that ‘we need to take a more holistic approach to the study of work and put its relationships to other institutions in society, and particularly the relationship between work and family life, at the centre of our analysis’. Moving from power relations to the dynamic nature of actor organisation, Kochan suggests that ‘intermediary institutions, given their increased importance, may need to be considered as one of the ‘key actors’ in future industrial relations theories’ (2000:708). Kaufman, elsewhere, is cited as claiming that the lack of an integrating theory in Industrial Relations is one of four reasons for the ‘hollowing out’ of Industrial Relations in North America (Edwards, 1995:39). Edwards is himself more positive with regard to Britain, where a ‘critical and analytical perspective on management’, combined with the use of the case-study method, enabled the ‘British research tradition … to respond to the HRM challenge’ (1995:41).

British Industrial Relations academics such as Edwards retain conflict at the centre of analysis and suggest that ‘the analytical task … is to show how different forms of workplace regime organise conflict and cooperation in different ways (1995:52). The traditional British (Oxford School) emphasis on bargaining structures is also retained: ‘Studying how different regimes of labour regulation function at the point of production is a key part of the future research agenda’ (Edwards, 1995:56). Power is highlighted as part of the system in such formulations, and in the
three-dimensional wheel offered by others to illustrate such a ‘framework of employee relations analysis’ (Blyton and Turnbull, 1998:33). Yet in such analysis there is limited articulation of the ways in which power dynamics in society play out in the employment relationship beyond the move from British corporatist voluntarism to market individualism.

The behavioural sciences appraisal of Industrial Relations is reviewed by Poole. He restates Bain and Clegg’s submission that ‘the weight to be attached to behavioural rather than structural variables is an empirical question’ (1984:39). Bain and Clegg are further cited as suggesting that these behavioural variables may be incorporated into the overall conceptual (‘Dunlop-Flanders’) system (1984:39). In similar vein Poole contends that deficiencies in the ‘treatment of the origins of conflict and change and also in terms of the deployment and understanding of such key concepts as power and ideology in the overall model’ are ‘by no means irredeemable’ (1984:43). Dunlop saw power as an exogenous environmental context but he did countenance a variety of political systems and advocated the intellectual task of depicting the ‘dynamic interaction between political power and labour-management-government relations’ (Poole, 1984:43). This does cover the multiplicity of roles for, for example, trade unions operating in both industrial relations and political systems.

In terms of a ‘binding ideology’ or ‘values for system maintenance’, Poole cites Hyman, Margerison, and Laffer in suggesting that ‘the nature of, and the forces shaping conflict should have a more prominent role in industrial relations research and theorising than is ever likely from the deployment of social system models (1984:44). The sphexis, with its centripetal/centrifugal forces, however, is one way of incorporating these elements in social system models, as will be shown below. But first, a more detailed examination of the radical and feminist critiques needs to be undertaken to move beyond this critique of the systems model from within the pluralist tradition.


An industrial relations system is conditioned by processes of state intervention. In some political/ideological/value systems, employees are closer to the locus of power than in other systems. For example, as a result of the influence of Durkheim, ‘corporatism has been more readily accepted on the continent than in the UK or USA’ (Palmer, 1983:18). Employees are thus closer to the locus of power in Europe than in the UK or USA, where values, and hence processes of political intervention, have deep roots in liberal individualism. This conditioning by processes of state intervention might be expected to iterate a range of employment interaction outcomes, both organisationally and individually, depending on the mode of state intervention that is under analysis. The legal system, as part of the apparatus of the state, for example, supports masculinist capitalism through the nature of the employment relationship, including the ‘authoritarian nature of the employment relation at law and the interest conflicts between capital and labour which underly this relation’ (Godard, 1994:13, citing Bowles). To Marsden, industrial relations is the ‘study of objectified ideologies or laws’ (1982:247-248). To Jacoby, those in industrial relations see ‘institutions as part of the stream: theoretically inseparable from it and, in many cases, functional to its continued movement. Social norms, customs, and laws form what Durkheim … called the ‘noncontractual relations’ of the contract’ (1988:26).

In addressing the ‘problem of disorder’ raised by Durkheim, Hyman and Brough (1975) are to the point: “the forced division of labour might well be regarded as the normal situation within a capitalist society, for the inequalities which Durkheim castigates are integral to capitalist social relations …. By contrast, the proposals of industrial relations pluralists for a reconstruction of normative order without any alteration in the broader structure of inequality have profoundly repressive implications” (1975:176, emphasis in original).
It is in this context that Shalev compares the struggle between capital and labour with the struggle between plantation and homestead (1985:339), agreeing with Commons that ‘everything that is done by capitalism is founded on what the state does for capitalism’ (1985:349). It is this ‘broader structure of inequality’, related to the capitalist social relations of advanced industrialised economies, that is articulated by Palmer (1983), then Gardner and Palmer (1997) in terms of processes of state intervention.

Beyond Durkheim, Palmer’s review of the Marxist, and, particularly, Weberian perspectives, provides further insight into the role of the state as it conditions the power dynamics of industrial relations systems. Palmer classifies two broad schools of Marxist thought: ‘one view rejects the value of any institutional change as long as the political economy is capitalist. The second argues that institutional reform can be used to weaken gradually the hegemony of capitalist interests in society’ (1983:22). From the Marxist perspective, one perspective sees change is possible, all see capitalist interests as dominant. Weber, quips Palmer, ‘was not concerned with prescription, which is, no doubt, why he has no industrial relations following’ (1983:24). Palmer suggests that Weber saw both conflict and cooperation as inherent in social relations, with social institutions developing ‘out of these co-operative, conflictual relations’, their form depending ‘on the dominant group, and their dominant values’ (1983:24-26). Weber’s ‘dominant values’ and Marx’s ‘dominant capitalist interests’, equate in capitalist social relations. Ideology thus provides a joint entry approach to employment interactions, allowing an integration of the Weberian ‘point of entry’ (the structure of employment relations) and the Marxian (class conflict). This overcomes the need for Godard, for example, to take only the Weberian entry point for his more critical, reform oriented approach (1994:23). In a dynamic system such as the sphex, dominant interests need reinforcing to persist. If the second broad school of Marxist thought is accepted, and the hegemony of capitalist interests may be weakened gradually, then the dominating values of the system may change. This will be reflected in the outcomes experienced by the interactors in the sphex.

As dominant values change, interactor position will be affected, again in terms of proximity to the locus of power in the sphex. In this conception of an industrial relations system, orbital proximity to the locus of power is conditioned by value systems. Thus capitalist conditioning of the sphex will result in employers predominating in close proximity to the locus of power. This will even be the case in social-democratic systems employing bargained corporatism, notwithstanding an expectation that in such social systems the gap between employers and employee proximity to the locus of power in the sphex will be slighter. In similar vein, patriarchal value-systems will condition the sphex such that masculine employees will predominate in closer proximity to the locus of power. In societies where the women’s liberation movement has had greatest success, the gap between masculine and feminine proximity to the locus of power still remains, albeit to a slighter extent. Here masculine women have navigation towards the locus facilitated.

The relative positions of the interactors in relation to the locus of power, as well as their relative magnitude from their counterpoint’s perspective, will be altered by a qualitative change in the system. An example of such a change would be a success by employee actors and their organisations in the political arena that achieves a move from market-individualism to bargained-corporatism. The move from ‘paternalistic’ to ‘competitive’ masculinism that is currently transforming gender relations in the workplace (Kerfoot and Knights, 1993) will do the same. Another example is the development of regulatory regimes to protect disadvantaged groups from discrimination and to provide equal employment opportunity. This intervention is altering the relative position of masculine and feminine interactors in terms of their proximity to the locus of power of the sphex.

The feminist critique of mainstream industrial relations theory has been undertaken by academics such as Forrest (1993), Pocock (1997), and Wajcman (1999, 2000). Pocock concludes that analysing gender relations in ‘an approach which keeps both women and men in view within a fully gendered study of industrial relations, offers fruitful future terrain’ (1997:535). Keeping both genders ‘in view’ has resulted in some confounding findings. Whilst some women can achieve success, for example, in corporate life, Wajcman has shown that ‘even after two decades of equal opportunity policies, women are still expected to ‘manage like a man’ (1999:160). Others, such as Blandford, show that open gay and bisexual men gravitate towards lower paid, feminised jobs ‘earning on average 30% to 32% less than married heterosexual men’, and that ‘relative to other comparable married heterosexual women, open lesbian and bisexual women report earnings 17% to 38%
higher, with the most reliable estimates of the marginal impact of orientation falling in the range of 17 to 26% (Blandford, 2003). This is attributed to gender, with open lesbians much more able to negotiate the sexual politics of male-dominated employment domains where they are 'unusually successful in gaining employment'.

The spherix conception may be useful in shedding light on masculinism, given the confounding nature of findings from keeping both genders 'in view'. Pocock suggests that 'appropriate attention to male advantage, to the shape and nature of masculine institutions, to the men who inhabit them and to the material strategies by which these men exclude or block women is critical to shaping effective action to counter masculine control in a range of public, political organisations' (1997:535). The only qualifiers to this are that lesbians seem more able to negotiate the sexual politics of male dominated arenas, and that some women are masculine, and intersex people may also be masculine or feminine; and, that sometimes one is masculine, and others, feminine. To speak of 'men and women', only, is exclusionary, and whatever, relates to 'sex' rather than 'gender'.

Gender relations are reflected and reconstituted in the household as well as in other institutional arrangements. Pocock highlights the importance of the domestic sphere in conditioning employment interactions, drawing on Gibson's study of coal-mining disputes in Queensland where the domestic economy was shown to be a key factor in decisions with regard to taking industrial action (Bramble, T., et. al., 1997:532). The political economy of the household thus becomes an important referent system in relation to the actors in any employment interactions spherix, in the same way that the political or economic system conditions the employment interactions spherix. Interactions in the 'community' have also been the focus of enlightening studies in employment interactions (e.g. Patmore, 1999) and need further integration in theorising that the matrix seeks to provide.

With regard to gender relations, in a masculinist society, the interactors in that employment interactions spherix strive to change the economic or political system in order to enhance their authority and move close to the core in all relevant systems, including the spherix. Following the conditioning principle of masculinism, it applies that the interactors will seek to enhance their authority in the full range of systems in order to enhance their domestic authority. The continuing growth in one-person households, or in same-sex partnerships, attest to new models of domestic systems at this time however, with the throwback to moral-conservatism of the Howard and Bush administrations, transformation of the social values of sexism and heteronormativity may well be reversed.

Industrial relations systems are shaped or conditioned by both gender relations and the relations between capital and labour. From feminist theory the power dynamics of masculinity can be understood, as the power dynamics of capital are revealed through the radical writers. This notion of conditioning, reflected in social institutions, can be extended to allow the incorporation of a range of other social values that exert conditioning influences on the behaviour of any employment interactions system. These include racism, Protestantism, ageism, sizeism and heteronormativity. As in the debate with regard to the interaction and primacy between capitalism and masculinism (Grint, 1991:200-212), there is no doubt that these institutional conditioners inter-relate and interact. Moreover, the power relations exerted by these dominant social values have tangible effects of advantage or disadvantage that are reflected in the proximity of the relevant interactors to the locus of power.

The proposition may be made that in a masculine employment interactions spherix, masculine men, women and intersex will predominate in inner orbits whilst feminine men, women and intersex will predominate in outer orbits. Research is required to substantiate this proposition beyond the findings described above pertaining to lesbians. Such research might also focus on case studies of change in dominant types of masculinity, and on processes of domestic intervention, particularly with the sexual phase of reproduction now morphing to a technological phase. Is, for example, the movement in wages with decentralisation in the level of bargaining in Australia an illustration of a trend in such an accommodation whereby those some women in the top deciles will do very well, with the bulk relegated to the bottom with feminine men?
Conclusion

The employment interactions sphærix, by incorporating the range of power dynamics, including the quest for authority through property accumulation in our current masculinist capitalist society, provides determinant relationships between the elements of the sphærix. As Hyman and Brough were early to note: ‘if the notion of industrial relations system is employed without the postulate of a determinant relationship between the elements of the system, the danger is that these elements will represent no more than a check-list of actors, influences and institutions (1975:161) (italics in original). One dynamic of interaction has been suggested. The quest for authority in a masculinist sphærix will motivate the interactors to propel towards the locus of power at the core.

The dynamic of the employment interactions sphærix as described above arises from a consideration of the place of gender in the employment relations matrix. This provide an elaboration of the ‘determinate relationship’ between the elements of the system called for by Hyman and Brough. This hopes to do what Frankel called for in 1984 in order to ‘arrive at a satisfactory theoretical and practical relationship which makes the (partnership) of class and gender with social movement theory possible’ (cited in Williams and Lucas, 1989:153). It hopes to overcome the criticism of not linking the macro with the micro that is levelled at the social action approach, and allow room for a consideration of ‘hermeneutics’, for example, worker consciousness (features called for by Godard, 1994:11). The matrix does not ‘impose a causal, static and linear structure upon what are in effect reciprocally related, dynamic, and complex social relations and outcomes’ (Godard, 1994:8). Through the dynamic explored here an exploration of value change as reflected in contemporary society might proceed. The sphærix is offered as one possible lens to the forces and dynamism of the field of movement encapsulated in employment interactions.

References


Communication and consultation in Malaysia: 
Impact of the 1975 Code of Conduct

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ABSTRACT

Employee participation through communication and consultation was one of the intended outcomes of the Code of Conduct for Industrial Harmony 1975 in Malaysia (hereafter referred as the ‘Code’). The Code is subdivided into sections on employment policy, training, payment policy, redundancy and retrenchment, collective bargaining and collective agreements, procedures for resolving disputes, procedures for disciplinary action, and communication and consultation. Since 1975 there has been no examination of whether or not the communication and consultation section of the Code has been effective in promoting employee participation in the Malaysian workplace. Government, employers and unions appear to be interpreting the Code in differing ways. This research investigates the issues pertaining to the Code and employee participation in Malaysia from the perspective of employers, union and the government.

Introduction

The Ministry of Labour (now Ministry of Human Resources) in conjunction with the Malaysian Council's of Employers Organisations (MCEO) and Malaysian Trade Union Congress (MTUC) drew up the Code of Conduct for Industrial Harmony in 1975. The aim of Code was to lay down principles and guidelines for employers and workers on the practice of industrial relations for achieving greater industrial harmony. The Code has four main areas: a) responsibilities, b) employment policy, c) collective bargaining and finally d) communication and consultation. 

There were political, economic and social factors that influenced the creation of the Code in 1975. In 1970, the state was determined to see that the climate of industrial peace was maintained at all costs to achieve the aims of the New Economic Policy which were to be implemented over the period of twenty years, from 1970-1990 (Bahari, 1989, Anantharaman, 1997, Idrus, 2001). At the same time, the state claimed that their intervention in industrial relations gave more freedom to employers and unions to solve any disputes at the workplace by themselves, rather than bringing labour-management issues to the government for their discretion (The Code of Conduct For Industrial Harmony 1975). The government argued that laws alone couldn’t define the public interest. That is, laws were necessary and had a definite and important role in the Malaysian industrial relations system but they were no substitute for behaviour of mind, which regards industrial relations problems as requiring commonsense solutions.

The Code was designed adequately, however in practice it has many limitations. One of the limitations of the Code is it does not have any legal enforcement to protect employers, employees and the unions. The MTUC often argued over the years that discrimination continues to occur at workplaces even though the primary aim of the Code is sustaining industrial harmony (MTUC Newsletter 2004).

This chapter is divided into three parts. First, the brief history of labour relations in 1960s and 1970 in Malaysia will be explained. Second, the Code of Conduct for Industrial Harmony and its relation to workers communication and consultation will be outlined. Finally, discussion and conclusions will be analysed in regards to this issue.
The introduction of the code of conduct for industrial harmony: Historical underpinnings

Malaysian political development during the 1960s did not work out in favour of the development of trade unionism. Malaysia was born in 1963 when Malaya, Singapore and two states of Sabah and Sarawak on the island of Borneo formed Malaysia. Malaysia’s neighbours, Indonesia and the Philippines opposed its formation. Indonesia initiated an armed confrontation against Malaysia, which led to a state of ‘emergency’ being declared in 1963. The state of ‘emergency’ lasted for three years. During this period of ‘emergency’, the government held more power to ensure that a peaceful situation prevailed in the country. In this regard, trade union militancy such as strikes resulted in the detention of those organising them. During the 1963-1966 periods, the government set up the ‘Emergency Essential Regulations’ which gave the government the power to declare that some sectors of the economy were ‘essential sectors’ (Arudsothy and Littler, 1993). In these ‘essential sectors’, workers were prohibited from taking any industrial action. When the ‘emergency’ period was over in 1966, the government incorporated the ‘essential sectors’ clause into a new piece of employment legislation called the Industrial Relations (IR) Act 1967. This Act was introduced immediately after the state of emergency after the Malaysian-Indonesian confrontation was resolved. Generally, the Act produced three significant effects on industrial relations. In other words, with introduction of the IR Act 1967, Malaysia had three pieces of employment legislation: the Employment Act 1955, the Trade Union Act 1959 and the IR Act 1967 which is practiced until the present day (Arudsothy, 1990, Anantharaman, 1997, Parasuraman, 2004).

In 1969, there had been a dramatic incidence of racial riots, which resulted in the death of at least 400 Malaysians (Abdullah, 1991). The main reason for these race riots was because the economic position of Malays at the end of the 1960s was still significantly inferior to that of non-Malays. In Peninsular Malaysia, the average percapita income of the Malays was half that of the Chinese. Imbalance in ownership of assets was a further source of communal disparities. For example, Chinese landholdings were on average, twice the size of Malay landholdings (Bahari, 1989). This situation was characterised by uncertainties and complex tensions among the races. Moreover, in the wake of the federal election in May 1969, the ‘fragile communal stability’ was shattered. As a result, the government declared another ‘state of emergency’. In terms of the industrial relations situation, the state of emergency was used against the labour movement. In this regard, two important consequences resulted: first, the employment laws were made more restrictive; and second, the socio-economic policy designed by the government resulted in the restriction of the formation of unions in certain industries. In addition, restrictions were also made on the right to strike and there was a further extension of managerial prerogatives.

When parliament reconvened in 1971, most of the amendments to the labour laws in 1969 (decreed under the Emergency powers) were incorporated into a new comprehensive legislation. This legislation sent a clear signal to labour and the unions, of the government’s determination to see its economic plan succeed. For example Kuppusamy (1998) argues that the amendment in Section 13 (3) of the IR Act 1971 on 1 November 1971 was controversial because it limited the scope of collective bargaining by prohibiting trade unions from raising any bargaining demands on the issues of promotion, internal transfer, recruitment, retrenchment, dismissal or reinstatement of an employee, including the assignment or allocation of his duties or specific tasks to him. These amendments are also more favourable to employers than employees or the union. As Sharma (1996) and Ayadurai (1996) have argued, all the issues mentioned above are part of managerial prerogative.

Although the tightening of the laws made difficult for the unions to take industrial action, the period from 1971 to 1974 saw a steady increase in the total number of strikes, including an increase in the total number of workers involved in strikes and total person-days lost due to strikes (Ministry of Labour 1977). During the steady increase in strikes in the first half of the 1970s, the government encouraged the MTUC’s overt commitment to industrial harmony. This took the form of the ‘Code of Conduct for Industrial Harmony’ endorsed by the MTUC and the Malayan Council of Employers’ Organisation (MCEO) in February 1975, through the mediation of the Ministry of Labour.
The purpose and a brief summary of the code of conduct for industrial harmony 1975 with focus on communication and consultation

The aim of the Code is to lay down principles and guidelines to employers and workers on the practice of industrial relations, for achieving greater industrial harmony (Ministry of Labour 1975). Under the Code, the MCEO (representing employers) and MTUC (representing employees), agreed on the following (The Code of Conduct For Industrial Harmony 1975:4-6):

(A) Recommend that both employers and workers:

(i) refrain from taking unilateral actions with regards to any industrial disputes;
(ii) resolve all differences, grievances and disputes strictly in accordance with the grievances procedures of collective agreement or, where there are no agreements by negotiation, conciliation and arbitration;
(iii) ensure that all times all matters in dispute are dealt with by the proper machinery established for that purpose;
(iv) promote constructive and positive cooperation at all levels in industry and to abide faithfully by the spirit of agreements mutually entered into;
(v) establish, where none exist, a procedure which will ensure a complete and speedy investigation of grievances leading to a joint settlement;
(vi) comply with the various steps in the procedure for disposal of grievances and to avoid any arbitrary action which ignores these procedures;
(vii) refrain from resorting to coercion, intimidation, victimisation and to avoid go-slow, sit down and stay-in-strikes; and
(viii) educate management and workers of their obligations to each other.

(B) Recommend that both employers and workers observe and comply with such industrial relations practices as may be agreed, from time to time, between MCEO and the MTUC and accepted by the Ministry.

The MCEO and MTUC again with the help of the Ministry of Labour drew up a document entitled Areas for Cooperation and Agreed Industrial Relations Practices under Clause 7 of the Code. This document recommended fifty specific industrial relations practices and four broad areas of cooperation. It included sections on employment policy, training, payment policy, redundancy and retrenchment, collective bargaining and collective agreements, procedures for resolving disputes, procedures for disciplinary action, communication and consultation (Anantharaman, 1997). For the purpose of this paper, the research only focuses on communication and consultation section.

The Code emphasises the importance of communication and consultation between employers and unions in the workplace to encourage employee participation. The Code encourages management to inform employees and trade unions about the issues arising in the workplace. These matters include terms and conditions of work, safety rules, training, and opportunities for promotion. Management are also required to ensure their representatives will communicate well with their ‘down line’ employees in order to maintain an industrial harmony at the workplace. There are various methods of communication and consultation can be used, for example direct communication between managers and employees, notice boards, house journals, training and regular consultation (Anantharaman, 1997). Apart from this, under this Code, employers also are encouraged to establish employee participation through the use of joint consultation committees or work committees, in which the employees and unions are represented. In non-union sectors, employers should provide any means of consultation method to allow employees to give their views on matters that affect their working life and also work situation. The committees are also encouraged to discuss the wider range of issues in the workplace, which concern both employees and management.

Research methodology

The research methodology was primarily qualitative consisting of unstructured face to face interviews and document analysis. Interview responses were noted in writing or recorded during the course of the discussion. The interviews were conducted from September 2003 to June 2004 in Malaysia in the respondents’ workplaces.
The main key respondents involved in this study came from the MTUC, Malaysian Employer Associations (MEF), Department of Industrial Relations, Ministry of Human Resources and Metal Industry of Employees Union (MIEU). Apart from interviews, a number of document sources of information were used for analysis. These included the IR Act 1967, Trade Union Act 1959, The Code of Conduct for Industrial Harmony 1975, MEF newsletter, MTUC newsletter, Malaysian local newspaper, government brochures and conference proceedings.

Union, employer and government views regarding the Code and employee participation in the workplace

The following discussion demonstrates the competing views on the relevance of the Code from union, employers and the government. These different views in respect to the relevance of the Code relate to the present industrial relations scenario. The union argued the Code is not relevant in the current industrial relations climate due to external pressures such as globalisation, the Asian economic crisis, liberalisation of the economy, mergers and acquisition in the private sector, flexible working arrangements, employment relations in informal sector, labour migration and many other factors (Interview with MTUC, 21.12.2003). On the other hand the employers indicated that currently the Code was relevant only when applied on retrenchment issues. As one of the employer respondent from MEF stated,

’Sofar from what I can see only the particular part of retrenchment, is always being raised by the unions or the employer when they go to the Industrial Court to contest retrenchments done by the companies. The union uses Rule 22 to say that companies are not carrying out all stages before retrenchment’ (Interview with MEF, 24.9.2003).

In the Code, Rule 22 indicates the measures to be taken by a company where retrenchment becomes necessary.

A comment from a government official on the relevance of the Code overall was that the Code is relevant in current scenario of industrial relations, even though it was introduced thirty years ago. Furthermore, the Code is just a guideline for employers and unions to implement any policies that will maintain industrial harmony at the workplace such as employee participation schemes. Hence it is up to the employers whether they are going to use this Code in implementing employee participation schemes as mentioned in the Code. The government further pointed out that most of the private companies in Malaysia do not use the Code as a basis for implementing any type of employee participation at the workplace.

The government accentuates cooperation between management and unions at the workplace as a very important factor in enhancing industrial harmony. The primary objective when the government proposed this Code in 1975 was ‘to lay down principles and guidelines to employers and workers on the practice of industrial harmony’ (The Code of Conduct For Industrial Harmony 1975:3). Therefore the government also anticipated that the Code would develop a better communication process between unions and employers in the company. If the communication for both parties improves then the government and employers believe industrial disputes and conflict will be reduced in the workplace.

THE EXTENT OF EMPLOYEE PARTICIPATION IN THE MALAYSIAN PRIVATE SECTOR: One area for cooperation in the Code concerns communication and consultation as part of employee participation. The union argues that the Code clearly specifies the employers should inform employees and the union about matters which concern them and their views should considered when the company proposes any changes, which affect their working life. According to the union, sharing the information between employers and employees or trade union is a crucial aspect in order to ensure the company produces a better result for high performance. Information is generally passed via monthly meetings, notice boards, house journals, training program and other direct employee participation forms (Interview with MTUC, 21.12.2003). Joint consultation or work committees are another form of indirect employee participation in the workplace (Interview with MTUC, 21.12.2003). The union further emphasises that these forms of participation will only practiced if the company recognises the union in the workplace. Otherwise, direct employee participation is most popular in the non-union private sector in Malaysia (Ahmad, 1998, Parasuraman, 2002, Parasuraman and Goodijk, 2002).
According to the MEF, the majority of companies in Malaysia generally do not apply the Code to implement employee participation programs in the workplace even though consultation and communication are directly referred to in the Code. As one of MEF official stated,

‘Basically I don’t think any companies constantly use the Code, I mean to be frank with you... I don’t think any companies will use the Code to say that, look this is part of a guideline for employee participation and you want to implement this. You can have workers participate as a result of other things rather than the Code itself’ (Interview with MEF, 24.9.2003)

The MEF also demonstrates that some employee participation programs are introduced in the workplace without referring to the Code itself. For example the case of DMIB Berhad - a subsidiary of Sime Darby Berhad, which is involved in the manufacturing of tyre related products. DMIB managed to implement a new wage system call a Productivity Linked Wage System (PLWS) with cooperation from union and employees (The MEF, Newsletter, March 2003:3). This system is part of a collective agreement, which was enforced from 1 January 2000 to 31 December 2001. In their traditional collective agreement, they did not emphasise performance, especially when it came to the yearly salary increment and contractual bonus. Now, they have moved toward a new scheme where the company and employees can share the profit. Some of new variables added into this scheme are annual performance increments, an annual performance bonus, a monthly ‘multi-skill allowance’ scheme payment and monthly productivity payments. The employers believed the scheme had clear objectives and was motivating enough to encourage employee participation in the workplace (Interview with MEF, 24.9.2003). Again there are many other examples of employee participation schemes, which are not based on the Code. MEF again stressed that the Code is only used when company is facing a retrenchment crisis. This view is also supported by Kuppusamy (1998) and Anantharaman (1997) who also stated that the Code is usually used regarding dismissal and retrenchment cases.

The MTUC on the other hand, stressed that employers should promote employee participation schemes in the workplace based on the Code. Without employer absolute support and assurance on this issue, it is hard for the union to participate in organisational decision-making processes or influence any ideas. From the union's perspective, to achieve a greater participation in the workplace, the employers in Malaysia should encourage non-managerial employees to form unions. Under the Malaysian labour law, the union can only function if the employers give recognition to it. One respondent from MTUC said ‘If there is no union in the company, then they (non-managerial employees) will gather themselves under a tree, motorcycle park and even in rest room to talk about their working life and company issues’ (Interview with MTUC, 21.3.2003). This will create a negative environment in the company where both management and employees are not sharing ideas to implement best practice employee participation schemes. The union standpoint is that if there is trade union in the workplace, then employees can pass their ideas or views through union representative who will subsequently discuss issues with management. As one of union respondent from MTUC argued,

‘Now, in this case they must have union and once a month meet with Chief Executive Officer (CEO) (not the personnel manager) whether there is issue or no issue…. the CEO himself as the captain of the ship must sit down with union leaders maybe over a cup of coffee to find out what's going on… Things such as: what do employees feel about this company, how much their contribution, how much they talk, how much they think, what they think how to improve for interest for both side. These initiatives must come first from employers’ (Interview with MTUC, 21.12.2003).

This indicated that the union felt that top management should be aware of what’s going on at the bottom level. According to MTUC, most of time the top management only pay attention to managers rather than listening to the union or employee representatives at enterprise level. In this case employee participation is not practiced. If this continuously happens in the company, it will create conflict and disputes among union/or employees and management in the workplace (Ariffin, 1997, Idrus, 2001, Aminuddin, 2003, Terry, 2003, Parasuraman, 2004).

The union also believe the decisions at the workplace should be made by both parties and not from the one party entirely. According to the union, the present scenario in Malaysia indicates that most management make decisions without consultation and without involving union or shopfloor employee representatives, particularly non-managerial employees.
Their argument is validated when we observe the employers position on this issue. Employers said that employees or the union only can propose suggestions or ideas but management will always make the final decision. Pateman (1970) calls this partial participation. This shows there is no balance of power between management and union in the workplace to influence codetermination in the decision-making process. The government has a different point of view from the employers. The government considers that more mutual cooperation between management and unions or employees in the workplace will enhance industrial harmony in the organisation.

**SHOULD THE CODE BECOME LAW?** The Code is currently just a guideline developed by the government for unions and employers to follow. However the union argues that the Code particularly on the issue of employee participation, should be endorsed as an Act or Directive similar to what can be seen in most Western European countries. They argue that if the Code has a legal obligation attached, it will force employers to implement the Code at the company level. Employers and the government disagree with the union's proposition. For them, it is not necessary to amend the Code as an Act in Malaysian Employment Law. This is because, as claimed by employers, most of the High Court decisions on labour cases based on the Code are more favourable to them rather than the union. The reason being that the Code does not have any legal rights in the law. For example, an employer from the MEF claimed that,

‘Some companies went to the High Court and actually the High Court said that the Industrial Court was wrong in the giving legal effect to the particular documents…. they pointed out that the documents are just a Code and should not be given legal effect, there is no such thing as a breach the Code because the Code is just guideline basically’ (Interview with an MEF member, 24.9.2003)

**Discussion and analysis**

Based on findings discussed above, there are different views from the union, employers and the government in regards to the implementation of the Code of Conduct for Industrial Harmony 1975 and its impact on employee participation in Malaysia. The union argued that the Code should be revised substantially in order to improve the present industrial relations system and particularly employee participation. The union also contended that the Code must be promoted as an Act in Malaysian labour law in order to force employers to keep employees informed, and allow consultation on matters that affect them at work. Unions believe that if the Code has legal enforcement then employers will take it more seriously and develop and establish joint consultation and work committees at the workplace. Legal rights on employee participation certainly provide more voice to employees and unions to negotiate with management on range wider issues in the enterprise or workplace. The union's argument also supports other research findings (Musa, Shabidi, Msola and Kidwanga, 1997, Ng, 2002, Terry, 2003, Todd, Lansbury and Davis, 2004).

Todd, Lansbury, Davis (2004) strongly criticised the employee participation practices and implementation process in Malaysian workplaces. They recommended in their study that Malaysia could imitate some model of employee participation (such as work councils) from European Union or labour management councils (LMCs) in Korea. They also argued that if work councils and LMCs will be established in Malaysia, it should not subvert or weaken the union activities. They suggested unions could play a role in the collective bargaining activities and work councils/LMCs as an alternative channel for employees to represent themselves with management particularly in non-union firms. Union and work councils/LMCs have separate roles at the organisational level. In relations to this matter, Ng (2002) when discussing labour standards in Asia, proposed Asian countries establish work councils as practiced in European Union. However, he emphasised that councils should have a legal constraint before implemented in the organisation, which supports the Malaysian union’s views.

It is that the ‘voluntarist’ approach to employee participation in Malaysia is linked to Malaysia’s history as a British colony (Ponniah, 1979, Anantharaman, 1997). However, the insufficiency of legal support for employee participation may be linked to a broader pattern of repression of employee and trade union rights (Ayadurai, 1993, Jomo and Todd, 1994, Ariffin, 1997, Todd et al., 2004). A noteworthy finding from this research has some implications for the research
conducted by Terry (2003) in the United Kingdom particularly on employee representation. He shows that employee participation schemes such as joint consultation committees and shop stewards in the United Kingdom are given fewer legal rights to make or influence any decisions as similar practices in most European Union countries. This is also like the situation existing in Malaysian companies. The union and employees do not have any power to influence workplace decisions because of high managerial prerogatives and also ‘they had a little influence on most HRM policies’ (Mellahi and Wood, 2004:211). Therefore, the union lobbies the government to revise or amend some of the present industrial relations legislation, which was introduced in 1950s, 1960s and 1970s. If the present industrial relations laws are revised then this will develop a new paradigm in employee participation practices in Malaysia (Todd et al., 2004).

There appear to be similarities between Malaysia and Tanzania. Musa, Shabidi, Msola and Kidwanga (1997) argued in the case of Tanzania, the institutional problem has become main barrier for worker participation in the private enterprise. Based on empirical research they claimed that the Presidential Directive No.1 of 1979, which created worker participation in Tanzania, was not reinforced in the law and also was not legally binding. This will weaken the position of employee participation in the enterprise level. This study supports the Malaysian case where the Code of Conduct for Industrial Harmony 1975 is not legally binding and also has no legal effect. For this reason, employee participation is very weak and workers and union are unable to influence the workplace decision-making process.

On the other hand, the employers and the government in Malaysia have rationalised that the implementation of employee participation at the workplace was not based on the Code itself. The employers designed employee participation and involvement schemes in the workplace because of their own initiative along with other aims of increasing employee commitment and enhancing productivity, efficiency and adaptability and as well as other contingency factors. These findings are similar to Idrus (2001), Poole et al. (2001) and Ackers et al. (1992). Poole et al. (2001) who argued in their “model for the comparative industrial democracy”, that the implementation of employee participation and involvement are initiatives by the management and were part of an organisational innovation process. Ackers et al. (1992) also have the same argument that contingency factors influenced employee participation and involvement practices in the organisations. These factors are business cycle, market pressure, organisation structure and strategy, active trade unionism in the workplace and are ideologically driven from the employers. Idrus (2001) argues that the state will not change any industrial relations law or the Code in the current situation because of the state’s main economic development objective that to transform Malaysia from developing to the developed country by the year 2020.

**Conclusion**

The union, employers and the government have competing interests around the Code of Conduct for Industrial Harmony 1975 and its impact on employee participation in Malaysia. In fact, the aim of the Code and its implementation in the industry level is not compatible. It looks very clear but in practice there are many limitations for unions and employees in the workplace. From the union perspectives, the majority of employers in Malaysia have little room for unions and employees actively participating in workplace decision-making process. If the employers continue to exercise high managerial prerogative, then an implication for employees and union is that they have less voice and less opportunity to participate fully in any workplace decision-making. On the other hand, the government and employers claim that Malaysia has ‘best practice’ of industrial relations system and a strong industrial harmony in the Asia in terms of low strikes. With regard to this issue, both Anantharaman (1997) and Bahari (1989) also argued that even though the Code seems to bring peace and harmony in the industry (with reductions in strikes) it was not favourable to the unions in the country. The argument is that if the state and employers continue to use a repressive approach towards unions and employees’ rights in Malaysia, then the wider concept of industrial democracy at the enterprise level may be hard to realise. In line with this argument, a question is posited about the code, and its impact on employee participation in Malaysia. If the Code is entirely amended by the state and gives strong legal enforcement like in Western Europe, will there be genuine employee participation taking place where the union and employees will actively participate in the workplace decision-making process together with management?
Acknowledgements

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References


**Interviews with representatives from**

The President, Malaysian Trade Unions Congress (MTUC), MTUC HQ, Petaling Jaya, West Malaysia, 21 December 2003.

The Executive Director, Malaysian Employers Federation (MEF), MEF HQ, Kuala Lumpur, 24 September 2003.

The Senior Industrial Relations Officer, Industrial Relations Department, Ministry of Human Resources, Malaysia, Putrajaya, Kuala Lumpur, 20 November 2003; 3 June, 2004.

The Senior Industrial Relations Officer, The Metal Industry of Employees Union (MIEU), 6 November 2003.
Using a survey of 2350 current workplace delegates in eight unions, we examine the workplace capacity of union delegates. Delegates like their role, but it is becoming harder as more things are being asked of them. The majority are trained, but more training is required if they are to be able to manage the wider range of tasks that unions expect of them. Support for delegates provided by the union office is fairly good, but weak in some areas, particularly in developing networking skills. Delegates are very reliant on their organiser. Management opposition is a problem for a minority of delegates, but it is a growing problem. Delegates have great trouble persuading fellow unionists to share the burden of union activities. Activism is increasing, but from a low base. They appreciate some of the principles of organising, but a wholehearted embrace of organising is still a long way away.

Introduction

If there is one group of people who are central to the progress of the Australian union movement’s renewal, it is workplace union delegates. The ‘organising’ strategy that has gained increasing salience in Australian union circles, as it has amongst some unions in the US, Canada, New Zealand and the UK, embodies a pivotal role for workplace delegates in activating members and reviving union membership (Bronfenbrenner et al., 1998; Carter & Cooper, 2002; Findlay & McKinlay, 2003; Erikson et al., 2002). This literature emphasises the essential role that workplace activists play in recruiting new members, creating a strong positive profile for unions in the workplace and leading local activism. These delegates thus play a vital role in releasing organisers and other full-time union officers to increase organising effort in non-unionised sites. Yet little in the way of systematic data on delegates has been collected here since the second Australian Workplace Industrial Relations Survey in 1995 (AWIRS95) (Morehead et al., 1997). This paper presents the first cut of results from the largest survey of delegates undertaken in recent years in Australia.

Background

Data presented here come from a survey of 2506 current and former workplace delegates undertaken in late 2003 and 2004. Of those, 2350 were current workplace delegates, the remaining 156 were former delegates. The data reported here come from the 2350 current delegates (hence N=2350, minus “don’t knows”, in the tables). Delegates were surveyed in eight unions: the Australian Education Union (AEU), Australian Manufacturing Workers Union (AMWU), Australian Services Union (ASU), Community and Public Sector Union (CPSU), Independent Education Union (IEU), Liquor Hospitality and Miscellaneous Workers Union (LHMU), National Tertiary Education Union (NTEU) and Rail, Tram and Bus Union ( RTBU). Approximately 325 current delegates were surveyed in each of seven of the eight unions, with a smaller number coming from the RTBU because of its smaller membership base. Delegates were selected using systematic random sampling from lists provided by unions (mostly state branches). Interviews were conducted by telephone by the ACTU Call Centre, Member Connect. Interviewers were briefed by the researchers before hand on the survey instrument. The refusal rate was low, generally below 10 percent.

We generally phrased questions about the union in terms of their (state) branch or division of the union, as this was the key operational level of the union with which delegates had interaction.

Respondents had been delegates for an average of 6.3 years, with 13 percent having been delegates for 12 months or less. In 44 percent of cases, the respondent was the only delegate at the workplace; 20 percent had a coordinating or leadership role in relation to other delegates at the workplace; and 35 percent were in workplaces with multiple delegates but did not have a coordinating role (including 7 percent who were in workplaces where no-one had a coordinating role).
Role of the delegate

Given that it is a volunteer position, it is not surprising that the majority (65 percent) of delegates enjoy being a delegate. However, 17 percent report that they are less satisfied with being a delegate than two years earlier, whereas 27 percent report being more satisfied. In response to a series of statements, slightly more than half indicated that they are able to take time off work to do union activities (Table 1), and two thirds feel have a sense of self-efficacy, and feel that that by being a delegate, they can really make a difference to what happens to people where they work.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Attitudes to being a delegate (%)</th>
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<tbody>
<tr>
<td>I enjoy being a delegate</td>
<td>strongly disagree</td>
</tr>
<tr>
<td>Doing union work takes up too much time</td>
<td>2</td>
</tr>
<tr>
<td>I am allowed to take paid time off work to do union activities</td>
<td>19</td>
</tr>
<tr>
<td>By being a union delegate, I can really make a difference to what happens to people where I work</td>
<td>23</td>
</tr>
<tr>
<td>It is clear to me what is expected of me as a delegate</td>
<td>3</td>
</tr>
<tr>
<td>This branch of the union puts too much responsibility onto delegates</td>
<td>24</td>
</tr>
</tbody>
</table>

Note: numbers sum to 100% across the rows, subject to rounding.

There are also negative signs: 15 percent feel that the union puts too much responsibility onto delegates, 25 percent think doing union work takes up too much time, 30 percent say it has become more difficult to perform their role as a delegate in the past two years, and 42 percent say that the range of tasks expected of them in their roles as delegates have increased (Table 2). This is in the context of 79 percent reporting that the workload in their job has gone up.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Changes in the role of delegate (%)</th>
</tr>
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<tbody>
<tr>
<td>your workload in your job</td>
<td>gone up</td>
</tr>
<tr>
<td>the range of tasks expected of you in your role as a delegate</td>
<td>79</td>
</tr>
<tr>
<td>how difficult it is to perform your role as a delegate</td>
<td>42</td>
</tr>
<tr>
<td>how satisfied you are with being a delegate</td>
<td>30</td>
</tr>
</tbody>
</table>

Note: numbers sum to 100% across the rows, subject to rounding.

Delegates were asked who did most of the recruiting in their workplace. Some 76 percent said delegates did, and another 11 percent nominated other members. Only 7 percent said organisers and 3 percent said the employer did. Despite differences in the samples, this appears to represent an increase in recruitment by delegates over the past decade: in AWIRS95, when only 64 percent of senior delegates reported that they did any recruitment (Morehead et al., 1997).
Training

An important factor in promoting organising approaches, and indeed in promoting activism (Peetz, Webb & Jones 2002), is training. There were, however, many delegates who had not been formally trained at all. Only 62 percent of delegates had received any training. Some 31 percent of delegates who had been a delegate for three or more years had not been trained. Indeed, almost half of delegates who had not been trained had been delegates for over three years. Delegates who had been trained were more likely to say that the range of tasks they did had widened and their role had become more difficult – but they were also more likely to say that they were more satisfied, enjoyed being a delegate and could really make a difference.

For the average trained delegate, the year of last training had been 2000, that is at least three years before the survey. Training covered a range of issues. As shown in table 3, slightly over half of delegates had received general introductory training, two fifths had been trained in recruitment techniques, and smaller numbers had been trained on other issues such as developing networks and campaigning skills.

Generally speaking, delegates regarded their training fairly well. Asked on a five point scale (from 1 to 5) to rate the usefulness of their training, they gave it an average rating of 4.07, with 21 percent of trained delegates giving the highest rating of 5 (very useful) and only 2 percent giving a rating of 1 (none of it was useful) or 2. Delegates who had received training in campaigning skills gave their training the highest overall rating of 4.19. Delegates who had only received introductory training gave it a relatively low (though still positive) rating of 3.83.

<table>
<thead>
<tr>
<th>Formal training received (%)</th>
</tr>
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<tbody>
<tr>
<td>Introductory</td>
</tr>
<tr>
<td>Recruitment techniques</td>
</tr>
<tr>
<td>Promoting activism</td>
</tr>
<tr>
<td>Communication skills</td>
</tr>
<tr>
<td>Grievance resolution</td>
</tr>
<tr>
<td>Enterprise bargaining</td>
</tr>
<tr>
<td>Occupational health</td>
</tr>
<tr>
<td>Managing meetings</td>
</tr>
<tr>
<td>Developing networks</td>
</tr>
<tr>
<td>Campaigning skills</td>
</tr>
<tr>
<td>Other training</td>
</tr>
</tbody>
</table>

Support

Union offices provide a variety of support to their delegates. We asked delegates to rate, on a scale of 1 to 5, how effective several types of support were for them (Table 4). Overall, 24 percent of respondents described the overall level of support the union gave them as being ‘very effective’, and 8 percent gave one of the lowest two ratings. The average rating was 3.91. Unions were rated strongly for giving support in relation to supporting industrial action and providing news and information, and not so strongly for keeping in contact or making training available.

In a separate question, 58 percent of delegates (including 60 percent of female delegates) agreed that their branch of the union paid a lot of attention to women’s issues amongst its members.

There were general signs of improvement, with 37 percent saying that the support they got from the union office had gone up in the past two years, although 8 percent said it had gone down.

Nonetheless, there was still a sense of crisis about the union amongst a minority of delegates: 27 percent agreed (and 58 percent disagreed) that if their branch of the union does not do things differently, it will eventually disappear.
TABLE 4
Ratings of support provided by union to delegates (%)

<table>
<thead>
<tr>
<th>Support Provided</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>supporting industrial action</td>
<td>2</td>
<td>4</td>
<td>14</td>
<td>34</td>
<td>45</td>
<td>4.16</td>
</tr>
<tr>
<td>providing news and information</td>
<td>1</td>
<td>5</td>
<td>16</td>
<td>38</td>
<td>40</td>
<td>4.10</td>
</tr>
<tr>
<td>providing advice and expertise</td>
<td>3</td>
<td>7</td>
<td>20</td>
<td>39</td>
<td>31</td>
<td>3.89</td>
</tr>
<tr>
<td>directly dealing with individual grievances</td>
<td>4</td>
<td>7</td>
<td>21</td>
<td>38</td>
<td>30</td>
<td>3.82</td>
</tr>
<tr>
<td>speedily responding to an issue</td>
<td>4</td>
<td>8</td>
<td>22</td>
<td>37</td>
<td>29</td>
<td>3.79</td>
</tr>
<tr>
<td>keeping in contact with me</td>
<td>6</td>
<td>12</td>
<td>21</td>
<td>32</td>
<td>28</td>
<td>3.64</td>
</tr>
<tr>
<td>making training available</td>
<td>8</td>
<td>14</td>
<td>25</td>
<td>29</td>
<td>25</td>
<td>3.50</td>
</tr>
<tr>
<td>showing me how to develop networks of people who can help me</td>
<td>14</td>
<td>23</td>
<td>33</td>
<td>21</td>
<td>9</td>
<td>2.89</td>
</tr>
<tr>
<td>overall rating of support</td>
<td>2</td>
<td>6</td>
<td>22</td>
<td>46</td>
<td>24</td>
<td>3.91</td>
</tr>
</tbody>
</table>

Note: numbers sum to 100% across the rows (excluding last column), subject to rounding.

Networking

An important source of support for delegates is the networks they develop – with union staff, other delegates and members. A majority (51 percent) agreed they had a lot of contact with other delegates at this workplace (35 percent disagreed). However, only 23 percent agreed (61 percent disagreed) that they had a lot of contact with delegates from their own union in other workplaces, and only 12 percent agreed (78 percent disagreed) that they had a lot of contact with delegates from other unions. There were some signs that delegate networking might have been increasing: 28 percent said they were now working more closely with other delegates than two years earlier (11 percent said less closely). Nonetheless, unions were rated very weakly in showing delegates how to develop networks of people who can help them (Table 4). On this, which was their worst item, 30 percent rated unions well but 37 percent rated them poorly.

More important for the majority of delegates was contact with their organiser. We asked respondents who was the one person, whether they were inside the union or out of it, who was the most use to them in terms of helping them do their job as a delegate well. Results (shown in Table 5) indicate that for half of respondents this person was the union organiser.

TABLE 5
Most helpful person for delegates (%)

<table>
<thead>
<tr>
<th>Person</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>union organiser</td>
<td>49</td>
</tr>
<tr>
<td>someone else from union office</td>
<td>12</td>
</tr>
<tr>
<td>an official from another union</td>
<td>1</td>
</tr>
<tr>
<td>Subtotal – paid union officials</td>
<td>62</td>
</tr>
<tr>
<td>another delegate in this workplace from this union</td>
<td>9</td>
</tr>
<tr>
<td>senior delegate at this workplace in this union</td>
<td>7</td>
</tr>
<tr>
<td>another member from this union in this workplace</td>
<td>6</td>
</tr>
<tr>
<td>a delegate from this union from another workplace</td>
<td>2</td>
</tr>
<tr>
<td>another delegate in this workplace from another union</td>
<td>1</td>
</tr>
<tr>
<td>a member from another union in the workplace</td>
<td>0.3</td>
</tr>
<tr>
<td>Subtotal – delegates and members</td>
<td>25</td>
</tr>
<tr>
<td>a friend or relative from outside the workplace</td>
<td>2</td>
</tr>
<tr>
<td>manager in workplace</td>
<td>1</td>
</tr>
<tr>
<td>someone else</td>
<td>6</td>
</tr>
<tr>
<td>No-one</td>
<td>5</td>
</tr>
</tbody>
</table>
The second most common response was someone else from the union office. In total, 62 percent cited paid union officials as being the most helpful person to them. Only 25 percent referred to other delegates or members – mostly from their own union at the same workplace. No one was helpful for 5 percent of delegates.

If union organisers were the most important person for delegates, many were not seeing them very often. While 26 percent said they had personal contact with their organiser three or more times a month, for 39 percent it was less than once a month (Table 6). Contact with anyone else from the union office was even rarer, with only 13 percent having such contact three or more times a month, and 68 percent having such contact less than once a month. There were clearly mixed views on organisers, with 44 percent agreeing that their organiser had taught them many valuable things about being a delegate, but 32 percent disagreeing.

<table>
<thead>
<tr>
<th>TABLE 6</th>
<th>Contact with union office (%)</th>
<th>5+ times per month</th>
<th>3 to 4 times</th>
<th>once or twice</th>
<th>less than once a month</th>
<th>never</th>
</tr>
</thead>
<tbody>
<tr>
<td>an organiser</td>
<td></td>
<td>13</td>
<td>13</td>
<td>36</td>
<td>29</td>
<td>10</td>
</tr>
<tr>
<td>anybody else from the union office</td>
<td></td>
<td>7</td>
<td>6</td>
<td>20</td>
<td>35</td>
<td>33</td>
</tr>
</tbody>
</table>

**Managerial opposition**

While managerial opposition to unions is important to explaining union outcomes, few data have been collected on what level of management is most hostile or matters most. We asked respondents how they would categorise their supervisor’s attitude, and their company’s or organisation’s attitude towards them. They received more support from their immediate supervisors: 54 percent of whom were considered supportive and just 14 percent hostile. By contrast only 38 percent of their organisations were considered supportive and 23 percent hostile. While this overall appears to be a favourable environment for delegates, some 22 percent reported that management opposition to their role as a delegate had gone up over the past two years, whereas opposition had declined for just 10 percent. This increased opposition appeared to be coming from both levels, though the correlation was stronger with supervisor’s opposition (Pearson r=.32) than with organisational opposition (r=.25). However, outcome variables seemed to be more related to the attitude of the organisation than of the supervisor.

**Activism**

While delegates felt personally involved in the union – 51 percent agreed with this proposition, while 23 percent disagreed – they perceived considerably less involvement from their fellow members. Only 33 percent agreed, and 45 percent disagreed, that members in their workplace were generally active. This was also reflected in the burdens on delegates – only 27 percent agreed they found it easy to get other members to help share in union tasks, while 54 percent disagreed. There were positive, albeit mixed, signs about change: 30 percent said that activism amongst members had increased over the past two years, while 22 percent said it had decreased.

We asked delegates about whether certain things stopped them becoming more involved in the union. The single most common obstacle was the delegates’ own workload. Other significant obstacles included lack of confidence or training and insufficient support from members, along with a preference for doing something else in their spare time or family responsibilities.
TABLE 7
Barriers to activism (%)  
<table>
<thead>
<tr>
<th>Barrier</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>My workload prevents me</td>
<td>62</td>
</tr>
<tr>
<td>I don’t feel as confident or well trained as I’d like to be</td>
<td>49</td>
</tr>
<tr>
<td>I don’t get enough support from members</td>
<td>46</td>
</tr>
<tr>
<td>I’d rather do other things with my spare time</td>
<td>45</td>
</tr>
<tr>
<td>My family responsibilities prevent me</td>
<td>35</td>
</tr>
<tr>
<td>My boss is an obstacle</td>
<td>25</td>
</tr>
<tr>
<td>Not enough support from the union office</td>
<td>17</td>
</tr>
<tr>
<td>Are there any other barriers we haven’t mentioned?</td>
<td>25</td>
</tr>
</tbody>
</table>

Consultation and democracy

There were mixed views about democracy within unions though overall a positive outlook. Only 22 percent complained that there was not enough consultation with members before decisions were made, and three fifths thought members had a lot in say in determining the content of an enterprise bargaining claim. Nearly half agreed (and nearly a quarter disagreed) that delegates had a lot of influence in the branch. Some 24 percent indicated that the amount of influence members had in the union had gone up over the previous two years, and just one in ten said it had gone down.

TABLE 8
Attitudes to democracy in their union (%)  
<table>
<thead>
<tr>
<th></th>
<th>strongly disagree</th>
<th>mostly disagree</th>
<th>neutral</th>
<th>mostly agree</th>
<th>strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is not enough consultation with members before decisions are made by this branch of the union</td>
<td>27</td>
<td>31</td>
<td>20</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>delegates have a lot of influence in this branch</td>
<td>7</td>
<td>15</td>
<td>30</td>
<td>35</td>
<td>12</td>
</tr>
<tr>
<td>In an enterprise bargaining campaign, members here have a lot of say in determining the content of the claim</td>
<td>6</td>
<td>15</td>
<td>18</td>
<td>36</td>
<td>24</td>
</tr>
</tbody>
</table>

Note: numbers sum to 100% across the rows, subject to rounding.

Power and unionisation

On average, delegates reported that union density was about two thirds amongst employees in their part of the workplace, though for about a third density was less than fifty percent. Some 58 percent of delegates agreed that the union had power in the workplace (20 percent disagreed), and likewise 62 percent agreed that the last round of enterprise bargaining here produced outcomes that members were happy with (19 percent disagreed). These items were strongly correlated ($r=.35$). Again, there was a general view that these things were improving for unions, but with some setbacks. Thirty five percent estimated that the level of unionisation in the workplace had increased over the preceding two years, while 19 percent perceived a decrease. On another measure, 46 percent reported an improvement in the success rate of their union on issues at their workplace, and just 11 percent reported a decline.

Visions of unions

We also wanted to test delegates’ visions of the type of role they should have as delegates, and the type of role they thought unions should have. We did this by putting a series of contrasting propositions to respondents, and asking them to choose which one out of each pair...
they preferred. We did not explicitly offer them the choice of selecting both as being equally important, but recorded it when they gave this as their preferred answer.

To investigate their view about whether delegates should represent the union to the members, or vice versa (cf Batstone, Boraston & Frenkel 1977), we asked 'In your view is it more important for you to tell the members about what the union is doing, or for you to tell the union about what the members think?'. Twice as many preferred the latter (upward) to the former (downward) approach, though the greatest number gave both equal importance (Table 8).

We also sought to analyse their orientations towards ‘organising’ versus ‘servicing’ approaches (‘organising’ referring to a union strategy that emphasises the mobilisation and activism of members and active member-to-member recruitment, while ‘servicing’ refers to the union tradition whereby full-time officials ‘serve’ members and ‘care for’ them, rather than drawing them into active union engagement). To this end, we asked them whether it was ‘important for you to know who to contact in the union office to get a member’s problem solved quickly, or for you to know how to organise a workplace campaign around members’ problems?’ Here the strong majority gave the servicing response – they wanted to know who to contact to solve the problem. Only one in six thought it more important to know how to organise a campaign – yet these were the delegates who were more likely to report increases in unionisation (41 percent did so, compared to 33 percent of delegates who thought it more important to know who to contact). Delegates who considered campaigning more important were also more likely to report increases in activism (39 percent, compared to 27 percent amongst delegates who preferred knowing who to contact) and in the union success rate at the workplace (52 percent v 44 percent).

We also asked them four questions choosing between alternative scenarios of what the role of the union should be. One of these looked at another aspect of the organising/servicing dichotomy, and this time found a strong orientation towards the organising approach. Thus only 10 percent thought a union should stick to providing services to its present members, but an overwhelming 72 percent thought it should also focus on membership and delegate education and on organising and recruiting unorganised workers. Of course, delegates themselves would be beneficiaries of the latter focus.

Delegates tended to have a broad view of the scope of unions’ responsibilities and methods. On responsibilities, we found that 38 percent considered that a union should stick to representing its current members, but 52 percent considered it should also advance the interests of all workers. On method, we found that only 38 percent thought a union should stick to representing its members to their employers, but 44 percent thought it should also be active in political issues.

Finally, though, we found a reprise of the notion that was evident in Freeman and Rogers (1999) study of American workers, a continuing belief in the common interests of employers and employees: 73 percent considered a union should emphasise the common interests of employers and employees, while only 15 percent thought it should instead promote its own separate agenda. The majority view here, which was no less common amongst delegates in blue collar than white collar unions, was unrelated to whether management opposition to their role as a delegate was increasing or decreasing. While it was more common amongst delegates who saw their company as being supportive, it was still a majority view amongst those who considered the company’s attitude to be hostile to them. This finding reflects the ongoing contradictions arising from the coexistence of cooperation and conflict in the employment relationship, and a view that unions

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**TABLE 9**

<table>
<thead>
<tr>
<th>Choice 1</th>
<th>Choice 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>tell members what union is doing</td>
<td>know who to contact</td>
</tr>
<tr>
<td>tell union what members think</td>
<td>know how to organise campaign</td>
</tr>
<tr>
<td>no difference/ both equally important</td>
<td>no difference/ both equally important</td>
</tr>
<tr>
<td>don’t know</td>
<td>don’t know</td>
</tr>
<tr>
<td>19</td>
<td>69</td>
</tr>
<tr>
<td>38</td>
<td>17</td>
</tr>
<tr>
<td>42</td>
<td>13</td>
</tr>
<tr>
<td>0.4</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: numbers sum to 100% down the columns s, subject to rounding.
should pursue an agenda that represents the views of the members rather than the views of paid officials in the union office. The data on consultation and democracy discussed above suggest that members’ interests in greater responsiveness of unions to the wishes of their members are increasingly being served.

Discussion

Less than a decade ago, Australian unions were in what could reasonably be described as a parlous position. Workplace organisation was intermittent, uneven and often ineffective. Unions were easy targets for employers. These data do not represent a comparative study over time, but the picture they paint is consistent with the view that workplace unionism is moving in the right direction, even if significant problems remain.

Delegates like their role and they feel that it makes a difference. But their job is becoming harder as more things are being asked of them. The majority of them are trained, but more need to be trained, if they are to be able to manage (and enjoy!) the wider range of tasks that unions expect of them. Support for delegates provided by the union office is fairly good, but is a barrier to further involvement in the union for one in six delegates. This support is weak in some areas, particularly in developing networking skills. Delegates are overly reliant on their organiser, and some organisers (it would appear, a minority) are not seen as being effective enough in teaching delegates important skills and probably do not or cannot keep in contact with them often enough. Management opposition is a problem for a minority of delegates, but it is a growing problem. Delegates tend to feel personally involved in the union, but many have great trouble getting their fellow members involved and persuading them to share the burden of union activities. Activism is increasing, but from a low base. Member and delegate involvement – union democracy – is improving, but still has some way to go. So too with union power, and union wins at the workplace. Delegates tend to take a broad view of unions’ responsibilities and methods. They appreciate some of the principles of organising, including the need for developing delegate structures, and are implementing them, but a wholehearted embrace of organising is still a long way away, with most delegates preferring to know who to contact to get a problem solved than knowing how to organise a workplace campaign around members’ problems.

From the point of view of progress towards the development of an ‘organising’ approach, these data suggest unions still have many problems at the workplace, but the picture is far from bleak. Over the coming three years unions, and Australian workers, will face probably the biggest challenges since the Great Depression, with a conservative government in office committed to radical industrial relations policy ‘reform’ and with control of the Senate enabling it to pass new legislation unconstrained. Had unions faced these challenges in the mid to late 1990s, it is likely many would have folded altogether, as some of their counterparts in New Zealand did earlier in that decade. The picture here implies that unions now are moderately equipped at the workplace. There is still much for them to do – and with some urgency, in the current political climate – but it is not a task that seems beyond them.

References

Gender, identity and women’s involvement in tractor work: A case study of the Australian sugar industry

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Queensland University of Technology

ABSTRACT

This paper uses data from focus groups with eighty women involved in the Australian sugar industry, and draws on feminist post-structural theory to explore the construction of gendered identities in tractor work. The key focus is on the strategies women engage to negotiate their gendered subject positions while undertaking a role typically defined as ‘men’s work’. The majority of these strategies leave gendered on-farm identities intact, but some opportunity for disruption may occur as a ‘farm as business’ discourse is more widely taken up. This discourse reconstitutes the ‘farm’ as a ‘business’ and the ‘farmer’ and ‘farm wife’ as business partners. While this may provide a discursive space for women to be legitimate actors in all aspects of the enterprise, the paper concludes by drawing attention to the factors that make it unlikely that such a possibility will be realised.

Introduction

A social constructionist approach to gender identity formation, derived from a feminist post-structural perspective, invites explorations of the many and varied contexts in which masculinities and femininities are constituted. One such context is the workplace. While the work contexts which have been investigated by post-structuralist feminist scholars are diverse (e.g., Pringle, 1988; Hopton, 1999), it is the constitution of gendered identities on the family farm and the occupational role of farmer with which this paper is concerned. Of particular interest, is the question of how women construct feminine subject positions when engaging in a tractor work role which is traditionally defined as masculine.

Typically, farm women engage in a multiple array of tasks including domestic work, go-fering, financial management and information gathering (Sachs, 1996). However, tractor work involving tractors is typically viewed as the domain of men (Alston, 1995). In undertaking tractor work then, women have crossed the traditional gender division of labor. These women have seemingly further disrupted the gender order in that they are not just involved in on-farm physical labor, but physical labor involving the use of large machinery. This is critical because, as Strategaki (1988: 256) comments, within the farming enterprise machines are ‘the main criterion’ for differentiating work that is designated male and female. Examples from a range of agricultural sectors such as poultry farming and dairy farming have demonstrated that as aspects of work on a farm become mechanised, they shift from being ‘women’s work’ to ‘men’s work’ (Shortall, 2000). Thus, those women who undertake on-farm tractor roles deemed to be men’s work and engage in those tasks associated with the occupational role of farmer, represent a significant deviation from the norm. They are the metaphorical ‘travellers’ (Marshall, 1984) in the ‘foreign country’ (Follo, in press), in ways similar to their female counterparts also engaging in male-dominated work places and in work associated with the construction of masculinities. Therefore, how gendered identities are constituted, and furthermore, how they are negotiated in this work environment, is of particular sociological interest. Before embarking on this investigation to explore these issues, the following section provides a brief overview of the theoretical framework guiding the paper.

Theoretical framework

As stated, this paper engages a feminist post-structural framework to examine what West and Zimmerman (1987) called, in their much-cited paper, ‘doing gender’. As such, it relies on three theoretical concepts which are outlined below.
The first concerns the fact that, as Judith Butler (1990: 24) succinctly states, ‘gender is not a noun’. Gender is distinct from biological sex in that there is nothing pre-determined, natural or essential about one’s gender identity. Rather, gender identity is produced or constituted through discourse, which is defined by Scott (1990: 135) not as ‘a language or a text but a historically, socially and institutionally specific structure of statements, terms, categories and beliefs’. This is exemplified in the literature on women and farming in research undertaken by Ruth Liepins (1996; 1998). In this work, the author studied the agricultural media as a discourse and identified the ways in which it shapes the construction of farming as requiring masculine strength, control and action. Within this discourse men and masculinities are privileged and women and femininities are marginalised, thus creating the belief that it is men who are farmers and the perception that women contribute little, if anything, to agriculture.

The second point of theoretical significance to this paper is that gender identities are not singular, but multiple and varied. Thus, there is no homogeneous femininity (McRobbie, 1996; Liladhar, 2000). At the same time there are particular constructions of femininity within certain contexts that are dominant or normative (Bartky, 1990). For example, feminist rural sociologists have argued that within rural communities, feminine identities focused on a domestic role are particularly valorised (Little, 1997). This is not to suggest that ‘farm women’ or ‘rural women’ are fixed subjects conforming to a universal gendered identity, but within the discursive fields which make up the rural and farming sectors there is a hegemonic notion of femininity which emphasises women’s appropriate place as being within the home (Little, 1997).

The final theoretical construct relevant to this paper is that of agency. That is, feminist post-structuralists emphasise that while discourses may be limited to them, women have the capacity to position themselves within discourses, choose from discursive positionings or indeed resist and create new discourses (Weedon, 1997). The capacity of rural women to do just this has been well articulated by Mackenzie (1992; 1994) in examining documents from the Ontario Farm Women’s Network (OFWN). In this work, the author demonstrates that through new rural women’s groups, farm women are reconstructing notions of ‘farmer’ and ‘farming’. The so-called reverse discourses being produced by these women’s groups represent a considerable challenge to the masculinised notion of farmer dominant in mainstream agricultural discourse. In a different study, Oldrup (1999: 356) also emphasises the importance of the concept of agency arguing that the Danish farm women in her study are ‘actively and creatively’ engaged in identity construction as they undertake new roles off-farm.

In summary, farm women are presented in this paper as subjects actively constructing their gendered identities from a range of discursive positions available to them. How knowledge about these farm women was obtained and produced is outlined below.

Methodology
This paper is based on a doctoral study which examined women’s contributions to the Australian sugar industry. The study was undertaken in partnership with the agri-political group, CANEGROWERS, which represents the interests of the 6000 cane farming families in the Australian state of Queensland. CANEGROWERS’ interest in the research was motivated by the concern that women held none of the 181 positions of elected leadership in the organisation. Thus, a key focus of the research was exploring why women were not represented in industry leadership. To address this question it was necessary to examine firstly women’s on-farm roles and identities. It is this, specifically in relation to tractor work, which is reported in the following sections of the paper.

In total, eighty women participated in both initial and follow-up focus groups of two hours’ duration in two different cane growing case study sites. While I have described the design of the focus groups and the rationale for their use in detail elsewhere (Pini, 2002), three issues about the focus groups need to be emphasised. Firstly, women involved were selected according to the principles of theoretical sampling described in the qualitative methodological literature (Miles and Hubermann, 1994). Given the large number of women who could be involved in the focus groups it was decided to select participants who had demonstrated some willingness to participate in industry forums and politics. CANEGROWERS’ staff provided assistance with this process. Secondly, given that the women were all involved in the same industry there was a degree of homogeneity in social class amongst the women involved in the focus groups. There
was as well, a degree of sameness in the age profile of the women involved in the research. While I did not specifically ask women their ages in the focus groups it was apparent that most were over forty. Six women identified themselves as being under forty, and while there may have been others in this age group, the majority of women involved were older. This perhaps occurred because of my desire to involve women who had attempted to be active in industry politics, as recent literature argues that women typically become more involved in agri-politics later in life (Alston, 2001). Thirdly, further informing focus group findings was data obtained through descriptive, analytical and reflective journal comments I made as a participant observer during three visits to each of the case study locations (Glesne and Peshkin, 1992). All of this data – focus groups and participant observations were analysed thematically using the qualitative software package Nvivo (Qualitative Solutions and Research, 1999).

**Women’s participation in on-farm tractor work**

Of the eighty women who participated in focus groups, thirty-nine undertook no tractor work, thirty a limited amount of on-farm tractor work and eleven almost all tractor work. A proportion of the women not involved in tractor work said that this was a matter of personal choice, while for others it was because they said they were not permitted to do so because of the views of their husbands or their in-laws who farmed in partnership with them. In explaining why, both these groups of women highlighted what they believed to be essential differences between men and women which, in the words of one participant, meant there are ‘places for men to work and places for women to work’. The clear delineation between ‘female work’ and ‘male work’ articulated by a number of focus group participants rested on beliefs about biological differences between the sexes. The most commonly cited difference, physical strength, was used to explain why women were not suitable for tractor work. As one woman explained, ‘It would be ridiculous for me to go out and drive a harvester and my husband stay home to look after the kids. Women aren’t built for it’.

What is of interest is the fact that women described having a greater role in farming agricultural products which required more physical labor and was less capital intensive than sugar cane farming. At the same time they argued the contradictory position that the physical work of cane farming is too difficult for women, given their lesser strength. One of the participants involved in grape growing, for example, as well as cane farming stated that, ‘Women are not involved in cane because of the nature of the physical work. Women can pick grapes, plant grapes and do anything, because there is not a big physical side to it as there is in sugar’.

Similarly, reflecting on the dairy farm she and her husband had owned prior to the purchase of the cane farm, another participant described missing her high level of involvement, but accepted that ‘sugar cane farming seems to be more of a man’s thing than the dairy’. Again, she and another participant, Constance, emphasised that this was related to differences in men and women’s physical capabilities. The contention from Constance was that ‘there are a lot of things that men can do’ on a cane farm that ‘women are not physically built to do’. As she owned both an orchard and a cane farm with her husband she compared work on each of these enterprises. While her husband had almost sole responsibility for the former, she undertook almost all the latter work. This, she said, was because the machinery involved in cane farming made it more ‘men’s work’. Elaborating on this theme she said, ‘I mean you very rarely see a woman driving a cane harvester. I don’t think I have ever seen one carting or anything like that because women physically are not capable of doing that kind of work’.

These comments from Constance provide an insight into how men and machinery are often connected in discourses on farming, just as machinery and men are conflated in other discursive sites (e.g. Cockburn, 1991; Wajcman, 2004). According to her view, women can work more in an orchard because it is more labour intensive rather than capital intensive. When I asked Constance why women would not be capable if there were actually less need for physical strength with highly mechanised processes she agreed, but referred to her own lack of mechanical skills and the fact that ‘women wouldn’t want to drive cane harvesters and things like that’. She reiterated the view expressed in the extract above that because she has not seen women driving harvesters or carting cane it means that women are not capable of doing it.
What is clear is that it is the use of large machinery which leads many to believe that an on-farm physical role is inappropriate for women in the sugar industry. Thus, while many, like Constance, were involved in tractor work for other agricultural crops, they had limited or non-existent involvement in the cane farming enterprise. Furthermore, while thirty of the eighty women in the focus groups were involved in some tractor work, the boundary which marked their degree of participation was typically the extent to which a task involved the use of large machinery. For example, one said that she had, in the past, ‘helped with carting cane but that was when the bins were little things not like they are now’. Another, who did cart cane, said she would ‘draw the line at driving a harvester’.

Constructing tractor work as requiring toughness and strength meant that women were not just unsuitable for the role but needed to be ‘protected’ from it to retain their femininity. Asked why she was not involved in tractor work, one woman, for example, replied that her husband was ‘like most men wanting to protect her’. Another who expressed a similar sentiment explained what she meant when she said men wanted to protect their wives from the work. This meant, she said, ‘not to rough them up because physical work is a man’s job and women shouldn’t have to get their hands dirty’. A further participant claimed that her husband wanted to ‘treat her like a princess’ and this meant not involving her in tractor work.

In summary, few women in the Australian sugar industry are involved in tractor work. This work is simultaneously constructed as masculine and unfeminine. All of the eleven women involved in the great proportion of tractor work as well as some of the thirty women involved in a limited amount of tractor work, cited examples of being subjected to criticism by family, friends and neighbors for undertaking this role. Two provided illustrations of pressure from immediate and extended family who had been told them that people were ‘talking’ about their on-farm work, that this was ‘not a lady’s job’ and that they would be ‘seen as blokes’. In sharing these examples of being sanctioned for deviating from normative roles ascribed to women, participants described strategies they used to reassert feminine identities while undertaking on-farm physical work. These are outlined below.

**Negotiating feminine identities and undertaking tractor work**

One strategy used by women involved in tractor work as a means of negotiating their gendered identity was simply to minimise or even hide their on-farm contributions. For example, in one group two women explained that while they had been engaged in tractor work since the early years of their marriages over twenty years ago, they needed to keep it hidden from the public. One said that when she first started she was ‘allowed to work on the farm, but only out the back’ so that she would not be seen. The women said that opposition came from their brothers-in-law and fathers-in-law with whom they were then working in partnership. Remembering the initial interaction with her in-laws about her on-farm involvement, the second woman reflected that her offer of ‘giving a hand’ was met with the comment, ‘I don’t bloody think so’.

In explaining why their involvement was resisted although it was clearly needed, and then once accepted, hidden to the public, both of the women and other focus group participants explained that they believed men were concerned about being labeled lazy and inefficient if they were seen to be reliant on female labour. This same point was also highlighted in three other focus groups. In these discussions women emphasised the importance men gave to what ‘other men’ think. What is apparent is that masculinity is demonstrated by men to other men through involvement in tractor work, and deviations from this are monitored and policed from outside the immediate farm gate. Thus, it is not just women who may be censured for undertaking what is appropriately believed to be men’s work, but men who may be sanctioned for allowing them to undertake the work. There is something lacking in men and their masculinity if women are seen to be doing their work. Thus, these women performed their on-farm physical roles in ways which did not publicly undermine the men’s position as the farmer. By hiding their contributions ‘out the back’ women ensured their husbands’ and brothers’-in-law public constructions of themselves as masculine remained intact.

The second strategy engaged by women involved in tractor work to assert their gendered subject positions was to emphasise the importance of their domestic and household role. This is a role which almost all of the eighty women in the focus groups said they were primarily responsible
for undertaking. It is clearly then, a role which is considered to be exclusively female. For the on-farm physically active women, ensuring that they met this role was important. When describing their on-farm roles, it was typical for women to return to the issue of domestic duties to remind participants as well as myself that this was their first priority. One explained that neither she nor her husband bothered what people thought about her involvement on-farm as ‘long as I get all the housework done’. Others told stories of how they managed to ‘keep the house clean’ and ‘get the jobs done’ while undertaking their on-farm roles. This was, for one participant a matter of ‘getting sent home from the paddock at six, half an hour early’ to prepare the evening meal, while for another it was a matter of washing clothes before she went to the paddock in the morning, taking them off the line at lunchtime and folding them at night. Given the inextricable connection between domestic duties and hegemonic femininity, it is not surprising that these on-farm physically active women emphasised the importance of a household role to emphasise their gendered identity.

A third strategy used by women to negotiate their identity as feminine while undertaking work deemed masculine involved distancing themselves from men who also worked on the farm or other male farmers, as well as from the men’s performance of masculinities. There were a number of ways in which women achieved this aim. For example, one woman, Kim, described consciously and deliberately setting herself apart physically and conversationally from the men to accomplish this objective. Commenting on how she conducted herself when working on the farm with a group made up solely of men, she said, ‘I never tried to be part of them. In smoko times I never sit with them. I never try to be one of the boys. I keep my place’. Kim may have been considered by some to be ‘less’ feminine because she did the same work as men, but because she separated herself in this way, she was still ‘different’ from them. This strategy of separating oneself from the masculinities pervading the on-farm context was also evident in the stories two women told about swearing in the paddock. These women said they insisted on no swearing when they were working with the men. One explained, ‘If men do swear, I would say to them that’s $10 a swear word and add it up and say that they owe me $60 or whatever. They would get the message and you never had no more hassles’. A further way in which women distanced themselves from the masculinised space of tractor work was by minimising the degree of strength and expertise required to use large machinery. One commented that ‘the new six tonne bins are a lot easier to fill’ and another said that driving the harvester was the ‘best job’, as the cabin was air-conditioned and so she ended the day ‘cool and clean’, unlike the male carters.

The fourth way in which women involved in tractor work negotiated their femininity concerned how they presented themselves when they entered the public domain. They described always being ‘lady-like in what they said’ or ‘acting like a lady’ in their dealings with people. Further to this were descriptions of the use of dress to emphasise feminine identities. It is a sentiment expressed by one of the participants who said that women like her who were involved in tractor work ‘always go out dressed up and we look as good as any other women so it doesn’t really degrade us doing physical work’. Another participant, Janet, commented that she too always ‘got dressed up to go to town’. She felt the other women in the area ‘were funny about’ her tractor work but was unable to say ‘why or how or put my finger on it. Just that you knew you’d crossed the boundary’. While Janet may have been viewed as crossing this unseen but powerful gender boundary in terms of her involvement in on-farm work, her attention to dress and speech when ‘in town’ provided another boundary for her to mark herself as feminine. Like the other women, she engaged ‘ladylike’ dress and speech as important symbolic indicators to reinforce a feminine identity which had been otherwise compromised through involvement in tractor work.

The two women who volunteered that they had attempted to hide their tractor work when first married said this was no longer the case. Instead, they said this ‘no longer mattered’. Similarly, those like Janet who explained the importance of emphasising their femininity when interacting outside the farm-gate also stated that this was not really ‘that important’. This shift is related to the adoption of a new strategy to negotiate tractor work and one’s feminine identities. This strategy, the adoption of a farm as business discourse, is outlined below.
Farm as business discourse

The farm as business discourse highlights the difficulty of sustaining an income on family farms and the need for both husband and wife to contribute to all aspects of the enterprise. What the adoption of the ‘farm as business’ discourse is illustrative of, is the profound change that has taken place in agriculture in recent years. It is a change which has witnessed the decline of family farming (Lobao and Meyer, 2001), the movement of farming women into off-farm work (Leckie, 1993) and the restructuring and deregulation of agricultural industries (Gray and Lawrence, 2000). Women had been exposed to this discourse through government and agri-political leaders who, as one said, ‘are always telling us we’re business people not farmers’. The growth and development of this discourse can be seen in a range of government and industry publications (e.g. National Farmers’ Federation, 1993). It is a discourse clearly articulated by one participant in explaining why she was not bothered about people questioning her femininity because of her involvement in tractor work. She said, ‘I know some women have a problem with doing farm work because they think it’s unfeminine, but those I know don’t. They see it (engaging in farm work) as the survival of the family farm and they put it (femininity) in second place’.

Those women who drew on the farm as business discourse emphasised the farm as being a partnership between husband and wife. This partnership requires both members to contribute if it is to be successful. Again, however, the emphasis was on partnership in terms of a business enterprise. Thus, one stated, ‘I have a great husband who’s very supportive and we’re working together. I’m working with him in the industry, the business, and we look at it that I’m doing my bit for our business. It’s a joint effort’.

The on-farm physically active women provided evidence of invoking this discursive construction of their work and occupational role to counter a range of negative comments. One participant, Louise, for example, told the story of being visited on her farm by the local Australian Workers’ Union (AWU) representative who castigated her for carting cane when she was, in his view, ‘taking a man’s job’. She replied to him, as she said she has to others who have made negative comments to her about ‘the work being unfeminine’, that this was of lesser importance compared to ‘the need to make the business work’. In another case, a participant reflected on criticisms of her on-farm physical role saying, ‘I’ve heard funny things, but that goes over my head. This is your business and you look after it’. Two others in this focus group also involved in tractor work agreed saying, ‘we’re just women looking after our businesses’.

The farm as business discourse has become the favored means by which women involved in tractor work negotiate involvement in a role deemed masculine and retain a feminine identity. The following discussion explores the potential this new discursive space might have for disrupting gendered on-farm occupational roles and gendered constructions of the occupational identity of farmer.

Discussion

Women on Australian cane farms are not typically involved in the highly mechanised on-farm work that is characteristic of the industry. One might assume that the capital intensive nature of this agricultural crop would mean that woman would be more inclined to be involved than in agricultural industries which continue to rely on physical labor and strength. However, this view fails to acknowledge the link between machines and masculinities (Game and Pringle, 1983). It is not, however, machinery in itself which marks the gender divide, but the purpose and nature of the machinery. Women in the focus groups indicated a high degree of competence in the use of machinery (computers, sewing machines, dishwashers). In contrast, many suggested that husbands had a corresponding lack of competence in using household machinery and computer technology. Clearly, machinery becomes connected with masculinities when it is large and powerful and utilised to assist with tractor work. Thus, the women involved in tractor work experience potential dissonance in constituting their gendered identities as feminine.

The reasons for this dissonance are three-fold. Firstly, in rural communities notions of femininity which assign women to a domestic setting are hegemonic (Poiner, 1990; Dempsey, 1992). Clearly, those cane growing women who are not involved in tractor work - the majority of those in this study - do not have to deal with challenges to their gendered identities. The
roles they do perform and those they do not conform to traditional definitions of femininity in general, and those definitions highly valued in a rural context. Women undertaking tractor work do not experience the same congruence between their gendered subjectivities and work role, and thus the engagement of negotiation strategies is understandable. The second reason why negotiating femininity is so important to these participants is because of the likely censuring of women in rural areas who fail to conform to dominant and prescriptive notions of femininity (Hughes, 1997). This is likely to come from women as well as men (Berlan, 1986). The women in the focus groups who are involved in tractor work had been criticised by immediate family, in-laws, farmers, neighbours, professionals associated with the sugar industry and other farmers. Some of this criticism was inferred through body language, while in other cases it was direct and publicly stated. The third factor which makes it important to women involved in tractor work to negotiate their feminine identities is because of the relationship between this identity and their husband’s masculine identity. The women involved in this study were aware that their involvement in tractor work could undermine their husband’s gendered identity. Thus, they needed strategies, not only to reassert their feminine identities, but also to ensure their husbands’ masculine identities would not be subject to question by other males.

It is for these very understandable reasons that the women involved in tractor work in this study engaged a number of strategies to negotiate their gendered identities. They hid contributions, emphasised their domestic role as paramount, gave considerable attention to dress and speech when away from the farm and distanced themselves from other men with whom they worked and masculinist behaviors such as swearing. What is important about these strategies is that they offer little or no significant challenge to the gendered construction of farming as a male enterprise. In fact, they reinforce and sustain such a construction.

This apparent anomaly can be explained by examining other studies which have considered the construction of gendered identities by men and women engaged in work which is considered atypical for their gender. This research provides evidence of the way in which women engaged in masculinised occupational roles and men engaged in feminised occupational roles may adopt what are respectively referred to as feminising or masculinising strategies in undertaking their work. For example, the fishing women studied by Yodanis (2000), justify their involvement in work typically undertaken by men by emphasising that this is an extension of their roles as wives and mothers. Alternatively, Rouston and Mills (2000) note the masculinising strategies of male music teachers. These involve distancing themselves from feminised aspects of the role and emphasising in their teaching style, dress and involvement in extra-curricula activities, aspects of hegemonic masculinity. They therefore retain their sense of masculine identity while working in what is numerically a female dominated profession. What occurs in these instances, is, as Williams (1989: 6) claimed in observing male nurses and female military workers, a redefinition of gendered identities, it is one which ‘reinforces’ rather than challenges gender differences.

Thus, the women involved in on-farm work in the sugar industry, like the fishing women and male music teachers, clerical assistants and creative workers, have fashioned a new gendered identity. They are not the recognisable and traditional ‘farm wives’ whose definition of femininity is linked to non-involvement in tractor work. They have reshaped this identity to include some engagement with on-farm physical labor. At the same time, and importantly, like their counterparts cited above, they have not done so by abandoning the more stereotypical assumptions about gendered identities. In contrast, they have emphasised some of these assumptions. They have crossed some boundaries, by involving themselves in tractor work, but like the fishing women studied by Yodanis (2000: 282) they have created new ‘gender boundaries’ to mark their identity.

It is arguable that this may not continue to be the case if the farm as business discourse is more widely adopted. Engaging this discourse is quite distinct from the other strategies used by women involved in tractor work because it does not rely on enhancing aspects of one’s feminine identity. It also actually renames the gender specific roles of ‘farmer’ and ‘farm wife’ as either ‘managers’, ‘partners’, ‘business owners’. This is significant because while rural sociologists have described different shifts in agricultural identities throughout the latter part of the twentieth century, the construction of farming as a masculine endeavour has proved highly resilient (e.g. Liepins, 1996; 1998; Teather, 1998).
The likelihood that this discourse may offer the potential for reconstituting notions of farming and farmer as gender neutral is, however, limited. In the first instance, while the farm as business discourse is widely used by government and agri-political leaders (Halpin and Martin, 1999), the extent to which it has been taken up at a grass-roots level is unclear. Furthermore, even if the discourse is more widely adopted by farming families there is no likelihood that this would be in a gender neutral way. This is because notions of business, entrepreneurship and management are themselves gendered (e.g. Collinson, 1996; Baines and Wheelock, 2000). Bryant (1999) who has used interviews with forty-four male and female respondents to examine shifts in occupational identities amongst contemporary farmers has provided evidence of this phenomenon. That is, while she notes the emergence of new occupational identities in agriculture such as ‘manager’ and ‘entrepreneur’, which she says are ‘chipping away’ at more traditional occupational identities in agriculture, there is little evidence that this has led to any significant shifts in rural gender relations (Bryant, 1999: 254). For example, while the ‘farm’ has been replaced as a ‘business’ or ‘enterprise’, work is still divided according to stereotypical assumptions about gendered work identities. Overall then, while naming themselves as ‘business partners’ may appear to offer farming women the discursive space to reconstitute gendered on-farm roles and identities, if such a space is ever truly available, is likely to be re-colonised and re-gendered along traditional lines.

**Conclusion**

As agricultural Australia continues to change it is likely that further shifts will be evident in how farm men and women position themselves as masculine/feminine subjects. As feminist post-structural theorists have suggested, gendered subjectivities are constantly appropriated, challenged and transformed (Weedon, 1987; McNay, 2000).

In turn, these changes may further unsettle constructions of the occupational role of ‘farmer’. Currently, however, while the identity of ‘farm wife’ of old may be in the process of being replaced by a ‘newer’ version which incorporates women’s involvement in tractor work, the construction of ‘farmer’ as a male identity remains intact.

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The return of ‘labour-as-commodity’? The experience of casual work in Australia

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ABSTRACT
Statements about the role and function of casual work in giving both employees and employers ‘flexibility’ are common in Australian public life. There is little systematic evidence to support these assertions. This qualitative study investigates whether casual workers are happy with being casually employed. It reveals that many casuals experience their terms as the pure commodification of their hourly labour, with a loss of control over their time, along with a loss of voice and respect at work. Many in the study would prefer more permanent conditions. While many casual workers like their jobs, they do not like their jobs, they do not like their jobs casual terms.

The minority of casual workers who are positive about their casual terms enjoyed two key conditions: a backup source of income (from a parent, a partner or a pension) and a relationship of respectful reciprocal negotiation with their employer/supervisor.

Introduction: Commodified labour, precarious work and casual work in Australia
This article analyses new qualitative evidence about the experience of casual work by a group of casual workers in Australia in early 2004. It considers the nature of their experience, and whether it reveals a shift in the status of the casual worker to ‘labour-as-commodity’ through changes in their ability to voice views, their standing, their control and their change of having a say.

The extent to which labour is a commodity has long been a topic of debate amongst social scientists. The ILO rejected this notion in its founding charter, settling instead upon the proposition that ‘labour is not a commodity’ (Vosko, 2000:15). Recent analysis of changes in the labour market internationally, and growth in precarious forms of employment specifically, have revived the notion that labour is returning to the status of a commodity. This shift is represented by the erosion of regulatory arrangements and practices that recognised (and protected) embodied labour power in the person of a free citizen, one who exercises agency (including a voice, the change of workplace exit and resistance). Analysing the growth in temporary employment in Canada, Vosko argues that

labourpower is inevitably a commodity under capitalism, and the decline of security and freedom in the wage relation accentuates its commodity status (2000:15).

She argues that erosion of labour regulation, as reflected in the growth of temporary employment in Canada, is producing a return to commodified labour.

In Australia, the rejection of the pure commodification of labour in the twentieth century was reflected in the notion of a ‘living wage’ payable to sustain workers through periods when they were not working. Justice Higgins’ emblematic argument for this compared a labourer with a horse: even a horse needs hay when it cannot work; similarly ‘lusty men’ are entitled at least to food, clothes and shelter for them and their dependents ‘even when there is no work for them … They also serve who only stand and wait’ (Commonwealth Arbitration Reports, 1914:53, cited in Mitchell, 1973:359 and quoted in Beasley, 1996:39). In Australia, the growth in casual employment, like the growth in temporary employment in Canada, represents a shift back towards treating labour as pure commodity, with a corresponding widespread perception amongst casual workers of losses affecting their control of their time, their ability to earn a living income, their capacity to reproduce or support dependents, their voice, the respect they are given at work and their ability to organise collectively.

There is a large and growing body of research about casual employment in Australia (Campbell, 2000; Campbell and Burgess, 2000; Junor, 2001; Kryger, 2004; Pocock, Buchanan and Campbell, 2004; Smith and Ewer, 1999; Wooden and Warren, 2003). This literature documents the growth in casual employment (along with growth in other forms of non-traditional employment), the industries and occupations in which it is concentrated, and some attributes of casual employees.
The common definition of casual employment in Australia includes employees who lack access to paid holiday and sick leave. The Australian Bureau of Statistics (ABS) data show that the proportion of all employees who self-identify as casual workers or who lack paid leave was 27.9 percent in November 2001 (ABS Cat. No. 6359.0). This corresponds to HILDA survey data collected at the same time, estimating employees without leave entitlements at 27.4 percent. This is more than double the 13.3 percent level recorded in 1982 (Campbell, 2000:68). The proportion and absolute number of casual employees has thus grown quickly in the past two decades, outstripping the growth in ongoing employment (Campbell and Burgess, 2001:172; OECD, 2002).

Casual employees are more likely to be women and to be part-time (that is, employed less than 35 hours a week). Based on HILDA data, around a third of casuals are students at school or at university. They are concentrated in particular industries, especially the retail trade, and in accommodation, cafes and restaurants. In terms of occupations they are especially concentrated amongst elementary and intermediate clerical sales and service workers.

The study
Some large surveys give us a picture about some aspects of casual employment, and employee perspectives about their employment (Wooden and Warren, 2003). However, a comprehensive picture of the experience of casual work, from the perspective of employees, cannot be easily gleaned from large surveys asking closed questions and which conflate analysis of job satisfaction with views about employment terms. Further, issues like the nature of their preferences, the quality of their relationships, the connections between their work, health and family welfare and their workplace power are difficult to plumb using closed, limited-response survey questions. This qualitative study aims to fill this gap by evaluating the views of casual workers about their jobs and the casual form of employment, and exploring the impact of this upon them, their households and the larger community. Open-ended interviews allow unanticipated issues to surface, together with the exploration of their meanings and the clarification of respondents’ views with follow-up questions.

The study is based on telephone interviews with 55 employees who have been recently, or are currently, employed casually. It assesses their overall views of casual work and its impact upon them. Interviewees include students, young people who are not students, middle-aged and older men and women, a range of occupations and industries, full-time and part-time workers, from New South Wales, South Australia and Victoria, and from the city and the country; long-term and short-term casuals, those undertaking ongoing tasks along with those providing short-term relief, in jobs ranging from less skilled to highly skilled work, those in the formal labour market and some in the ‘black’ labour force, and people living in various household structures, with and without partners and children. (Only some aspects of the full study are reported here, setting aside the effects of casual work on pay, training, unionism, health, social life, family and community, and welfare tax and superannuation. These are discussed in the full report of the study, ‘Only a casual…’ available at www.barbarapocock.com.au).

Our method of interviewee selection involved two stages. First, we generated a pool of 86 potential interviewees, from which we randomly selected 42 for interview with a view to generating a fair range by sex, age, industry, occupation, student status and so on. This first round of potential interviewees was recruited from newspaper advertisements and articles about the study, invitations to classes of university students, letters and handbills distributed to employers and community organisations, and ten names provided by four unions. Newspaper sources were the largest source of names. When our pool and sample showed up as under-representing young people and those in the retail sector, we initiated a second stage of selection, drawing a further group of 13 from a set of 50 randomly selected names supplied by a large union with a high proportion of young casual workers. The study was supported through ARC Discovery Grant DP0343368, a Small Grant from the University of Adelaide and a contribution towards transcription from the ACTU.

The interviewee group thus includes fair representation of men and women, students, and various occupations and industries. The group over-represents women, union members, and part-timers and under-represents students and labourers. Representation by industry and occupation is
The interviewed group is older than the ABS data suggest for the larger population of casual employees. While the age difference is significant, it is worth noting that growth in casual employment in recent years has been strong amongst prime-age and older Australians, especially men (Campbell, 2000).

**Key policy questions arising from the literature**

The literature in relation to casual employment is now substantial. Without canvassing its scope and detail here, this study offers evidence on three key questions emerging from that literature:

- Are casuals really ongoing employees? Is ‘true’ insecurity exaggerated? Are casual jobs ‘good’ jobs or ‘bad’ jobs?

Existing data about casualisation in Australian document the long-term nature of many casual jobs. According to HILDA data the average tenure of casual employees is 2.6 years (Wooden and Warren, 2003:13), and ABS data shows that 54.7 percent of self-identified casual employees and those without leave entitlements in 2001 had been employed for more than a year (ABS cat. no. 6359.0). These data raise important questions. Are casual workers really in ongoing jobs, with benefits and conditions that mean they are, *de facto*, ‘permanent’ employees? Are casual jobs ‘good’ or ‘bad’ jobs, in terms of their pay and conditions as well as in other respects? We know relatively little about casual workers’ evaluations of important aspects of their jobs (with the exception of Smith and Ewer, 1999). Wooden and Warren have argued, based on self-reported HILDA data, that ‘non standard employment is not necessarily seen as undesirable by workers’ (2003:26). However, Smith and Ewer conclude from their 1999 study (including 22 qualitative interviews and three focus groups) that whether casual work confers flexibility and meets employee preferences is ‘open to question’, pointing to the limited labour market options underpinning ‘choice’ for many casual employees, and the ‘close nexus’ between casual work and unemployment (1999:v).

- Do casual jobs meet employee preferences for flexibility? Are they what workers want, especially what some groups of workers want?

Among others, the Minister for Workplace Relations has argued that casual workers’ dissatisfaction with their casual work is ‘a myth’ (Andrews, 2004). The minister asserted in 2003 that ‘Most people who do casual work are happy to be doing it either because they like the extra pay that casual workers get or they like the freedom and flexibility and the flexible hours that casual work provides’ (Andrews, 2003).

- Are casual jobs a pathway to better jobs, and to ongoing work?

If casual work is a means to ongoing employment, efforts to restrict it or change its regulatory environment may be penalising casual workers by restricting employment growth (Tsumori, 2004). Some studies suggest that casual work lead to ongoing employment, although experiences vary significantly between groups (Chalmers and Kalb, 2001). Kryger has found a consistent relationship between higher levels of casual work and higher levels of unemployment and underemployment. This leads him to suggest that casual work is less a preferred option, and more an alternative to unemployment (Kryger, 2004).

**Overall views of casual work: positive, ambivalent, negative**

Overall, three views of casual work are evident amongst the 55 interviewees in this study: positive, ambivalent and reluctant. About a quarter were generally positive about being casually employed. A smaller group were ambivalent. A much larger group were negative. We call these ‘reluctant casuals’ because they did not like, and some hated, their casual terms of employment. Those who are positive about being casual are more likely to be working students or carers with family responsibilities: like Chelsea and Donna – but even many of these ‘positives’ name downsides:

- It’s good and flexible if you have study at the university …, things change every semester and you’re able to adjust when you’re working around timetable changes so you don’t have to be locked into only be available certain days which a lot of people experience on contracts. However, it is also a pain not knowing sometimes when you’re going to be working and sometimes even getting shifts that aren’t appropriate. … (Chelsea, 20, retail worker)
As a mum with children, I need to do casual work because my children are sick quite a lot and the work that I’ve got at the moment is two days a week. It’s fairly set but it’s still on a casual basis. But it means that if my kids are sick and I need to stay home, I won’t feel guilty about it. If I was permanent part-time or full-time, a) I’d feel guilty about taking time off for my children and b) I think I’d be more likely to lose my job for doing so. (Donna, 41, reception clerk)

All of those who were positive were part-time. Only one older man held a positive assessment, while five of the 13 are relatively young or students. Some young students need control over their working patterns, as do some older women with dependents who need predictability of income and hours. Two factors are strongly associated with positive views about casual terms. The first of these is other ‘back-up’ sources of income: most lived in a household where additional income was provided by a parent, a partner or a pension. The second is a good relationship with supervisors, that ensured reciprocal negotiation and a real say over working time. Both of these hold for most casuals who are positive. When employees are highly dependent upon their casual earnings, and when they have little effective say over their work patterns, negative assessments are common.

Satisfaction with casual work is also associated with certain stages in the life cycle (as when studying, caring or semi-retired). Some who are positive about their casual work in retirement say that this form of employment would not have suited them when they had dependents or a mortgage. At present, casual work often implicitly requires that earnings are either supplementary or fitted to certain life-cycle stages. However, casual terms are increasingly being extended to, and imposed upon, workers where these circumstances do not apply. Based on this study, it is therefore simply not true to say that most casuals prefer to be casual.

Casual workers clearly distinguish between what they are looking for from part-time work, and what they get through casual work. Many casuals enjoy their jobs. They prefer a job to unemployment. However, they distinguish their assessments of their jobs from their view of casual terms. The significance of an analytical separation of general job satisfaction measures from views about employment terms is clear. Casual workers enjoy caring for people, using their skills, and making social connections through their work. However, these assessments are quite independent of their views about the nature of their employment form in many cases. For example, George has nothing positive to say about his ten years in casual employment: it has seriously affected his health, his household and his life. While he takes pride and pleasure in his work, its casual terms drive him to thoughts of suicide. Similarly, Bruce loves driving his bus for disabled children. He takes pride in his relationships with the children and his care of them. Yet he considers being a casual unfair and poorly rewarded. Alice has worked for many years as a word-processing operator, work that she enjoys and does well. However, she has just changed jobs (and given up being casual) in order to be better treated and properly classified. Casual work consists of many aspects. Studies of satisfaction need to distinguish these aspects if they are to assess casual work terms accurately.

**What people do not like about being casual**

Explanations for negative views are multi-faceted. They include the unpredictable nature of working hours, days and income; the need to be ‘on tap’; the ways in which casual work makes people feel peripheral to the workplace and community and ‘like a dishrag’ or ‘a stone kicked down the road’; the negative effects of this status on their households and social life and the fact that they cannot easily take a holiday or be sick. Issues of respect and exclusionary treatment emerge strongly in casual workers’ assessments of their work. Long-term casuals are especially negative about being casually employed:

Well I think you are used and abused …. I was always under the impression that casual workers were there for overload situations, emergencies, or whatever but I’ve been casual for five years now …. ‘We’ll look at that next year’ is the general reply to any request for permanency …. So, yeah, I think used and abused is the best description I can come up with. (Alice, 43, word-processor operator, engineering industry)
Flexibility for whom?

Casual work is flexible. But in this study flexibility appears to benefit the employer rather than the casual employee. Forty-two percent of interviewees felt they have some flexibility in their jobs: to ask for holidays or to change their hours, for example. Many value this flexibility highly. However, more than half feel that they have no flexibility. Instead, their working lives are often determined at very short notice. Losing shifts or working hours is frequently mentioned as a consequence of knocking back work. Their inflexible working arrangements ask a lot of them as employees, but confer them with little control. Their paid labour is closely matched to production demands, in a classic indicator of labour commodification. Many are aware of the irony this situation, and some believe that it enables bosses to avoid legal obligations:

Oh, I think they have the attitude that we're disposable and if we, you know, if they're not happy with us then they just don't give us another shift. (Patti, 44, security officer/labour hire)

Many employees value flexibility that enables them to predict and control when they will work, at what times of day, for how long and how often and when they will start and finish working. It often does not. It is clear that the exercise of a real say over working time is very variable amongst casual workers and is very dependent upon having good relationships with supervisors. While both Tony and Sue are ‘positive’ casuals, their relationships are key to this assessment, although not without some ambivalence in Sue’s case:

When there’s work and they want me, they love me, love me like a rash, and when there’s no work, I don’t exist. They don’t even want to talk to me. I could ring up all I like, if there’s no work, they’re not interested. (Sue, 33, hospital nurse)

I enjoy actually being a casual at the moment. It gives me the ability to work whatever hours I wish. It gives me slightly higher pay rate which works out at around about two dollars an hour better. And it gives me the flexibility. To be able to move in or move out and take the time off when I really need it. And it doesn’t give me that added pressure with bills .... I can take the time off much easier .... At the moment, I can go in and say [to my boss], look, I need next week off for such and such and such .... And she will just roster me off. Save shifts for me for when I come back. (Tony, 40s, nursing home carer)

The preference for permanence

Contrary to the assertion that casual work meets employee preferences, most casual employees in this study would prefer permanent employment. This includes many who have some flexibility and say in their casual work patterns. They would prefer permanent work to achieve integration in the workplace, for the chance for training and promotion, for more recognition for what they do, and for less vulnerability to arbitrary dismissal or the loss of working hours. This preference for permanence is strong across all the groups in this study. Furthermore, many part-time employees would prefer ongoing part-time work to casual terms.

Many have sought to convert to ongoing conditions, some with success. Their motivations are varied: to get respect, for a predictable income, to reduce worry about losing hours or the job itself, to avoid instant dismissal, to have a paid holiday, to be able to be sick without losing income, to have better protection if they are injured and to accumulate decent superannuation. Some have used their initial casual work to get ongoing casual work or permanent employment. For others, reverse is true: their ready availability has merely allowed their employers to retain them on casual terms:

Employers see it as a vast reservoir of employees. If this one doesn’t work out, you get another one. So I don’t think it is an opportunity for advancement at all. (Kenneth, 49, manufacturing)

In some cases, their growing experience and skill base has made their prospects for permanency less likely, rather than more, as they become eligible for higher levels of classification and pay (where internal labour markets of this type exist and are available to casuals). This creates a ghetto for some, or a trapdoor into unemployment for others. In some workplaces the systems for allocating permanent jobs are arbitrary or unfair:
We have had several instances where our employer’s taken people on full-time and I’ve missed out …. The first time was when the permanent people voted for who they’d like to be made full-time. I was working actually [in an area] where I didn’t have a lot of interaction with the majority of the workforce at the time so I missed out on that job by three votes. (George, 40s, technician)

Many casuals support the idea of a right to convert to ongoing terms after a period as a casual. However, the process of becoming permanent can be hazardous:

I actually asked my supervisor twice and both times she rejected it. The last time the union asked and they were rejected too. And then all of a sudden these accusations were coming out that I supposedly said, and that’s when my hours got dropped and so a couple of weeks after that I left. (Abby, 30s, cleaner)

Respect

Their treatment emerges as a very significant aspect of casual experience at work. While a few casuals feel they are treated the same as the permanent workers, others feel they are treated very differently from them. Most commonly, they mention a lack of respect. Being ‘only a casual’ is being less than a proper worker, whatever commitment they make to their work. A number of interviewees also feel they are abused at work. In some cases there is a general feeling of being left ‘out of the loop’ and of being ignored. Some interviewees feel that they are bullied, and that their workplace injuries were ignored or dismissed:

It comes back to the respect thing again. You’re working harder to try and earn that respect. You’re trying harder to prove yourself .... That whole nine years, I was still trying to earn respect…. (Rachel, 40s, cashier government and labour hire)

Because not only have you got the stress of the frequency of the work and the moment’s notice and stuff, but the work environment itself and the culture. I wasn’t being treated well at either of those places and my confidence really went down and you know, it was really, really taxing .... I was just depressed and stressed and because both these jobs, I was starting out as a waitress and they’re telling me how stupid I was, and telemarketing, every single day telling you you’re going to lose your job to the whole group. And because I’ve got a really solid work ethic that really crushed me … (Sarah, 24, student waitress and telemarketer)

Marginalisation of casual workers takes many forms, from not being asked to the Christmas party or picnic day, to missing out on training and promotion and workplace communication. This matters a great deal to casual workers.

Casual work: ‘a way of being the bully’

For many casual workers their direct supervisor was very important. Some have very good bosses, who look after them, send them flowers when they are sick and give them compensating shifts when they have been ill. But many feel vulnerable to the whims and character of their supervisor. As a result, casuals work hard to ‘manage upwards’ and keep relationships ‘sweet’. They are careful not to refuse work when it is offered. Falling out with a permanent co-worker or with a supervisor can have disastrous implications:

I think it depends then on how good a negotiator you are, and how good your employer is. When I was working in the service station, our employer ran a family business and he was pretty supportive and I would assume that if he was still running the place then, he would have quite happily converted us to permanent employment. Other employers … like to have the total control of the casual where they can hire and fire at will without this threat of having to pay severance pay or unfair dismissal encroaching their power, which seems to be a big concern to employers. (William, 44, call centre operator)

Countering workplace bullying is especially problematic when individual power is weak. Many examples were given of the exercise of arbitrary power against casual workers and the loss of so many hours of work that employment was effectively, though not formally, terminated. The threat of repercussions dogs the working day of many casual employees:
As a casual worker someone else has got the power … how many hours work that they give you. So, if you’ve put them off-side, well you can find that the hours can drop substantially or if you’re on the other side of the coin, you know, if you’re in favour, well, the work hours can improve. (Wayne, 42, security officer)

**Performance and surveillance**

Many casuals see little difference between the intensity of casual and permanent work. However, ‘the fear factor’ drives others to intensive work patterns. They report being under pressure to work hard. In some cases, casuals do the work that ongoing workers do not like. For those in some sectors, it is important not to stand still, or you may be sent home. In other cases, new casuals are expected to be instantly productive with little support or induction:

… so if, for example, a team leader asks for anybody who wants to work two hours more tonight because we need to finish the job, all the people fight for two hours. And when [you go to do something] some guy says ‘Give me the broom, I do for you.’ … It is like a theatre … it’s a race trying to demonstrate that you are very good. All the people … try to demonstrate that they work quickly and they work very quickly, even when the workers don’t need to…. (Theresa, 28, food manufacturing)

This intensive effort may be underpinned by a sense of being under surveillance. Feeling expendable affects some casuals who want to have a positive reputation so they get another chance to work next time. Some casuals feel that they can ‘never relax’ or take a break:

… we were never allowed to be still. If we were seen still, then that meant we were slacking off so it was always drummed into us that, basically if we’re standing still, then we shouldn’t really be on the shift (laughs) … Yeah, which is very stressful and I would come home exhausted and very stressed … Always, always buzzing, the whole time buzzing, yeah. (Daniel, 21, fast food)

**Voice**

The price of speaking up can be very high: a ‘DCM’ as one describes it (‘don’t come Monday’). Indeed, some experienced and skilled workers are very careful not to offer suggestions about improvements in their workplaces as this is seen as a threat to permanent workers and supervisors. Those with personal confidence suffer less, but for most workers in this study, the price of casual terms is a loss of both individual and collective voice:

I think when you’re in a casual position, if you’re very vulnerable and very unable to voice, I don’t think that should actually stop me and it does. It does have that effect because you do feel vulnerable and because you know that you can’t sort of stand your ground while things get sorted out because the way it would be sorted out is you wouldn’t get another contract. (Dorothy, 53, research assistant)

**Casual work in Australia: remaking the terms of work**

This article has reviewed casual workers’ general assessments of the non-pay related aspects of their work. It reveals the way in which casual workers see themselves as commodified labour, rather than as employees with a package of entitlements and a ‘living wage’ that confers workplace citizenship on them – a citizenship that includes a voice at the workplace, physical safety, and collectivity:

It’s all part of this thing where they can toy with you however they want because you’re just some sort of a commodity that they’ve called in, like labour hire you’re not an employee any more you’re just like this thing that can perform labour so they can call you in whenever, they can get rid of you whenever, they can treat you however they want, it’s all part of it. (Sarah, 24, student waitress/telemarketer)

Being ‘toyed with’ as raw labour power is reminiscent of an earlier phase of economic development when workers were hired given short-term work closely matched to production demands, with limited citizenship, and great opportunities for employer control. For example, at the turn of the twentieth century on the waterfront the ‘bull’ system
pitted wharf labourers against each other. Under this system, men assembled in a public place to be chosen for the day’s work by foremen or stevedoring agents of the shipping companies. Favourites for work were the ‘bulls’, men of such physical strength that they could work longer and harder than the others. Such a system also favoured compliant and docile workers and facilitated discrimination against militant or troublesome men who might agitate for improved conditions. (Beasley, 1996:19).

While today’s casual workers are increasingly feminised and work in white collar and service sector jobs, they, too, are favoured if they are compliant, exposed to surveillance and persistent performance assessment, offered insecure hours and pay and penalised if they contest their terms. Avoiding these hazards depends upon a good boss and back-up income. While some casuals love their jobs and give a lot to them, many have grown cynical about them and no longer offer ideas and extra effort at work. Given the growing proportion of casual workers in the Australian labour market, there is a price for productivity (explored in Pocock et al., 2004), and a shift in the terms of power in the Australian workplace. For many workers, the cost of their casual work is measured in their own work experiences and on their dependents, their partners and the social fabric of the whole society.

Returning to the questions arising from the literature, many casual workers do not view their casual jobs as ‘good’ jobs. They are well aware of their loss of voice, conditions and status. For many, the work lacks flexibility and control over both their work and their social time. For some, this form of work makes permanency unlikely as their ‘on tap’ status is more attractive to employers. Greater insecurity at work affects many ongoing non-casual workers and their workplaces. Their precariousness drives their lower training effort and divides workplaces. It imposes costs for productivity, for the health system and across the broader community. It silences workers in workplaces and seriously undermines their practical access to collective organisations or even their individual voice. This is a high price to pay for flexibility that suits many employers but only a minority of casual workers, based on the results in this study. These costs affect households, families, children, social life and communities well beyond the commodified contract of employment.

References


Industrial relations and business ethics

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ABSTRACT

Industrial relations study has generally revolved around institutions of workplace governance, and their effect on the interests of different parties, supplemented on occasion by concern for employee voice. Business ethics has focused on individuals’ actions and on policies or rules that ought to apply to them, but has neglected workplace institutions. Between the two areas there is a gap, where studies about institutions of workplace governance fail to deal with issues of ethics at work and where studies of business ethics neglect institutional arrangements. Attempts to bridge the gap do not seem to have considered the effects which institutions have on individuals as ethical decision-makers, and the way that arrangements like incentive structures or efficiency requirements can place individuals in ethical dilemmas or encourage them to ignore ethics entirely. In the design of workplace institutions, consideration needs to be given not only to the benefits which accrue to individuals, but also to effects which the institutions have on them as responsible agents in a moral community.

Introduction

This paper considers the relationship between industrial relations and business ethics. The first section notes that industrial relations has tended to focus on institutions of workplace governance, while the second section suggests that business ethics’ examination of ethical issues of individual action or business policy has neglected the institutions which industrial relations has been concerned with. The result has been something of an ethics gap. It is true that industrial relations theorists have examined effects of institutions on people’s interests, and some work in HRM has started to consider ethical issues that emerge from an imbalance of power in the workplace. Other recent work has addressed ethical issues about employee voice and workplace rights. However, the fourth section of this paper argues that these initiatives still leave open part of the ethics gap: in particular, they do not address the fact that workplace institutions can discourage ethical action, make it more difficult, or even place individuals in ethical dilemmas.

Industrial relations, institutions and systems

What, then, is industrial relations? There is no one well-accepted definition. There is at least some agreement that industrial relations revolves around employment. Sometimes, that seems to be the one defining feature. For example, Kochan and Katz say that: ‘Industrial relations is a broad, interdisciplinary field of study and practice that encompasses all aspects of the employment relationship. The field includes the study of individual workers, groups of workers and their unions and associations, employer and union organisations, and the environment in which these parties interact.’ (1988: 1). So far, the implication is very broad indeed, but they narrow it a little with the suggestion that ‘Within this broad field industrial relations professionals have historically given special attention to relations between labor and management.’ That idea, that industrial relations as a discipline concentrates on labour–management relations, is reflected also in other definitions: ‘It is possible to say … that in its broadest sense industrial relations is about the behaviours and interaction of people at work. It is concerned with how individuals, groups, organisations and institutions make decisions that shape the employment relationship between management and labour.’ (Deery and Plowman 1991: 3).

There is thus some focus on labour–management relations. But the ideas of ‘labour’ and ‘management’ are not perfectly straightforward ideas. There is at least some suggestion of a set of social arrangements which divides contributors to production into those categories, and that implies a set of reasonably clear institutional arrangements. As a result, definitions of industrial relations are also likely to allude to institutional structures.
At the very least, such institutional structures will embrace notions of ‘employment’, which go beyond notions of work to sorts of property arrangements which give a basis for contracts of employment. Beaumont says that ‘Industrial relations as a separate and specialist field of study … through time has come to be centrally concerned with the institutional determination and regulation of the terms and conditions of employment’ (Beaumont 1991: 1).

Given that conceptual basis, it is not unnatural that Dunlop’s well-known theory revolved around the notion of an industrial relations ‘system’: ‘An industrial relations system is to be viewed as an analytical subsystem of an industrial society on the same logical plane as an economic system, regarded as another analytical subsystem’ (Dunlop 1993: 45; cf. Flanders 1965). The systems approach to industrial relations essentially addresses industrial relations phenomena as parts of a system, composed of entities of certain sorts and relations amongst them, so that the properties of the entities and of the relations determine a certain set of results—or ‘outputs’—when the entities and their relations are arranged or stimulated in a certain way. While on Dunlop’s systems view the entities involved in the industrial relations system include human agents—notably managers and workers—who can therefore make decisions about what is to happen in the system, nevertheless the systems approach is derivative from an approach which focuses on causal relationships amongst system elements rather than on people’s choices.

That aspect of Dunlop’s systems approach has explicitly been challenged by Kochan, Katz and McKersie in The Transformation of American Industrial Relations (1986). One way of conceiving the changed approach that those authors put forward is to say that they envisage human agents as able to stand outside the system and make strategic decisions which impact on the arrangements within the system: for example, by building greenfields plants where relationships between the participants are for a number of reasons different than they have been in the traditional system. The Transformation of Industrial Relations highlights an issue which is important in several contexts: the extent to which industrial relations study ought to focus on individuals as active decision-makers rather than as objects of action who experience outcomes initiated elsewhere. Neither perspective can be complete in itself, but how to balance the different emphases can be important, and it will be argued below that from an ethical point of view it is important to consider individuals as responsible decision-makers.

Dunlop’s systems theory and the Transformation thesis both accept the importance of institutions in industrial relations, despite some degree of different emphasis on the role of human choice in affecting outcomes. Considering that the most likely scenario for the future would be a continuation of present trends, oriented around strategic choice, Kochan, Katz and McKersie still envisage that in the process ‘a new set of legal and private institutions will emerge to govern employment relationships’ (1986: 252). Often, it is envisaged that such institutions have as their prime duty to balance different interests: for example, Kochan notes that ‘the New Deal policies reflected an effort to institutionalise and regulate conflicting interests at the workplace’ (1994: 652), and goes on to say that this continues to be part of ‘an important first principle for employment policy’ (p. 653).

The emphasis on institutions as a cornerstone of industrial relations research has sometimes been the basis for criticism. Kelly cites the view of such research put forward by Bain and Clegg thirty years ago: ‘there was a strong bias towards the description (sometimes the analysis) of the institutions of trade unions and collective bargaining arrangements at the expense of social processes such as influence and mobilisation’ (Kelly 1998: 15; citing Bain and Clegg 1974, emphasis in Kelly). Kelly believes that at the time he was writing the criticism was still valid, saying for example that ‘We know a great deal about the structure and scope of bargaining across different industries and about changes over time. We also know a lot about the correlates of bargaining structure… By contrast our knowledge of the bargaining process is astonishingly slight’ (1998: 17, emphasis in Kelly).

Certainly, there have been major studies of labour negotiation, ranging from Walton and McKersie’s classic Behavioural Theory of Labor Negotiations (Walton and McKersie 1991), to Friedman’s Frontstage, Backstage (Friedman 1994), and a number of others large and small in various countries. Arguably, however, Kelly’s point is a reasonable comment on the proportion of industrial relations scholarship which deals with institutional factors compared with social and interpersonal factors that may be theoretically important. There may be a number of areas...
where there has been a focus on structure and scope to the exclusion of process, as Kelly suggests there has been in regard to bargaining. The present paper addresses just one element of process that may be neglected in focusing on institutions, the ethical dimension of individuals’ actions, considered especially from their point of view as agents, rather than the point of view they have as objects of actions or recipients of outcomes.

**Business ethics, systems and institutions**

If industrial relations has over-emphasised institutions, it may be that business ethics can be accused of exactly the reverse error. There is some tendency to focus in business ethics on the actions of individuals, or at most on rules that govern and guide such actions. Thus, a prominent focus is often factors about individual honesty of one form or another, whether in regard to financial probity, considering bribery, misuse of funds, and the like, in regard to people management, considering nepotism, mistreatment, and various other areas of concern, in regard to dealing with clients, by way of product misrepresentation or unfair contracts, and so on. This kind of focus in business ethics is unsurprising, because it is something of a tendency in ethics more generally, to be found in modern and classical sources. White says that ‘the simplest way to explain what ethics does is to say that it evaluates human actions’ (White 1988: 7, White’s emphasis), while in Sidgwick we read that ‘a “Method of Ethics” is explained to mean any rational procedure by which we determine what individual human beings “ought”—or what it is “right” for them—to do, or to seek to realise by voluntary action’ (1907: 1).

Admittedly, business ethics does sometimes go beyond evaluation of individuals’ action, to consider general practices and policies. Jackson says: ‘By “business ethics” let us understand: the study of practices and policies in business, to determine which are ethically defensible and which are not’ (1996: 1). Similarly, Boatright says that the focus of his book *Ethics and the Conduct of Business* ‘is primarily on ethical issues that corporate decision makers face in developing policies about employees, customers and the general public’ (Boatright 2003: ix). However, there is a gap between practices and policies, on the one hand, and the sorts of institutions which tend to be the focus of industrial relations theory, on the other hand. The term ‘institution’ has a sense beyond what is suggested by the terms ‘practice’ and ‘policy’ used by Jackson and Boatright. ‘Institutions’ embody relationships and connections of greater complexity than ‘practices’ and ‘policies’. They establish roles that determine associated duties and rights, with rules and norms that are defined partly by reference to such roles. Such institutions are endowed with a sense of legitimate authority and are typically linked with official legal prescriptions.

The tendency in business ethics to focus on the actions of individuals, or at most on rules that govern and guide such actions, can result in a failure to address important contextual issues about ethical decision making. Wedderburn identifies the sort of problem in his review of one business ethics text. Despite the book’s merits, he says,

> it omits serious attention to the interests concerned. At a domestic level, consideration of the unitary model of employment relationships does not, for example, lead the author to probe the meanings of ethical discussion within the company on the interests of shareholders, creditors, directors, managers, and employees. We are even left short of guidance on the way to apply the ‘Golden Rule’ to the subordinated status of the employee and, more important, about how to approach the ethics of limited liability itself. (Wedderburn 1991: 70)

I shall contend shortly that industrial relations can be limited by too exclusive attention to ‘interests’, and that focus is evident in the way that Wedderburn puts his point. However, the essence of his point at present is that business ethics can fail to examine employment arrangements as a system, within their institutional context. Thus, for example, it fails to consider the extent to which the arrangements of limited liability may affect the relative well-being of parties, if employees’ personal assets are tied up in the outcome of bargaining, while those of employers are separated by the limited liability arrangement.

Of course, the general subject of ethics is complemented by the areas of social and political philosophy, which do pay attention to institutions, and so perhaps it is not unexpected that although there is a tendency for business ethics to concentrate on actions of individuals and the rules that best govern them, nevertheless a number of authors pay some attention to institutional surroundings and structures. Velasquez says:
Business ethics is a study of moral standards and how these apply to the systems and organisations through which modern societies produce and distribute goods and services, and to the people who work in these organisations…

As this description of business ethics suggests, the issues that business ethics covers encompasses a wide variety of topics. To introduce some order into this variety, it helps if we distinguish three different kinds of issues that business ethics investigates: systemic, corporate, and individual. (Velasquez 2002: 15)

Amongst the ‘systemic’ issues he includes ethical questions about ‘the economic, political, legal, and other social systems within which businesses operate.’ This acceptance by Velasquez that business ethics includes institutional and systemic factors is reflected by at least some other writers. Solomon says that: ‘Ethics, like economics, can be conveniently (but cautiously) divided into (1) the small, concrete questions about individual and personal transactions and (2) the larger questions about our society as a whole’ (1994: 4), and that ‘in fact, business ethics is just the broad understanding and appreciation of business life’ (p. 1; Solomon’s italics).

Nevertheless, despite that broad approach to their subject matter that is adopted by a number of writers in the area of business ethics, Leahy’s survey of the area suggested that ‘labor/management issues are still woefully under-developed in the literature’ (2001: 34). Referring to some prominent textbooks, he comments that ‘it seems odd that one could turn to these texts on managerial ethics for information on labor/management and be left with the impression that unions did not exist, that managers did not have to negotiate with them’ (pp. 34–5). He examined leading textbooks, journals and conferences in the business ethics area, but found little work on the areas that are prominent in industrial relations literature: ‘Though the topic of mutual duties of employers and employees appeared in almost every text-book, for example, there is virtually no treatment of unions or organising and collective bargaining as distinct topics’ (p. 35). It seems plausible to suggest that although business ethics may address issues about institutions that bear on business, it has still tended to neglect those institutions that figure most prominently in industrial relations literature.

The ethics gap

Overall, then, it is arguable that industrial relations scholarship has tended to focus on institutions of workplace governance and how those institutions may reconcile different interests, but to neglect detailed study of other issues, while on the other hand business ethics has tended to neglect institutions of workplace governance. This has resulted in a failure to fully address some issues and questions about the ethical impact of institutions of workplace governance.

This is not to suggest that ethical issues about institutional arrangements have been neglected entirely. For example, some ethical issues have started to be discussed in the context of human resource management. Indeed, on one view, there has been an increase in attention to ethical issues of HRM just because of the decline in effectiveness of some of the institutions of workplace governance, in particular those to do with collective bargaining, and the associated phenomena of work intensification and job insecurity: ‘One might argue that the focus on ethics is a way of restoring, at least on paper or in the realm of ideas, the balance of power in the employment relationship which has been shaken by these developments’ (Cornelius and Gagnon 1999: 226).

Some discussion about ethical issues of HRM has identified concerns that emerge from an imbalance of power and lack of employee voice in a context of individualised employment relations (see e.g. Legge 1998; Greenwood 2002). These concerns reflect some general acceptance of the importance of justice in social arrangements. To some extent, this has to do with fair allocation of benefits, but it also has to do with fair processes, at work as elsewhere. ‘Procedural justice’ is regularly set beside ‘distributive justice’ as a separate consideration that ought to be given weight in evaluating processes of management and conflict resolution (see e.g. Schaubroeck et al., 1994, and references thereon). The point is often accepted as a psychological point, but consideration has also been given to it as an ethical requirement (e.g. Velasquez 2002: 478–80). Nevertheless, even where acceptance is given to the importance of procedural justice, there is still some tendency for us to concentrate on its significance for consequential reasons, in promoting people’s other interests. Studies of procedural justice tend to focus on the extent
to which respondents express satisfaction with a process or prefer one process to another, or on the extent to which processes lead to preferred outcomes (see e.g. Van Yperen and Van de Vliert 2001: 576). The fact that voice and fair process can be important regardless of outcomes tends to be obscured by too exclusive a concentration on ‘interests’. Even when we accept that neoclassical economics and laissez-faire economic rationalism are too fatally flawed to provide a general basis for policy-making, and even when we accept that the utilitarian philosophy on which they are based has major shortcomings, we are still liable to be drawn into positions where we look to efficiency and preference satisfaction as justification for workplace arrangements, considering primarily whether interests are fairly dealt with.

There is another sort of reason for considering that such things as voice and fair process are important: the fact that they are a required part of treating people as responsible moral agents. An ethics-oriented approach may attach importance not only to outcomes of workplace processes and governance arrangements but to the extent to which individuals are able to participate in them as responsible agents. There is some developing attention to this point. Thus, for example, employee ‘voice’ is noted by Budd as an ethical consideration separate either from efficiency or equity, that ought to be built into any set of industrial relations arrangements (Budd 2004). Recognising the importance of voice can be associated with acceptance of employee ‘rights’ at the workplace (Budd 2004: 42; see also e.g. Kochan 1994: 653; Velasquez 2002: 465–84).

However, there is still a further ethical dimension to work processes that does not emerge clearly in these approaches. It is still about treating people at work as responsible moral agents, but focuses more fully on them as agents rather than objects of action. Without doubt, there are many workers for whom issues of basic material justice are the most pressing and important: for them, we may need to concentrate on what they ought to receive either by way of material well-being or workplace rights. Nevertheless, there are others for whom a salient issue is the extent to which they are encouraged and enabled to act as responsible ethical agents. For these individuals, there are substantial questions about the extent to which institutions of workplace governance facilitate or inhibit ethical action at work. This is a specific area where the disciplines of industrial relations and business ethics potentially have important complementary roles.

For example, consider Dobie Hatley’s case, where she was instructed by her boss to contravene regulations about keeping records of construction details at nuclear facilities:

My boss called me in and told me that we had to get the books to match. If we did it right, it probably would have taken a year. So what were we going to do? We had to pass the audit and the only way to do that was to rewrite the documentation. We destroyed the records and wrote new ones to match what we needed. That’s falsification of documentation. (Glazer and Glazer 1989: 128)

While the exercise she was led to engage in was successful for the time being, her attitudes towards the corporation’s activities ultimately changed and she became a whistleblower. For the purposes of our discussion, the example points to the fact that there is something problematic about what was required of Hatley from her employer that is independent of her preferences, and even independent of her interests, unless we give ‘interests’ such a broad and tautologous definition that anything that impacts on an individual in any way will be said to affect their interests. If Hatley’s attitudes had not changed, and if she had continued to be well regarded and remunerated by her employer, it is hard to see how her interests were adversely affected by what she was required to do. It would be problematic nonetheless in that it was unethical, and to that extent a bad thing to do and a bad thing to be enticed or instructed to do.

Hatley’s case is just one example where the relationship between business ethics and industrial relations may be close and intimate, because the workplace conditions that are allowed or even facilitated by institutional arrangements result in pressures on members of organisations which are not just adverse to the interests of those individuals but which discourage or inhibit them from acting in an ethical way.
**Ethics, work and industrial relations**

It is easy enough to envisage many other cases of the same general type as Hatley’s. Other examples can be found in the whistleblowing literature, where an individual’s superiors instruct or require the individual to do something morally questionable. Accountants have to fudge figures, salespeople have to misrepresent product qualities, journalists have to beat up stories, and so on. But cases like these, where superiors directly impose unethical requirements on individuals, are not the only sorts of cases in question. There are cases which are further from direct instructions or requirements imposed by superiors. The same sorts of effect can occur through indirect pressure, by requiring unrealistically high sales figures, or cost containment that can only be achieved by compromising safety, or audience attention that can only be maintained through misleading emphasis. In these cases, ethical concerns arise out of the systems in which work is embedded. Addressing them adequately requires consideration of more than the actions of individuals and the rules or practices which govern them: it requires consideration of the systems of incentives and relations that are put in place by workplace arrangements.

Further still from direct instructions or requirements, morally questionable incentives can be imposed by arrangements or organisational structures which inhibit supportive and cooperative arrangements amongst organisational members, or which encourage unnecessarily antagonistic relationships with members of other organisations. Where pay or bonuses are linked to competitive outcomes, and one individual’s success is artificially linked to another’s failure, there is at least some ethical question over the arrangements, not because they are contrary to individuals’ interests (which is also possible), but because they foster attitudes of competition and antagonism that seem to run contrary to attitudes of respect and mutual regard. To that extent, there can even be a question over arrangements for setting pay and conditions which revolve around enterprise competition, rather than around the quality of individuals’ work and the effort they apply to it. In so far as enterprise outcomes are often not clearly or directly related to the quality of work performed by many of the individuals who work in the enterprise, and depend more on the strategic decisions taken by senior managers or on the social, political and economic surroundings, there is some ethical question about structures and processes which make rewards and benefits dependent on them.

If this analysis is correct, there is a significant area which has not been satisfactorily addressed either by the discipline of business ethics or by the discipline of industrial relations. It has not been effectively addressed by business ethics because it revolves around the nature of the institutions which govern employment arrangements in much of the modern western world. It has not been addressed effectively by industrial relations because it revolves around issues of ethical action rather than around the satisfaction of interests.

A natural question is just how institutions of workplace governance can actually affect the extent to which ethical action is open to us. The answer could be articulated using the old idea of a ‘double bind’, where one way or another the individual is caught in a situation where whatever one does is wrong, in some sense or other: ‘the “victim” is caught in a tangle of paradoxical injunctions, or of attributions having the force of injunctions, in which he cannot do the right thing’ (Laing 1969: 144). In employment situations, a simple example of such conflicting injunctions can arise where an employee is subject to requirements to follow organisational rules but at the same time to perform tasks as efficiently as possible.

Another way to identify such situations is by referring to ‘the dirty hands problem’. Originally, this was conceived as a problem of politics, the idea that ‘the vocation of politics somehow rightly requires its practitioners to violate important moral standards which prevail outside politics’ (Coady 1991: 373). The suggestion was that politicians have to violate requirements of honesty or loyalty or justice if they are to succeed, not necessarily to succeed in achieving just self-interested goals, but in achieving any worthwhile goals, because that is the nature of the political environment: naïveté or innocence will simply fail in the face of others’ chicanery and cunning. However, the problem can be conceived as a more general one: as any situation which leads us into ‘a violation and a betrayal of a person, value, or principle’, where this is a sacrifice made for some moral or ethical demand that has a more pressing call on us (Stocker 1990: 18).

Thus conceived, the dirty hands problem is one that managers sometimes seem to face. In his *Moral Mazes*, Robert Jackall recounts a number of cases where such problems seem to arise.
One is that of ‘Joe Wilson’, an engineer who was eventually fired after his increasingly forceful opposition to the ways his organisation was going about cleanup after the 1979 Three Mile Island nuclear accident (see Jackall 1988: 112–19; the case is discussed also in Glazer and Glazer 1989). Wilson’s dilemma was at least partly how to act in a way that he could accept as ethical where there were conflicts between organisational decisions and what he took to be wider values, as well as conflicts between obligations he had to his own staff and obligations to other managers in the organisation. Jackall notes the view of Joe Wilson’s ex-colleagues that ‘Sunday school ethics – the public espousal of lofty principles – do not help managers cut the sometimes unpleasant deals necessary to make the world work’ (1988: 118).

So far, that seems as though it may just be a sort of problem that managers have to deal with, and nothing particularly to do with employees or with industrial relations. However, it occurs more and more in a highly competitive environment that non-managerial employees confront such problems, and that industrial relations arrangements can fail to deal with them. Take two examples from recent literature.

One example is the case where employees in care work incur some obligations from personal relationships they have with clients, but these can be at odds with organisational demands and resource constraints. Some studies have turned up cases where workers perceive themselves to have responsibilities to clients which they cannot fulfil because of organisational policies or constraints: where these policies or constraints ran counter to what individual employees perceived as the right thing to do (see e.g. van den Broek 2003; for other examples and some discussion see Provis and Stack 2004). We can easily imagine cases where management directions or organisational policies impede teachers from carrying out responsibilities they take themselves to have to students, nurses from carrying out responsibilities they take themselves to have to patients, police officers take themselves to have to members of the public, and so on.

What those cases have most clearly in common is that in many cases the institutional arrangements of industrial relations do not provide a clear mechanism for dealing with the problems that confront employees when they find themselves in a double bind, having to renounce either their obligations to their employer or their obligations to clients. There are mechanisms for dealing with cases where employees are expected to do something illegal, or even things that are not illegal but are officially noted as immoral, such as prostitution. There may also be mechanisms for dealing with cases where the double bind imposes discernible stress on the employee. But that mechanism usually functions only to the extent that an employee’s interests are seen to be at risk. If an employee is unaffected by the need to renounce obligations to clients in favour of employer requirements, an approach that revolves around employee interests finds it hard to identify a problem.

Another example is the performance of ‘emotional labour’. The phrase was coined by Arlie Hochschild in The Managed Heart (1983) where she reported a study of flight attendants, mainly in Delta Airlines (and also of debt collectors, some for the airline and some others). In Hochschild’s terms, emotional labour consists of managing one’s emotional display, often so as to present an appearance which is appealing or acceptable to a customer: in Hochschild’s phrase, being ‘nicer than natural’ (or, in the case of the debt collectors, being ‘nastier than natural’). Hochschild and various subsequent writers have raised concerns about the extent to which emotional labour may elicit behaviour from employees which is in some sense or other ‘inauthentic’ (in the quasi-existentialist sense where authenticity is being true to oneself: cf. Laing 1969, chap. 9). Industrial relations concerns have been raised both about the extent to which emotional labour may impose stress on employees, and about the extent to which it is fairly remunerated (see e.g. Erickson and Wharton 1997; and Himmelweit 1999). However, it is at least arguable that there is another concern which can be distinguished from all these: a simple concern about the extent to which emotional labour may sometimes require employees to engage in behaviour which is deceptive and is used to influence customers by that deception (Provis 2001). Once again, there is room in established industrial relations arrangements to deal with extreme cases, where employees are expected to engage in behaviour which is fraudulent, for example, but not where the concerns are about basic ethics of interpersonal behaviour.
The general point is that arguably there are cases where employment arrangements and the industrial relations institutions which establish them discourage attention to the ethical responsibilities that employees may confront in their work. Instead, attention is focused at best on the interests of employees, and whether these are being treated fairly in comparison with those of other stakeholders. But that approach then neglects the extent to which employees ought to be treated as responsible agents, who have ethical responsibilities that ought to be taken seriously, and which ought to figure in evaluating employment arrangements. In neglecting that dimension of employment, it concedes too much to approaches based on forms of economic analysis which concentrate on utilitarian calculation of interests.

Conclusion

Because industrial relations has eschewed ethical concerns that go beyond considerations of distributive and procedural justice, and because business ethics has avoided analysis of institutional relationships between management and labour, neither has confronted the fact that some institutional arrangements elicit unethical behaviour from managers and employees, or at least impose substantial ethical dilemmas on them. These ethical issues can go beyond matters of interests, and even beyond employee ‘voice’ or rights. In some cases at least, our focus needs to move from individuals as entitled to consideration or benefits, to the effects which institutions have on them as responsible agents and ethical decision-makers. Many workers certainly still suffer from oppression and hardship. For them, justice and rights may be the most important things to focus on. For others, however, what is at stake in workplace institutions is not their material well-being or even their chance to be heard, so much as their place as active subjects in a moral community. One factor to be taken account of in designing and evaluating institutions of workplace governance is the extent to which they encourage individuals to act in an ethical way. There will still be room for debate about what constitutes ethical action, but there is at least an arguable case that it includes cooperation and respect for workmates and clients that may be at odds with efficiency and utilitarian calculation of interests.

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From collectivism to individualism in New Zealand employment relations

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ABSTRACT

The shift from collectivism to individualism in New Zealand employment relations has been rapid and triggered profound employment relationship changes. This paper overviews the growth in individual employee rights prompted by public policy changes. In particular, the paper focuses on the paradoxical results of public policy changes: so-called deregulation facilitated increased regulation in the 1990s and the recent support for collectivism in the Employment Relations Act 2000 has resulted, so far, in a decrease in the coverage of collective employment agreements. The rise in individual employee rights appears to have embedded a culture of workplace bargaining and individual employment agreements in New Zealand.

Introduction

This paper focuses on the growing importance of individual employee rights in New Zealand employment relations over the last 15 years. It does so for three reasons. First, the rise in individual employee rights has been profound. This has had a significant influence on employer and employee thinking which in turn have led to adjustments in human resource management (HRM) policies and practices. This raises several questions regarding what these employee rights are, how they have influenced employer and employee thinking and behaviour, what the impact has been upon HRM policies and practices, and so on. Second, the more comprehensive employee rights cut across the so-called ‘New Zealand experiment’ in the post 1984 period in which both Labour and National Governments promoted the rhetoric of deregulation and ‘free market model’. It is paradoxical that there was ‘regulatory avalanche’ between 1984 and 2000, with a considerable extension of individual employee rights being a key component. It begs the question whether it was correct to describe this period as ‘deregulatory’. Third, although the Employment Relations Act 2000 supports explicitly unionism and collective bargaining, paradoxically individual employee rights have become further ensconced as collective bargaining coverage have declined and there have been several extensions of individual employee rights since 1999.

The paper will detail the growth in individual employee rights prompted by public policy changes. First, the rise in individual employee rights mainly happened in the 1990s as three key pieces of legislation enhanced anti-discrimination measures, stipulated privacy protections and, most importantly, granted all employees the possibility of pursuing a personal grievance in areas of unfair dismissals (Deeks et al., 1994; Harbridge, 1993). Second, the personal grievance entitlement gained further importance since its prominence happened in a period of dramatic weakening of employee power as union density and collective bargaining coverage declined sharply during the 1990s. It is discussed how ‘procedural fairness’ took on a previously unknown importance and how employers started to realise the dangers of a contractual mindset amongst employees. Third, the Employment Relations Act’s explicit support for collectivism has co-existed with a further increase in individual employee rights and more employees are covered by individual employment agreements than previously (Rasmussen, 2004). While the rise in individualism appears to have gained ground it has happened in the context of further state intervention and institutional adjustments. This changing context, as well as the shift in public policy being relatively new, means that it is necessary to be cautious in predicting whether the continuous rise in individual employee rights will continue in the future is unclear (Cailey, 2004; McAndrew, et al., 2004). Still, individualism appears at the moment to be firmly embedded in New Zealand employment relations.
The rise in individual employee rights

The early years of the 1990s are often regarded as the pinnacle of the ‘New Zealand experiment’ with major deregulatory changes in social welfare, health and employment relations (Dannin, 1997; Easton, 1997; Harbridge, 1993; Kelsey 1997). While this assessment is correct, it does overlook that the 1990s also witnessed a major break-through of individual employee rights. The emphasis on individualism was in line with the dominant public policy thinking at the time. In employment relations, the Employment Contracts Act 1991 promoted direct employer-employee relationships at the workplace level as this was expected to provide more productive and flexible outcomes (Deeks and Rasmussen, 2002; Harbridge, 1993).

However, the perception that this period epitomised deregulation and further (employer) flexibility belied the fact that there was also a rise in the number of regulations. In fact, the notion that deregulation was synonymous with the 1990s is probably something of a misnomer.

The extensive legislative reforms have further burdened organisations already straining under the need to adjust to the rapidly changing economic environment. While both Labour and National Government have called continuously for a self-regulatory approach and labour market deregulation since 1984, the rhetoric has not matched the practice. According to the 2001 Ministerial Panel on Business Compliance Costs, successive governments have enacted about 1,700 statutes and 3,800 regulations since 1990. Rasmussen & Lamm, 2002: 120).

A number of major legislative reforms have impinged on employment relations but in particular four major Acts have had a crucial impact: the Employment Contracts Act 1991, the Human Rights Act 1993, the Privacy Act 1993, and the Employment Relations Act 2000 (for an overview of these Acts, see Deeks & Rasmussen 2002 and Rasmussen & Lamm 2002). The Employment Contracts Act 1991 is infamous for its abolition of the award system and union membership coverage rights. However, it also brought a major shift in individual employee rights and the way in which individual rights were pursued:

Prior to 1991, personal grievance claims by employees could only be conducted through their trade unions (Anderson, 1988). But the introduction of the ECA provided enhanced access to the personal grievance procedure. All employees, whether on individual or collective contracts, whether union members or not, could use the procedure and, if they so wished, initiate the procedure themselves. This led, as expected, to a sharp rise in the number of personal grievance claims coming before the Employment Tribunal … While the extension of the personal grievance procedure to all employees was expected to lead to more claims, the actual level of claims was a surprise to most commentators. (Deeks and Rasmussen, 2002: 90)

In the year to June 1992, the Tribunal received 2,332 personal grievance applications. This increased to 5,144 cases in the year to June 1996, as seen in table 1. There were several reasons for this significant rise in cases. The extended coverage of the personal grievance rights to employees at the higher end of the labour market – often with the educational and financial background to pursue grievances – clearly altered the ‘playing field’. In addition, the sharp rise in personal grievance cases in the first half of the 1990s made headline news and that generated its own dynamic. Media reports of large payments created employer anxiety and it became a common complaint from employer representatives that the Courts’ interpretations and personal grievance entitlements had made it ‘impossible to dismiss employees’. Cullinane and McDonald (2000) have argued that the shift towards weaker unions, individualism and contractualism contributed to the rise in personal grievance cases. They have also argued that the link to the stand-down period (for claiming the unemployment benefit) was important (see also Boston and Dalziel, 1992).

A final factor that may have influenced the number of unjustifiable dismissals was the length of the ‘stand-down period’. (The ‘stand-down period’ refers to the time that elapses between a person losing his and her job and being able to claim unemployment benefit). As part of the benefit changes that coincided with the introduction of the Employment Contract Act, a stand-down period of 26 weeks was introduced for employees who left their employment voluntarily or were dismissed. However, an employee in such a situation could still obtain the unemployment benefit without the stand-down period if the employee had lodged a claim of unjustifiably dismissal with the Employment Tribunal. (Deeks and Rasmussen 2002: 90-91).
TABLE 1

<table>
<thead>
<tr>
<th>Year to June</th>
<th>Outstanding applications at start</th>
<th>Applications received</th>
<th>Applications withdrawn</th>
<th>Applications disposed</th>
<th>Outstanding applications at end</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>17</td>
<td>2,332</td>
<td>459</td>
<td>743</td>
<td>1,079</td>
</tr>
<tr>
<td>1993</td>
<td>1,079</td>
<td>3,207</td>
<td>743</td>
<td>1,568</td>
<td>1,919</td>
</tr>
<tr>
<td>1994</td>
<td>1,919</td>
<td>3,592</td>
<td>1,046</td>
<td>2,447</td>
<td>1,954</td>
</tr>
<tr>
<td>1995</td>
<td>1,954</td>
<td>4,248</td>
<td>976</td>
<td>3,040</td>
<td>2,184</td>
</tr>
<tr>
<td>1996</td>
<td>2,184</td>
<td>5,144</td>
<td>1,121</td>
<td>3,218</td>
<td>2,985</td>
</tr>
<tr>
<td>1997</td>
<td>2,985</td>
<td>5,424</td>
<td>1,190</td>
<td>3,787</td>
<td>3,432</td>
</tr>
<tr>
<td>1998</td>
<td>3,432</td>
<td>5,332</td>
<td>1,299</td>
<td>3,768</td>
<td>3,787</td>
</tr>
<tr>
<td>1999</td>
<td>3,787</td>
<td>4,466</td>
<td>1,490</td>
<td>3,501</td>
<td>3,364</td>
</tr>
</tbody>
</table>


It was also a frequent complaint from employers and unions alike that American style litigation had become more accepted in New Zealand in recent years. The rise in personal grievance cases brought to the Employment Tribunal, and in occupational safety and health cases brought to the District Courts, and the detailed attention paid by employment relations managers to procedural and contractual matters, were all indicative of this a shift towards increased litigation over employment issues. It can be argued that the Business Roundtable and the New Zealand Employers Federation contributed to this trend with their long campaign against the Employment Court (Rasmussen and Lamm 2000).

The campaign against the Employment Court was associated with the increased focus on procedural fairness. As the numbers of personal grievance cases increased so did the numbers of employers who fell foul of the procedural fairness hurdles. This led employer representatives to complain that the lack of objective, easily applied rules created total confusion amongst employers (see Burton, 2001). The argument was supported by that legal precedent was developed significantly in the 1990s, giving employers another ‘incentive’ to take individual employee rights seriously.

However, by 1999 the number of claims began to stagnate. The possible reasons for the decline are complex and influenced by factors such as HRM practices and policies responding to labour shortages and subsequent attempts to diminish poor employment relationships. The link between personal grievance claims and stand-down periods (for claiming the unemployment benefit) was also weakened when the stand-down period was reduced from 26 weeks to 13 weeks in 1997.

The Human Rights Act 1993 enabled a significant extension of individual rights in employment relations in New Zealand. The Act consolidated similar human rights legislation established in the 1970s and 1980s and presented a wide range of categories on the grounds of which discrimination would be illegal. These included: gender, sexual orientation, marital status, pregnancy, family status, religion, ethnicity, employment status, disability, and age. More recently, the Human Relations Act and the Employment Relations Act have strengthened the anti-discrimination provisions. Their definitions of harassment and discrimination cover a wide range of offensive behaviours, whether these are perpetrated by the employer, other employees, or clients. Moreover, having anti-discrimination provisions under both the Human Relations Act and the Employment Relations Act has had a major effect on the relationship between working parties where employers have had to be specifically mindful of the systems and structures within their organisations that determine such relationships.

In spite of the fact that the human rights legislation has been in existence for over 30 years, the Human Rights Commission is still receiving a large number of complaints. For the year 1998-1999, the Commission received 300 complaints but by 2003-2004, the number of complaints had increased to 1,727 (Human Rights Commission, 2000 and 2004). Since 1998, the largest number of complaints has been associated with discrimination on the basis of disability (an average of 23% of all complaints), with the second number of complaints concerning race, ethnicity or national origin (approximately an average of 20%).
Although there has been a substantial increase in the number of complaints over the years, there is also concern among the enforcement agencies that there is a large degree of under-reporting in discrimination and sexual harassment in the workplace. As stated by the Race Relations Conciliator (2000):

Because employment involves people's livelihoods and working environments, it is easy to understand why employees may be reluctant to complain. They may be fearful of their employer's response to a complaint and therefore choose not to take this course of action. Employment-related discrimination, however, represents one of the primary areas of complaint, despite our numbers placing it in third position.

The onus is on the individual to seek redress for breaches of the legislation (where the Employment Relations Act has an emphasis on collectivism and it has a more prescriptive approach). This was compatible, of course, with the political philosophy of the 1990s which placed the emphasis on individuals taking responsibility for their own lives. The role of privacy and human rights officers is investigative, relying entirely on incoming complaints. Although officers from the Department of Labour's OSH Service have an inspection function, the current legislation focuses mainly on investigation of complaints rather than on routine inspections.

The Privacy Act 1993 was prompted by concerns regarding personal information in an age of information technology and new types of surveillance equipments. It addresses how personal information is collected, stored and accessed. 'The basic philosophy underlying the Privacy Act is that of individual autonomy: the individual has a right to know what personal information is held about him or her by an organisation and for what purpose this information will be used.' (Rasmussen & Lamm, 2002: 88). Compliance with the Privacy Act assumes that organisations have a privacy strategy, policies and systems in place. In fact, the Act requires every organisation to appoint a privacy officer to implement the legislation and monitor privacy issues. It has also been associated with a wide range of employment relations issues, including staff recruitment, performance management, drug-testing, and staff surveillance.

Initially, there was a great deal of confusion surrounding the interpretation and implementation of the Act and the number of complaints to the Privacy Commissioner more than doubled from 500 in 1994 to 1200 in 1996. However, by 2003 the number of complaints declined to 928. Since 1994, most of the privacy complaints made by employees concerned matters of drug testing, intrusive employee surveillance and employee access to confidential personal information (Privacy Commissioner, 2003).

**Individual employee rights under the Employment Relations Act**

The Employment Relations Act is primarily developed to enhance 'productive employment relationships' through the support of individual choice, unionism and collective bargaining (Wilson 2001, 2004). However, the Act has not led to the expected rise in collective bargaining. In fact, the opposite has taken place: "...our data for the year to June 2003 show collective bargaining levels declining to the lowest level seen over the last twenty-five years." (Thickett et al., 2004: 39). There are several factors at play but it seems clear that making the concluding of collective agreements the exclusive domain of unions under the new Act has facilitated a paradoxical outcome. Under the Employment Contracts Act, many employees were part of 'collective contracting' where collective contracts were concluded without the involvement of unions (Dannin 1997). These employees have opted predominantly for individual agreements under the Employment Relations Act as 'collective contracting' is no longer an option (see Waldegrave et al., 2003).

The Employment Relations Act also continues and enhances personal grievances for all employees. The personal grievance entitlement is further aligned with the anti-discrimination policies of the Human Rights Act. Furthermore, statutory individual entitlements in the areas of minimum wages and leave entitlements have been increased significantly. The statutory minimum wage for adults has risen by 29% (from NZ$7 to NZ$9) during the 1999-2004 period. Paid parental leave has been introduced, the Holidays Act has been reformed and a fourth week of annual leave will be implemented in 2007. Overall, the continuous strong emphasis of individual employee rights cuts across the support for collectivism and, to some degree, it undermines the unions' attempts to increase union density.
One could ask: if many entitlements can be obtained without becoming a union member or participating in collective bargaining, why would people become union members? An answer is that many entitlements – for example, redundancy and long service leave – are only obtained through collective agreements, improvements over and above the statutory minima are often stipulated in collective agreements, and many people join unions for security or philosophical reasons. Nevertheless, the inability to limit the flow-on of improvements from collective agreements to individual employment agreements – the so-called ‘free-riding’ issue – has been a major concern for New Zealand unions (May et al., 2003; May, 2004). A survey of employers and employees found that it has become common practice to extend collective agreed improvements to employees on individual employment agreements (Waldegrave et al., 2003). For employers, this makes sense in terms of fairness and transaction costs:

Employers for the most part perceived that the extension of conditions to all employees regardless of agreement type was consistent with the Act’s requirements for good faith behaviour and freedom of choice. (Waldegrave, 2004: 132).

The Employment Relations Law Reform Bill – coming into force in December 2004 – is trying to deal with the ‘free-riding’ issues in several ways (Department of Labour 2004; Patterson 2004). This includes: employers are not allowed to discourage employees from participating in collective bargaining, it can be a breach of good faith if employers automatically pass on collectively agreed improvements and this undermines collective bargaining, it is legal to agree a bargaining fee arrangement for non-union employees if these employees benefit from collectively agreed improvements (ERS 2004: 2-6). While it will be seen whether these changes will curtail the ‘free-riding’ issue, it will undoubtedly put the spotlight on how employers negotiate and consult with individual employees.

Likewise, good faith obligation has been further refined by the Employment Relations Law Reform Bill. This obligation – a new concept introduced by the Employment Relations Act – focuses on bargaining behaviour, stipulates a number of process requirements and makes unfair and misleading bargaining unlawful (see: Davenport and Brown, 2002; Deeks and Rasmussen, 2002: 185-190; New Zealand Journal of Industrial Relations, 28(2) and: www.dol.govt.nz ). It has been discussed whether the ERA and the good faith obligation have increased the legal demands on employer behaviour (see Caisley 2004, Hughes 2004). While most employers have not changed their employment relations approach considerably, they are aware of the obligation and have lifted their information and contractual efforts (Waldegrave et al., 2003).

On balance, individual employee rights have become further embedded under the Employment Relations Act. However, it has yet to cover all organisations. There appears to be three major issues: non-compliance, the onus on individual responsibility, and the perceived benefit involved. Non-compliance has been a major issue, particularly amongst small- and medium-sized enterprises, SMEs (Lamm, 2002). The emphasis on more formalised employment agreement and statutory minima under the ERA, buttressed with a more active enforcement approach, has gone some way to tackle non-compliance. However, there is still a way to go as indicated by two examples. A survey of 2,000 employees found that ‘almost a quarter of employees had either not seen their agreement or were not aware of having any employment agreement.’ (Waldegrave, 2004: 150). A recent survey by Auckland’s Chamber of Commerce found that 30% of the firms responding had no written employment agreements and this rose to 65% for SMEs (NZ Herald, 3-9-2004: C4).

It is also problematic that the onus is on the individual employee when it comes to effective enforcement of individual employee rights. It takes a certain amount of knowledge and effort to start the enforcement process. The lack of employee awareness of entitlements is the first hurdle and then it takes some resolve to proceed with complaints. These two hurdles can be enough to block the enforcement of rights, though recent research has found that many ‘problems’ are settled at the workplace and awareness are reasonably high (Waldegrave et al., 2003). There is also a high level of satisfaction amongst employers and employees who take their cases to the Employment Institutions (McAndrew et al., 2004). Still, there is a third problem: the benefits of pursuing employee rights are in jeopardy. It is highly problematic that many of the recent awards have been rather low. This has attracted critical comments from both the Employment Court and the Court of Appeal and it undermines the Government’s attempt to have effective remedies in place.
It is ironic that a Government which is clearly committed to ensuring that workers can protect their rights has presided over an era when the level of remedies being awarded has resulted in there being real questions concerning the effectiveness of the law. (Caisley, 2004: 71).

While there have been major awards in the area of stress, the low level of awards in other types of cases will reduce the ‘incentives’ both in terms of deterring employers and in terms of encouraging employees to pursue their grievances. The low level of awards has to be balanced against the considerable ‘costs’ incurred by employees such as legal fees, emotional stress, time spent, and (possibly) a negative image amongst employers. The real or perceived benefits can become very small or non-existent.

**Conclusion**

It has been detailed how legislative reforms and public policy changes have fostered a rise in individual employee rights. The rise in individualism is linked to the effects of public policy in 1990s where decentralised bargaining and individual employee rights took hold. Individualised complaints and court cases became a hallmark of the 1990s with personal grievances becoming particular prevalent. With the decline in union density, direct employer-employee bargaining became the norm and individual employment contracts covered the majority of employees. This has continued in the new millennium as there has been surprisingly little change under the post 1999 public policy which supports collectivism.

While the post-1999 period has delivered substantial gains in areas such as minimum wages and leave, they have mainly come through government intervention. This may have struck at the heart of unionism as it raises the question: why become a union member? The decline in collective bargaining coverage seems to suggest that many employees appear to see little benefit in union membership. This, together with many employees having a low awareness of collective bargaining options, raises serious concerns about the future of collectivism in New Zealand employment relations. There now appears to be an embedded culture of workplace bargaining and individualised employment relationships in New Zealand.

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Fact and myth: Reflections on why Higgins made the Harvester decision

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ABSTRACT

The detailed arguments and evidence submitted during the proceedings of the Harvester case did not greatly underpin the detail and focus of the decision itself. While this dichotomy has been noted in the literature little has been written which attempts to explain why and how Higgins ignored fact and created industrial relations mythology. This is an early and still speculative examination but it highlights differences in the proceedings and the decision then offers two interpretations of the motivation of Higgins. It is suggested that Higgins ignored the facts of the case because he was a masterful tactician in the construction of a new nation state or because he was simply unable to meld the facts into the cogent whole he desired. In either case Higgins had some preconceived notion of his role as a nation-builder and the contribution the new system of industrial relations could make to the federation of Australia.

Introduction

The more the Harvester case is examined the curiouser and curiouser it becomes. While the importance of the Harvester judgment, in terms of content and impact on Australian wage regulation, has been well noted (Ex parte McKay (1907) Commonwealth Arbitration Reports Vol 2 hereafter Harvester Judgment; Fahey 2002; Rickard 1984 Macintyre 1985; Macarthy 1967; Fitzpatrick 1946) much less appreciated is just how this decision was made. Insight was offered by Justice Higgins himself some years after the judgment (1922), Peter Macarthy (1969; 1972) questioned the veracity of cost of living calculations while more recent analysis, in the context of wider concerns, has been given by Cockfield (1998) and by Fahey and Lack (2001). But the detail of the proceedings of the case itself, the interaction between the participants, the evidence, the argument and the philosophical underpinnings remain mostly ignored.

This paper will briefly analyse the content of the highly detailed transcript of proceedings (over 600 pages) in order to highlight and explain the anomaly between what was argued and what Higgins ultimately came to decide (National Archives of Australia Series C2274P1 hereafter referred to as the Transcript). And there were, curiously, significant differences. For example, the reasons for the creation and justification of the concept of a living wage given in the judgment are mostly absent from the proceedings of the case. The union advocate F. C. Duffy, in almost his first words of the case, stated that the fair and reasonable wage demanded by the Excise Act, and which he was seeking, was ‘not a living wage’ (Transcript: 4). Similarly, the cost of living evidence, so significant in the judgment, is seemingly not the preconceived argument of the unions but is suggested, even cajoled from them, by Higgins. More curious still is the lack of any wider social, philosophical or moral argument on the question of human need in this case. There is enormous detail in the transcript of proceedings. Its content throws light on the nature of manufacturing work, the variety of skills and occupations, the classification of a workforce, the rates of pay and the calculation of individual performance but it offers surprisingly little to explain why Higgins decided what he did.

The transcript of the Harvester case therefore presents the history of Australian wage regulation with a conundrum: the argument and evidence presented by the company and the unions and the discourse generated by the proceedings do not lead logically to the historically important decision that Higgins ultimately handed down. In other words, what was said only partially supported the Higgins’ decision and this raises the question of why he decided what he did. What informed him, if not the facts and opinions of the disputing parties in this case? While this is a complex issue requiring a multi-disciplined, philosophical and theoretical analysis and will be dealt with at greater length in other articles currently being written, two possibilities are suggested here. One in some depth, the other posed as a question for further analysis.
The dominant explanation put forward in this paper is that Higgins was a skilled tactician who already had a broad picture in mind of what ‘fair and reasonable’ amounted to and a strong commitment to the establishment of the tribunal as a significant industrial institution. In this light the extensive hearings, much of it not ‘on-point’, could be seen as a symbolic exercise whose sheer length Higgins used to give credibility and importance to both his decision and to the institution he was seeking to embed in Australian society. But does this view give too much potency to Higgins’ mastery of the situation? UsingJacque Derrida’s (1990) discussion of judicial deliberations and “aporias” (perplexities, inconsistencies) it can be argued that perhaps in reality, despite much effort, Higgins was simply unable to gather evidence that could lead him to make a universalisable decision fully premised on the facts presented. In this light maybe the lengthy hearings were more an exercise in frustration for Higgins than a deft manipulation of symbols.

**The company argument**

The basic position presented by the company advocate, William Schutt, and which arose immediately the unions made a request for disclosure of the company’s balance sheets, was that the company could and did ‘pay fair and reasonable wages’ (Transcript: 15). However, when Higgins pressed Schutt on whether or not fair and reasonable wages should be defined as ‘a uniform standard’ applicable to all workers and all employers (Transcript: 22) his response was vague, admitting ‘reasonable limitations’ and exceptions (Transcript: 22-23). From Schutt’s point of view ‘there are gradations’ between workers and this was to be one of the key foundations of his argument in the Harvester case.

Schutt’s substantive argument was based on an analysis of the nature of work and wages for the various classes of workers in the McKay factory and in doing this raised a point which was to reappear as a company mantra: if the McKay workers did not get as much as similar workers elsewhere it was because their work had been simplified, mechanised and standardised. This meant less skill, judgment or discretion was required while the work was essentially repetitious. That McKay’s work required lower levels of skill and competency was evident from the fact that much of the work could be performed by Improvers or Helpers or was ‘quite easily done by Boys’ (Transcript: 25). To substantiate this deskilling argument Schutt called eight witnesses but the most important testimony was that given by George McKay, Factory Superintendent and brother of H. V. McKay. Schutt slowly and methodically took McKay through the detail of the wages book, the rates paid for various types of workers and the nature of their work. This was highly meticulous testimony but today its exhaustive nature seems laboured.

McKay also asserted that the company was paying men fair and reasonable wages and that this was calculated by considering a wide range of factors; level of skill, experience, age, qualifications, complexity of work, equipment used, and level of danger. These were all factors that McKay claimed he or his foremen were able to take into account in the setting of wages. Indeed the implication of McKay’s evidence was that the fixing of wages was based on the ‘worth’ of each individual and that only management was capable of making this complicated and sophisticated calculation.

**The union’s argument**

The first argument put by the unions was that the Harvester case was not about the establishment of a “living wage” but with the share of the profit ‘windfall’ that the excise duty represented to McKay (Transcript: 9). In this way, the unions were the first to raise the spectre of the capacity to pay argument in the federal wage fixing system and indeed, were actually reluctant presenters of the needs principle.

The second argument put by the unions arose from their interaction with the evidence or opinion presented by Schutt’s witnesses, in particular that of George McKay. The union advocates challenged McKay’s wage fixing criteria and went so far as to extract the admission that ‘In fixing the wages [McKay]…endeavoured to get labour at the cheapest price that [he] honestly could’ (Transcript: 133). Further, it was established that company wage fixing had little if anything to do with fairness but involved negotiating with individual workers ‘to pay him what he is worth’ (Transcript: 155). In their cross examinations the unions also attempted to deconstruct the nature
of work at Sunshine and to challenge the company’s claims that its work was unique – easier, simpler and less skilled.

The third argument presented by the unions was one of comparative analysis. In addressing this part of their case the unions called witnesses who asserted that the nature of work at McKay’s was comparable to elsewhere but the wage rates were lower. Full time union officials called as witnesses claimed the union rates were higher than those paid at McKay’s factory and were paid in comparable companies such as Austral Otis Engineering (Transcript: 426-436). In addition, the unions tried to make a wider comparative point by calling non-union witnesses such as Charles Joseph Harris, Chief Clerk and Chief of Staff, Locomotive Branch of the Railways Department (Transcript: 383-402). It was also argued that many Wages Board determinations set higher rates for the same or similar trades (Transcript: 246) as did even New Zealand awards (Transcript: 226).

The fourth and final argument put by the unions in the Harvester case was that dealing with the cost of living. This was a relatively minor aspect of the case and, it is argued, the unions only addressed the cost of living issue because their profit share approach failed so quickly and because Higgins pushed for such evidence. In Higgins’ view fair and reasonable wages had to be measured in some degree by the standard of living they could sustain (Transcript: 253). As a consequence one union advocate asserted that fair and reasonable wages were those which allowed a worker, ‘to eat comfortably, to be housed comfortably and to have the reasonable enjoyments that a man enjoys in that state of life’ (Transcript: 330-331). The unions evoked an idealised working class existence but in doing so merely replaced the hard to define concepts of fair and reasonable with the equally illusive comforts of a class. Interestingly, the unions did suggest the figure of 7/- per day as being the bare minimum required to pay for working class ‘necessities’ (Transcript: 333 & 344).

The unions called 14 witnesses to give direct testimony as to the cost of living. These were mostly male union officials (Transcript: 426-438) although three housewives were also called (Transcript: 439-443 & 504-505). More innovatively, the unions also called a Collingwood estate agent and a Prahran wood and coal merchant (Transcript: 501-504). Apart from these two all the other witnesses produced a schedule of living expenses which showed the simplicity and complexity of working class life. Higgins was an active participant in the examination and cross examination of these witnesses but their testimony did not stimulate any significant philosophical discussion about individual need, about the quality of these quantitative statistical estimates or the personal details generated by witness examination. In fact, of the 60 pages of transcript which covered the testimony of the cost of living witnesses, only 22½ pages were devoted to this issue. This was not in-depth examination or cross examination and it generated little discussion. The curiosity then is the contrast between the centrality of the cost of living in the Harvester judgment and its marginality in the discourse during the Harvester case.

The case is, of course, a watershed: but the real issue at stake is defining what that watershed actually is. Historians have largely focused on the judgment (Macintyre 1985; Turner 1965) and generally presumed that it flowed from the facts. But the case, and what is represents, becomes far more problematic when it is accepted that Higgins’ decision bears only a tenuous relationship to the evidence that was presented to the court. Given Higgins’ judicial background, this anomaly is quite surprising. After all, the distinctive feature of judicial reasoning is supposed to be its careful attention to the facts. Moreover, cases are meant to be carefully distinguished from each other according to slight and very subtle variations in the factual circumstances pertaining to each. Higgins was steeped in this kind of reasoning.

How, then, can the Harvester anomaly be explained? The question is even more perplexing when attention is focused on the extraordinary amount of detail that was put before Higgins. Why did Higgins allow - indeed request - such an abundance of detail when it would seem that he was going to base his decision on other considerations?

**Higgins as master tactician?**

One answer to the question would appear to reside in the likelihood that Higgins had another agenda. The evidence of the transcript shows that Higgins saw employment as a social act. Accordingly, he was not going to see Australian employment practices subjugated to the common law principles of contract, which was so clearly the case in England.
There are a number of instances in the transcript where Higgins’ unease with the privity of contract can be discerned. At one point he told the employers that he couldn’t ‘understand a classification of each man by himself. You must have some method of grouping’ (Transcript: 23). He said that ‘I cannot treat employers as being on different planes, nor on the other hand can I treat each worker by himself’ (Transcript: 23).

It is clear that Higgins believed that, when applied to the process of wage determination, contract law was not based on equality between the parties, but was really a mechanism for maintaining managerial control of the employment process. In this context, Higgins did not accept unconditionally the right of management to retain possession of its books. He put the issue to one side by not forcing McKay to produce them in this case, but only on the proviso that they could not subsequently raise the defence that they did not have the capacity to pay the amount determined by the outcome of the case (Transcript: 18). Higgins was quite clear in his view that management had to justify itself to a broader authority and also to much broader principles than those embedded in the English common law. In the Harvester case, that broader authority was the will of the Legislature, as set down in the Excise Act. Higgins stated that his duty was to interpret what the National Legislature meant by the words ‘fair and reasonable’. Clearly, Higgins saw the act of employment as political as well as social: it was subject to the imperatives of national interest and national policy as determined by the Legislature and then interpreted by the new Court.

In denying the ultimate authority of private contractual relations, Higgins was extending the emerging principles of Australian state interventionism. He seems to have understood that the law of contract was inherently divisive when applied to something as fundamental and ongoing as a worker’s employment. It would be mistaken, however, to think that the assertions of managerial prerogative put forward by the employers were the only real source of Higgins’ unease. He also had concerns with the approach adopted by the Unions. He unreservedly rejected the idea that employment should in any sense be based on profit sharing, as the Union initially argued (see Transcript: 8-14, especially 12). Higgins’ questioning of Duffy was razor sharp.

He also found the Employer’s position untenable. What would the position be, Higgins asked, if the position of nine out of ten workers was improved, but the position of one in ten diminished (Transcript: 24)? Schutt’s response was to claim that the issue was a question of finding the ‘substance’ of the matter. Curiously, Schutt sought this substance through a process of statistical dilution. What, he asked, would be the correct response if only one in 500 workers was underpaid? Would that mean that there was non-compliance with the Act? (Transcript: 24). This, of course, was a positivist attempt to reduce the issue to the legal category of compliance, ballasted by the authority of a statistical approach. Equity, it seems, was not an issue for Schutt when statistics could be applied to a ridiculously rare hypothesis. In his response Higgins showed that he saw the issue in moral, not statistical terms; and he saw the workers as human beings, not as factors of production to be subsumed by arid statistics and formal legalisms. While Schutt claimed that the position would represent ‘substantial compliance with the Act’, Higgins inverted Schutt’s discourse and reminded him that ‘the man who is underpaid feels it substantially enough’ (Transcript: 25, our emphasis). Not content with that observation and the human feelings and subjectivity on which it was based, Higgins sought to personalise the matter further by asking Schutt to consider those feelings and not just his legal categories: ‘Perhaps you will think over the point in case it may actually arise’ (Transcript: 25).

The Union response was to support an outcome that advantaged the overwhelming majority, even at the expense of immiseration for a minority at the lower end of the employment ladder. Higgins did not disguise his unease with this response by the Unions. Clearly, such a position would reward workers employed in a highly profitable industry and disadvantage those employed in industries with a low rate of profit. ‘Is there to be’, Higgins asked, ‘a lower standard for a poorer manufacturer than for a rich man?’ (Transcript: 8). Higgins’ concerns were surely astute. If wages were determined by profit sharing, then workers in highly profitable industries - and regions - would be advantaged over those who weren’t so lucky. Such a system would encourage, even enure, conflict between capital and labour in the process of wage negotiation and determination, and it might also fragment the labour movement, and perhaps even the nation. It would certainly tend to fragment and privatise the employment process, even if it did recognise the right of unions to negotiate a private contract through collective bargaining. Although radical in some sense, the union approach was deeply conservative in other regards. The Union response to Higgins’
question showed that they had in mind a system similar to that operating in the United States. It is clear from Higgins’ exchange that he was searching for a universal principle that would shift the understanding of the employment relationship into a wider social and political context.

It should be remembered that Higgins was operating within the framework of a new Court in a new Federation. His impulse seems to have been to reject fragmentation and privatisation and to search instead for more universal principles that might promise unity and advance the idea of equality. Could a new nation be built on the basis of fragmentation across a very large land mass, bedevilled by private, regional variations in employment? The message from the national parliament was clear: trade was to be free between the States, as set down in s 92 of the Constitution; and the national parliament’s determination was that Australian goods were to be protected. Herein lay the problem. It has not been appreciated by most commentators that protection from international competition actually enhanced the potential dangers that might flow from interstate competition (see Gollan 1974). With Australia’s main industries based in Sydney and Melbourne, what might be the consequences of contracts negotiated between powerful capital and powerful labour unconcerned by foreign competition? The outcomes of the domestic market might be very unequal, both between industries and regions (see Convention debates re state rights in the Senate in Hirst 2001; Crisp 1980). In this context, Australia, with its young society and its large land mass, was uniquely vulnerable and clearly anxious (see McQueen 1986 on White Australia Policy). Viewed in this context, the Arbitration and Conciliation Court was charged with the duty and function of dealing with the imperatives of the Constitution and the realities of nation-building in an export-oriented economy dominated by a small population and a large land mass. On the other hand, Australia was also distinctively modern and assertive. Freed of a landed aristocracy and the rigidities of the English class system, it was arguably more ‘developed’, in the sense of the manner in which it embraced modernity, than England was. It would seem that, operating within this context, Higgins favoured a Third Way approach 100 years before Tony Blair and Anthony Giddens found such a term fashionable. In this sense, as in all others, Australia was becoming a distinctively modern polity. It looked to Britain, then to America, and then pushed in its own direction.

How, then, does this framework illuminate what was happening during the course of the Harvester case? If it is accepted that Higgins had his own agenda, and that this agenda can only be understood in a wider context, then it appears likely that Higgins had an interest in asking for, and receiving, large amounts of empirical data. However, his main reason for doing so, it can be suggested, was neither epistemological nor based in the legal principles of judicial reasoning: his motivation was semiotic. To approach the evidence in this manner is to see the Harvester case as a form of theatre at a decisive moment in Australia’s history. Considered in this light, the mountain of factual material presented to Higgins served a number of theatrical purposes that were irrelevant to the process of judicial reasoning. The first purpose was the extension of the case and the creation of a sense of dramatic suspense. It would seem that the parties themselves were soon surprised at how long the case was going to run. McKay undoubtedly thought that the proceedings would be brief, and there are also indications that the union representatives were unprepared for the directions in which Higgins would take the case. Gradually, as the days went by, there was a sense throughout the nation that something important was happening in this room in Melbourne (See Argus; Age; Sydney Morning Herald).

It is important to understand that Higgins had very few theatrical devices at his disposal. He was constrained by his judicial position and also by the perception that he was a dour, humourless man of substance and principle (Crisp 1980; Rickard 1984). On the other hand, these disadvantages could be transformed into assets. After all, this was a new Court dealing with a controversial piece of legislation enacted by a young Parliament in a recently federated nation: it was a situation designed for theatre with the dour Higgins paradoxically cast as leading man.

This interpretation is consistent with the actual figure enunciated by Higgins in his decision. On its own, it is not particularly generous to the workers (Macarthy 1968). It would seem that this was not Higgins’ purpose. He was keen to reject the right of management to any kind of overarching authority in the act of employment; and he was also keen to enunciate the broad principle that the idea of a decent wage lay at the heart of a socially responsible process of wage determination; but such principles do not seem to have had any practical significance in the figure actually arrived at by Higgins in this particular case.
In a sense, this is the reverse of judicial reasoning. Higgins did not go from the facts to the decision; on the contrary, he seems to have reached for a new principle while making every endeavour to ensure that the facts sat to the side, largely unrelated to an actual empirical outcome that fell comfortably within everyone’s expectations.

The explanation of this anomaly probably resides in a desire on the part of Higgins to provide a figure that would not act as a focal point for intense dispute about the decision. Higgins appears to have been focused on the establishment of universal principles rather than on a statistical outcome linked to the particulars of this case. Higgins even cautioned the parties that he was ‘taking this case as a sample case’ (Transcript: 49). He then went on to tell other interested parties in attendance this: ‘I also want you to understand that I intend to make use of the information I get in McKay’s case in your case, and in other cases’. (Transcript: 50). When it is considered that there is some doubt about the extent to which Higgins was even wanting to use the data in the case actually before him, his stated intention to universalise that data takes on a theatrical dimension.

Nevertheless, it is important to appreciate, from this perspective, how the dominant values of empirico-positivism were turned against the employers, the major advocates of such an approach. The employers used the values of empiricism to extend the case, undoubtedly hoping to induce a state of paralysis. They sought to portray the employment process as so complicated and varied that detailed and nuanced understandings of the particular work process were required before any decision could be passed. Of course, it followed that only the employers possessed such detailed data. If this view had been accepted, then no universal principle could possibly have been enunciated. Any review of wage determination would involve a highly detailed case by case approach. Situated within such a framework, any adjudicator would soon be sinking within a sea of information.

Higgins’ frustrated leap?

We obviously think our explanation for the gap between the Harvester proceedings and the Harvester decision is persuasive. However, one of its assumptions is troubling. In looking back at famous historical figures we have, perhaps in the same way as many historians, been keen to see Higgins as a powerful actor in near full control of a momentous event and a momentous decision. But should we not be wary of intuiting reason and clear sighted tactics to past figures especially when we know of the chaotic nature of decision making, even in the judicial arena, in our own times?

As Jacque Derrida in ‘The Force of Law’ (1990) has argued all judicial deliberations are haunted by “aporias” (perplexities, inconsistencies) that mean no judgment flows in an easily calculable way from the evidence that underpins it. In every case a principle must be suspended and reinvented to fit the peculiarities of the situation and this means gaps must be leapt. In every case, a moral choice must be made between two understandings of respect: ‘respect for equity and universal right but also for the always heterogeneous and unique singularity of the unsubsumable example’ (Derrida, quoted in Caputo, 1993: 104). So once again, no decision can be simply a mechanical application of a principle (Derrida, 1976). And, in every case a decision must be made here and now. Even if time is available ‘still there comes a time - ‘a finite moment of urgency and precipitation’ - when the leap must be made, the gap crossed, the decision taken’ (Caputo, 1993).

Perhaps we should therefore be more wary of portraying Higgins as a master tactician. Maybe the mountain of factual material presented was not so deftly used to add theatrical gravity to the proceedings. While Higgins was undoubtedly a talented judge and intellectual, he was still a mere man who was perhaps overwhelmed by the complexity and perplexity of the evidence he faced. Unable to draw advocates away from their own preferred lines of discourse, perhaps Higgins could find no way to apply a universal needs principle to the peculiarities of the situation. And perhaps he could not find any clear way past the different portrayals of what a family needs that were submitted to him. In this respect, during the proceedings Higgins was intrigued as to how families of similar size incurred different living expenses (Transcript: 459–460; 466; 475). Yet he had to make a decision, the case could not go on for ever and the parties were very unwilling to give him the information he asked for. In this light the lengthy hearings were perhaps more likely an exercise in frustration for Higgins involving a gradual realisation that his decision would inevitably have to be a leap rather than a calculation based on facts. Whatever the reason Higgins
did leap: the decision is underdetermined by the facts of the case. Higgins does not appear to have gone from the facts to the judgment; he reached for a new principle and deliberately or in frustration left the facts to the side.

As to the intellectual origins of Higgins’ judgment, we have provided what we see as a rationale for his decision to reject the authority of private contractual relations as well as his decision to reject the union’s profit sharing alternative (see Bennett 1994: 21–22). Beyond this, Higgins’ actual needs principle seems to have been informed at least in part through his engagement with Pope Leo XIII’s encyclical of 1891. In a lecture given in 1896 entitled ‘Another Isthmus in History’ Higgins refers to Leo XIII’s concerns about the plight of the poor, his calls for measures to ‘support the wage earner in reasonable and frugal comfort’ (Quoted in Higgins 1896: 17) and his warnings against revolutionary change and any assault on private property. The Pope’s call for reasonable and frugal comfort clearly resonate in Higgins’ decision, so perhaps the Pope’s views on revolution and property were also playing on Higgins’ mind in the decision and during the union’s submissions on the presentation of the books and profit sharing.

Conclusion

Our claims in this paper are a first step. They need further examination and analysis and especially further research into Higgins’ role as the chief architect of the decision as well as the complexities and perplexities he and the other parties faced. In this respect more work is now being undertaken to look at the case through the perspectives afforded by writers such as Jacque Derrida who focus on what can be called the ‘art of judgment’.

Moreover, one of our intermediate objectives is to continue teasing out the relationship between the arguments presented in the Harvester case and the Harvester decision and broader social and political values. This, in turn, is part of a far broader and longer-term project that is examining the federal industrial tribunal’s historical role in reflecting and reproducing social, political, and moral values in Australia since the Harvester case.

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The commodification of higher education: Flexible delivery and its implications for the academic labour process

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ABSTRACT

This research is a study of the social relations involved in the process of higher education delivered as a service encounter. It examines the implications for the organisation of academic work in particular, and the employment relationship in general, of the student’s newly constructed status of ‘customer’. It revisits the traditional bipartite model of the employment relationship between employer and employee, and questions whether customer focus represents a major shift in the social relations of the workplace. It questions the current management paradigm of customer focus as a ‘win-win’ situation, suggesting that management’s preoccupation with ‘customer relations’ has undermined the traditional employment relationship between employing institution and academic.

Introduction: Globalisation and its implications for Australian higher education

As in other OECD countries the transformation of Australian higher education from a pedagogical exchange to a service encounter is linked to globalisation, the reinvention of higher education as a tool of economic reconstruction and the move to a market relationship with education as a commodity. (Marginson 1995; Rooney and Hearn 1999; Miller 1995). A complex web of neo-classical economics and national socio-economic objectives has seen Australian higher education’s primary role change from that of a socialising equaliser to an economic agent with a focus on national economic competitiveness (Smyth 1995). This has been accompanied by greater complexity in the academic employment relationship.

While there is conceptual disagreement about the primary agent of globalisation (market (Friedman and Leube 1987), consumption (Thurow 1985) or class (Barnett and Cavanagh 1994) (see Slaughter and Leslie 1997)) there is general agreement about the waves of structural reform, primed by globalisation, which have reinvented higher education in industrialised economies (Slaughter and Leslie 1997; Scott 1995; Shumar 1997; Neave 1990).

It is significant that at the time of the first wave of structural change in the 1980s which saw the government retreat from the welfare state and the consequent reduction of government funding for higher education, there coincided the conception and rise of the current management paradigm of client focused cultures. As institutions operated in an increasingly competitive environment, client focus was seen to be ‘win-win’ for organisation and customer alike. Peters and Waterman’s (1982) influence went largely unchallenged. Du Gay and Salaman (1992) in their study on the impact of customer culture on organisational processes, are one of the few dissenting voices. Recent literature has again explored the problematic nature of customer service workplaces (Sturdy, Grugulis and Willmott 2001; Frenkel, Korczynski, Shire and Tam 1999; Fuller and Smith 1991; Heery 1993; Knights, Noble, Willmott and Vurdubakis 1999).

The aggregate effects of globalisation on the Australian higher education industry have been broad structural change in four major areas: the marketisation of the sector and ensuing competition between institutions; changes to higher education consumption patterns; the commodification of education consequent on marketisation; and the administration and management of institutions (managerialism).

Firstly, the sector has been exposed to intensified competition leading to increased marketisation with Australian higher education now carried across borders, facilitated by the new technology and delivered in flexible mode (Cunningham et al., 1998, 2000; Marginson 1995). Intensified competition can also be attributed to a series of government policy changes since the 1980s, all of which have required strategic adjustments by institutions (Smyth 1995). Integral to policy has been a decline in public funding across the sector, which has imposed the dual pressures of enhanced market competition and increased public accountability.
The Australian higher education response has been: implementation of organisational re-engineering at institutional level with the redesign of work practices and the shedding of non-essential functions; and an increased responsiveness to clients’ demands for a service which is customised and flexible, designing and delivering products and services more quickly and flexibly than ever before through the new information technology (Gibson et al., 1999; Cunningham et al., 1998). Flexible delivery is a key strategic response by Australian higher education to these new imperatives.

A second structural change which is central to the Australian economy as a whole and to higher education in particular, is the culture of consumption and changing consumption patterns (Usher, Bryant and Johnson 1997; Scott 1995; Knights et al., 1999). It is argued that in advanced capitalist societies, the relationship between production and consumption has changed, with consumption replacing production as the major basis of social differentiation (Burrows and Marsh 1992). The culture of consumption and the relationship between consumption and production in a post-Fordist production system raise the fundamental questions of: the primacy of consumers over producers, or vice versa; and the social construction of the customer and its impact on the organisation of work. The literature considers how management’s perceptions of customer needs and wants are translated into a reconfigured organisation of work, enabled through innovative technology (Knights et al., 1999). Flexible delivery in higher education can be seen as one such response. In this context higher education is no longer merely an economic or socialising agent, but also a way of constituting meaning through consumption. It has become symbolic of lifestyle, signifying difference. As a corollary, higher education processes become individualised and reconstituted as a relationship between producer and consumer. This represents an ideological shift where education is governed by consumer orientation and activities geared to consumer satisfaction. It also manifests itself in major structural and cultural changes to conventional university practices and the academic labour process. Higher education is now delivered as a service encounter between academic labour and student-customers.

A third structural change to higher education is the commodity view of education with education reconstituted from the pursuit of social knowledge and an ideal, to a value rooted in its ‘performatice’ value to bring direct benefit to the consumer through enhanced performance (Usher et al., 1997). Commodification also leads to management and production processes which seek to improve the quality of product as determined by customer satisfaction (Knights et al., 1999; Usher et al., 1997; Rooney and Hearn 1999). The implications are that higher education institutions are drawn into the market, producing and selling knowledge as a commodity. It also places the consumer, as constructed by management and their perceptions of customer needs and wants, at the centre of organisational focus and strategy. Flexible delivery can be seen as one such marketing response.

A fourth structural change to higher education takes the form of managerialism with its new forms of decision making which have weakened the traditional professional bureaucracy that was once driven by the professional authority of academic staff, based on their status as gatekeepers to social knowledge (Buchbinder 1993; Halsey 1992; Currie and Newson 1998; Hort). In the context of the market-oriented university, managerialism has also prescribed new competencies for academic labour based on efficiency and effectiveness criteria which are crucial to the market orientation of institutions, and a client service focus. Managerialism has also constructed the student as ‘customer’, based on managerial perceptions of customer wants and needs and has been the catalyst for re-evaluation of academic labour’s value and performance.

So, in essence higher education’s shift from an educational to a market orientation, and the associated commodification of knowledge, have led to a general reconfiguration of social relations in the academic workplace. If one couples the idea of consumption as a key element of lifestyle and the move to a market relationship and the commodification of education, one can understand the development of flexible modes of delivery which are a key strategic response by institutions to meet their perceptions of consumer wants. As a commodity, educational products compete with leisure and entertainment products (Usher et al., 1997). As the distinctions between these blur, educational activities geared to consumer satisfaction produce outcomes previously associated only with leisure and entertainment. The implications are that learning is something to be consumed, an object of desire implicated with pleasure rather than discipline. This is at odds with the modernist view of education in which the academic’s role was to maintain the profession’s status and the discipline’s integrity through guardianship of the knowledge (Usher
et al., 1997). Academics' traditional authority has been their accepted right to define and judge the meaning and value of their product in terms of their practice's aims and standards rather than those of the customer. In postmodern learning, the learners' 'wants' take over from what educators have in the past dictated as 'needs'. This represents a significant shift in the balance of power between educator and student, with the potential subjugation of traditional academic authority to the power of the consumer in what is now a market relationship, with the commodity of higher education delivered as a service encounter.

The employment relationship and the organisation of academic work

At its most basic level the employment relationship between an Australian higher education employer and an academic employee is bipartite and contractual, with the outcomes of the employment relationship being wages and working conditions achieved through enterprise bargaining processes and agreements. Student-customers are assumed to be outside the relationship, although the focus of its output. The employment relationship provides the context for the organisation of academic work which has at its core the tasks to be done and how, control and decision making and the wage-effort bargain. This is the minutia as opposed to the contractual and collectivised nature of the employment relationship.

One important link between the employment relationship and work organisation is the challenge to the assumption of managerial prerogative and the consequential struggle of what Goodrich (1977) and Edwards (1979) refer to as the 'frontier of control'. This research contends that in Australian higher education the frontier of control has been extended to incorporate student-customers. This anomaly of customer power in the employment relationship is an unintended consequence of massive structural change in the higher education sector coupled with an institution's management strategy of sustaining strong service cultures. It should be stressed that the primary focus of the higher education management strategy of flexible delivery is organisational survival through meeting customer wants, reducing costs, increasing flexibility and improving quality. Flexible delivery is not a strategy for deskillling and control of the academic workforce per se, although its impact on labour seems to have been overlooked. Neither is it managerial determinism. Management strategies do not determine outcomes. They merely act as a conduit between the imperatives of capitalism, an organisation's continued survival, and the labour process outcomes (Dent 1991). It should also be stated that this research does not seek to critique the ethical nature of the social relations between academic and student, or to defend academic prerogative or the "donnish dominion" (Halsey 1992). It seeks only to understand how customer focused strategies emerge from managerial assumptions, and the effects of these on the academic labour process in particular and the employment relationship in general.

Flexible delivery in Australian higher education

The development of flexible modes of delivery has been one response to a set of contextual factors (social, economic and political) which have impacted upon the management of universities. Australian higher education has always had flexible delivery (part-time and distance education), however, the new communications technology has been embraced and afforded it a new, higher status. It is perceived to be responsive to both customer needs and learner needs while concurrently offering the potential to reduce institutional costs and servicing increasing numbers of students. In such a context flexible delivery is a key strategic response by higher education institutions to meet their perceptions of customer wants and thereby maintain competitive advantage (Cunningham et al., 1998; 2000). Flexible delivery is therefore a pedagogy and a marketing strategy as well as a form of work organisation.

In its broadest sense, the concept of ‘flexible delivery’ in Australian higher education 'implies student choice of modes of delivery of instructional material … with a higher emphasis on the use of multimedia/communication technologies' (Cunningham et al., 1998:24). However it is significant that in Australia it is operationalised by different institutions in vastly different ways. Management strategies for flexible delivery may incorporate: the introduction of tri-semesters; the development of off-shore twinning arrangements with other institutions supported by computer-based teaching materials and 'block' or intensive periods of face-to face teaching; the introduction of complete on-line courses requiring independent learning from computer-based
teaching materials (conducted at special purpose built campuses or through modem connection to a student’s home); a mixture of on-line instruction (using web-based notes, chatboards and electronic mail) coupled with traditional face-to-face teaching on either a weekly or intensive block basis; and ‘web’ access by students to course information and administrative procedures such as enrolments, results and course information. There is no universal approach to flexible delivery, neither is there a universal definition. It is shaped by an institution’s policy framework and its culture, and takes the form most responsive to the institution’s target market.

**Methodology**

This research employed the methodology of extended case method to reconstruct theory about the bipartite employment relationship through an explanation of the anomaly of student-customer influence over the organisation of academic work. Extended case method was one of the hallmarks of the Manchester School of social anthropology in the 1950s. In the last decade Michael Burawoy (1991;1998) has been developing it within the labour process ethnographic tradition. Through explanation of the anomaly, extended case method value-adds to general models and theories of the labour process. Extended case method varies from traditional ethnography in that it does not seek to reject theory outright or induct new theory from the ground up, but seeks to find an anomalous situation which highlights the weakness of existing theory to explain, and then seeks to add value to that existing theory.

The research was undertaken with 25 business faculty academics and academic managers from three universities along the Australian east coast between 2000 and 2004. The study involved the techniques of observation, interviews, content analysis of policy documents and content analysis of web-based communication. In that any piece of research cannot be all-embracing this research starts from a particular perspective of the academic labour process as a teaching function, rather than the functions of research and administration. All academic interviewees were employees of universities which exhibited characteristics of the commercial-industrial model of universities as opposed to the universitas collegiate model (Warner and Crosthwaite 1995), and as such were more likely to exhibit customer focused policies and practices. At the interviewees’ employing institutions, flexible delivery was operationalised as student choice about access in time and place. It was both a means of educational delivery and a marketing strategy and it was a radical departure from traditional forms of academic work organisation.

**The intersection of employment relations and customer relations in higher education and the mechanisms by which the bipartite employment relationship is potentially undermined**

At an industry level, changes to the global economy have led to structural and financial change across the sector. Financial change has brought a greater diversification of institutional funding through increased entrepreneurship. Concomitant with this has come a broad pattern of operational change with the marketisation and massification of higher education and sector-wide restructuring in line with wider public sector reforms demanding enhanced competition and increased public accountability. The sector catchcries have become ‘accountability’, ‘flexibility’ and ‘customer focus’.

At the organisational level, strongly market focused universities delivered higher education as a service encounter, with management constructing the student as ‘customer’ and reconstructing the employee in response to management’s perceptions of customer wants. It was significant that at one particular employing institution executive management had used the term ‘customer’ in its official publications, although academic labour did not necessarily share this view. Irrespective of how they viewed their own role, all academic respondents across institutions considered that their students perceived themselves as customers of their university, and more specifically, of the individual academic. While the construction of the student as customer is not a universal phenomenon at all Australian institutions, some universities have developed strong service cultures as a strategic tool to gain competitive advantage. A common practice at all interviewees’ workplaces was the incorporation of customer focus into strategic plans which sought to sustain a culture of service in which the demands of student-customers and public accountability for value and quality were met. Academics identified that teaching and in particular research performance criteria, were
driving changes to the academic labour process. Views were expressed that these criteria were linked to their management’s customer focused strategies and also to federal government strategies of instilling stronger customer focused cultures in institutions as part of its wider reform agenda.

Integral to the development of strongly customer focused cultures has been managements’ reshaping of academic work for best fit with their organisations’ new strategic directions, based on managements’ perceptions of customer wants. There is an assumption by management that student-customers want flexibility as determined by customer preference and choices. Patterns of work and conditions of employment are negotiated by management around perceived student-customer needs. Enterprise bargaining has seen the negotiation of summer schools, the increased opening hours of institutions and the spread of working hours, and intensive modes of delivery including weekends and off-shore delivery at twinning institutions. Academics reported that with the introduction of trimester and summer school timetables (introduced by university management as a response to their perception of student wants for accelerated progression, particularly for international full-fee paying students), there accompanied a significant change to the traditional annual work pattern which had comprised of two waves of activity from March to November aligned with traditional teaching semesters. In some institutions labour negotiated favourable semester rosters, however in at least one institution the intensive teaching work pattern commenced in late January and carried through until late November consequent on the overlay of postgraduate trimesters over undergraduate semesters, with only one non-teaching week in that period. For some academics, the new work pattern, coupled with the increased pressure for research output as measured by research performance criteria, represented significant work intensification. Irrespective of either positive or negative outcomes for academic labour, the assumption which university managements make about customer needs of flexibility has changed the organisation of academic work. Another response from management has been to effect changes in curriculum design and content to meet the needs of particular target markets. Accordingly, managements in strongly customer focused universities have spearheaded the internationalisation of the curriculum and fast tracking of degrees, both of which have had an impact on the organisation of academic work. The traditional organisation of academic work was also changed with the development of flexibly delivered ‘educational products’ utilising the new communication technologies and drawing on specialist technocrats and educational designers to enhance their attractiveness to student-customers as well as their educational value. This has led to a blurring of the demarcation between traditional academic and non-academic work.

There is also an assumption by university managements that student-customers want value-for-money, as adjudged by the customer. Managerialist responses have been to organise around strategic performance indicators, customer satisfaction being prominently among them. The role of student ombudsman has been introduced by some universities to deal with student-customer complaints. Management treated academic labour like other groups of employees in their universities with the introduction of personal performance management and student evaluations of teaching which also served to operationalise the student-customer concept giving legitimacy to customer expectations of service. For example, academics at one particular institution reported that they were subject to a sophisticated system of student evaluation of academic teaching (based on customer satisfaction surveys) which was more sophisticated than many private enterprise employers would administer directly to their own employees, and for which a satisfactory student rating was necessary for promotion. Several academics acknowledged that the imminent student survey at the conclusion of the teaching period significantly influenced their effort bargain and behaviour in order to have favourable student ratings. The same employing institution regularly conducted customer focus groups and surveys, outcomes from which shaped management strategies. All academics reported: an increase in administrative reporting on their achievement of performance targets; curriculum changes in response to target particular markets; and a strong marketing/customer relations function within their university. As with ‘flexibility’, the assumption of ‘value-for-money’ led to changes in the organisation of academic work, namely the tasks to be done, when and how, however, this time it was in response to consumer sovereignty.

It is evident that at the organisational level, universities have introduced formal organisational structures and processes which have both facilitated and monitored customer service and customer satisfaction levels. This is concomitant with a managerialist reshaping of academic work (conditions of employment, patterns of work, traditional responsibilities and tasks, control and decision making) in response to management’s perceptions of customer wants.
At the level of the service encounter, the inherent tensions in a market exchange create tensions between academic labour and student-customers at the chalkface. Their needs are different (Smyth 1995) and student expectations of service and quality generated by a university's marketing function can be incommensurate with actual resourcing. Academics reported that in numerically small, resource rich subjects, electronic mail was used by academic labour to customise consultation and feedback through electronic discourse with individual students. It had the benefits of sound pedagogy, catered for individual differences and removed constraints of time and place for both academic and student. However academics reported that in resource poor subjects with large enrolments of over 400 and up to 1,800 students, academic labour used electronic mail and forums as a means of standardising communication en masse through electronic mail group lists and forum announcements. Electronic mail and forums were considered to be: a burden which imposed themselves on academics' time and constituted work intensification; a means by which student requests drew academics into administrative tasks; and technologies which changed the relative power relations between academic and student. Academics at one particular institution reported cases of flaming, responses to which were carefully scribed and very time consuming, mindful of the student ombudsmen complaint mechanism. It was generally reported that student expectations were created by the institutions' marketing of their quality of service and the communications technology offered the potential for customised service delivered faster than ever before. However there was often a poor fit with the level of resources provided by university management. Student-customers' use of electronic mail changed the organisation of academic work, namely the tasks to be done, when and how.

Resistance by academics to the communications technology took a variety of forms. Some academics limited electronic access to them by refusing to ‘boot up’ everyday, and opting for selective days on which they would reply to student-customer queries. Another strategy involved minimisation of emotional labour by withdrawing all face-to-face academic/student consultation and restricting student-customer access to electronic communications only. In such an instance academics minimised emotional labour by restoring traditional academic/student social distance and power relations through replying to student communications on their own terms in a frank and formal manner.

Academics also identified consumer behaviour from students who sought to negotiate directly with academics over a range of issues which impacted on the labour process and the organisation of academic work. Firstly, students negotiated over the mode of delivery. It is significant that in one instance an academic reported that students complained to faculty management that the content contained in an examination question had only been covered in tutorials which were not compulsory to attend and that this was against the spirit of ‘flexibility’ and student choice of place and time. The outcome for the students was examination ‘special consideration’, and for academics throughout the faculty, a requirement to deliver content in duplicate modes resulting in work intensification and a shift in the ‘frontier of control’ in favour of student-customers. In effect the students as customers had reconstructed the concept of flexible delivery to meet their expectations of ‘flexibility’, as befits consumer sovereignty. The outcome for academic labour was work intensification. Secondly, academics reported that students negotiated over the timing of when lecture and learning support materials would be available in different modes. Student-customer preference was usually for all materials (full lecture notes if available, Powerpoint slide presentations) to be available prior to the commencement of the semester, thus obviating the need for them to attend lectures. In terms of the academic labour process, this posed a major intrusion into what would normally be non-teaching weeks and a trough in the semester work cycle, presenting an opportunity for research and consultancies free of the direct service encounter with students. The timing of the release of copies of lecture materials was an ongoing point of dispute between academics and student-customers at one institution and something which academics felt was reflected in the formal customer surveys at the conclusion of the teaching semester. Thirdly, students negotiated over the very content of the material. Academics at one institution reported strong student-customer resistance to changes to either format or content of the pre-prepared lecture Powerpoint slides (prepared prior to the commencement of the semester as requested by students). This was expressed in lectures by disruptive disgruntled murmuring, constant shuffling of papers and complaints at the conclusion of lectures that material in the slides had not been covered therefore could not be assessable. While some academics resisted student-customer control over their presentations, many academics gave in to the pressure and
abrogated their traditional academic right over ‘what’ and ‘how’ to present the knowledge. This goes to the heart of consumer sovereignty undermining traditional academic authority and freedom. Fourthly, students negotiated over value-for-money. Academics reported that there arose a common practice at one institution of students leaving lectures and workshops while still in progress. The manner of their departure was verbose and designed to clearly express to the academic lecturer and fellow classmates their judgement as a consumer about the worth of the material being presented. This was also expressed by persistent, intrusive conversations between students in the lecture hall which were such that they interfered with the teaching/learning process. Walkouts and talking were overt consumer behaviour which was directed at the traditional authority of the academic. On the issue of value-for-money, students would also complain if classes were cancelled or ran short of their allotted time. In this sense the teaching/learning process was driven by market criteria rather than by traditional academic authority over the content and presentation of the knowledge. Fifthly, under the banner of consumer rights and customer service, student-customers accessed academics as was their want, irrespective of the consultation hours and response times formally set by the academic through either face-to-face consultation or through the communication technology. Academics reported that student-customers had an expectation of immediate service. Academics viewed this as an intrusion into their time, an interruption to their workflow and a disrespectful challenge to academic authority.

Conclusion

Traditionally, serving one’s customers has meant providing goods or services (as requested by the customer) and doing so with courtesy (as defined by social custom). The customer was clearly outside the employment relationship, although a focus of its output. While the employee in the service encounter is engaged in the primary relationship of the bipartite employment relationship, management’s introduction of customer relations potentially brings a tripartite employment relationship into being. Although not homogenous throughout the industry, or even within an institution, there exists in Australian higher education the anomaly of customers exercising significant influence over the organisation of work both directly through consumer behaviour at the chalkface and indirectly with both the conditions of employment (legal contract) and the organisation of work (tasks to be done and how; control and decision making; wage-effort bargain) re-shaped by management to meet their perceptions of customer wants. The legal contract/conditions of employment and the organisation of work are still negotiated between the primary parties of employer and employee (or their representatives). However, many of the criteria for negotiation (flexibility, value-for-money) are outcomes of student-customer wants, as perceived by management’s marketing and customer relations functions and significantly, articulated directly by students through formal organisational processes. Student-customers will also seek to exercise significant influence directly over academic labour at the chalkface when resourcing is inadequate to meet their expectations. In such circumstances customers are no longer merely the focus of the output of the employment relationship but a party within it.

References


Abstract

This study examines long run changes in the industry and workforce structure of the Australian construction industry. The major focus of the study is on-site vocational occupations in the industry and the way in which changes in industry and workforce structure are affecting the adequacy of labour supply. The primary data sources are the 1986 and 2001 Population Censuses and economic and labour force surveys. The principal variables examined are changes in the occupational, industry, educational attainment and demographic structure of employment in the industry. There was significant change in all four variables over the last two decades. The major drivers of this change include the intensification of sub-contracting through the intra-industry division of labour, outsourcing of activities through the inter-industry division of labour and new technologies and evolving consumer tastes. Another driver of change identified was the increasing ‘educational segmentation’ within and across occupations in the industry. There was a large, though relatively static share of occupations with no qualifications, but a rising share of persons with post-Certificate qualifications even within the same occupation. The study finds that a combination of changes in industry structure and demographic trends suggests that vocational skill shortages in construction are unlikely to improve in the medium term.

Introduction: Scope and purpose of the study

This study examines shifts in the industry and workforce structure of the Australian construction industry over the last two decades. The purpose of the paper is to examine how these changes in industry and workforce structure are affecting the capacity of the construction industry to invest in vocational training.

The primary focus of the paper is the on-site ‘vocational’ occupations, that is, those occupations that have the acquisition of an Australian Qualifications Framework level III or lower credential as an entry point for employment in the industry. Vocational occupations include Australian Standard Classification of Occupation (ASCO) (Second Edition) Major Groups Trades, Clerical and Service, Intermediate Production and Transport Workers and Labourers. These occupations comprise the great bulk of occupations in the industry and public policy concern regarding skill shortages has been largely restricted to these occupations, most notably the trade group (Department of Education, Training and Youth Affairs 2001). The paper is intended to contribute to the analysis of, and public policy response to, the sustainability of labour supply in the Australian construction industry.

Changes in industrial structure

The construction industry is a key supplier of infrastructure and investment goods to the economy, with buildings and structures accounting for just under half of all fixed capital investment in Australia. (The other half is equipment) (ABS 2004a). The efficiency of the construction industry is therefore a key determinant of the competitiveness of the supply of infrastructure and investment goods into the Australian economy. Total real output of the construction industry increased by 69 percent between June 1987 and June 2004, slightly faster than total GDP (Figure 1). Based on Population Census estimates total employment in construction increased by 31 percent between August 1986 and August 2004, compared to 28 percent across all industries.

Over the last two decades the industry has undergone major changes in its industrial and workforce structure. These changes are summarised below.
FIGURE 1
Real construction and building output 1987-2004
Australia

Source: ABS Value of Work Done in Construction, Cat No. 8782.0

INCREASED SUBCONTRACTING: The most important change in the Australian construction industry over the last two decades has been an increase in the intra-industry division of labour or subcontracting of work. This intensification of subcontracting is a general trend in the global construction industry in developed and developing countries (ILO 2001). Changes in the industrial structure of the Australian construction industry reflect this intensification in subcontracting. Firms within the construction industry that provide subcontracting services (such as carpentry, painting, plumbing, electrical and earthmoving) to other construction firms are classified to the Construction Trade Services industry. This industry increased its share of employment over the period from 59.5 percent to 64 percent (Morgan 2004).

A number of demand-side and supply-side factors have been identified which have encouraged the growth of subcontracting. On the demand side outsourcing provides flexibility in the use of labour as the contractee only pays for labour when it is used. This is important in construction which historically is subject to major cyclical changes in output (ILO 2001). Subcontracting reduces on-costs such as superannuation, long service leave, payroll tax, sick pay, holiday pay, workers compensation and the administration of these costs that apply to the direct employment of labour. These costs in the Australian construction industry can be equal to 25-30 percent of direct wage costs (Toner 2000:297). On the supply-side there are relatively low barriers of entry into the industry. Subcontracting confers the benefits of autonomy to self-employed contractors and potential tax concessions in transferring from the PAYE system (Underhill, Worland and Fitzpatrick 1998; Buchanan and Allen 1998).

CHANGES IN THE STATUS OF EMPLOYMENT: The obverse of increased subcontracting is growth in self employment. In 1978 21 percent of all persons in the industry were self-employed as either own account workers or employers (Underhill 2004: 211). In 2001 36 percent of persons in the industry were self employed (ABS 2001a). (This data under-estimates the level of self employment as owners of incorporated companies are classified by the ABS as employees of these companies. ABS 2004b: 10). In contrast in 2001 14 percent of the whole workforce was self employed. The growth of subcontracting and the high share of self-employment are also a cause and effect of the much smaller average firm size in construction compared to the economy as a whole (Department of Employment and Workplace Relations 1998: Table 4.3). Growing reluctance of construction firms to directly employ workers is reflected in the dramatic decline
in firm size in the construction industry, which fell from an average of 4.1 persons per firm in the late 1980s to 2.5 persons in the latter 1990s (Toner 2000: 293). In turn this led to a near doubling in the number of establishments from 98,000 in 1998-99 to 194,000 in 1996-97 (Toner 2000:293). This reluctance also contributed to the somewhat higher propensity of the industry to engage employees on a casual basis. (Casual employees have no paid annual leave or sick leave). In 1985 17.3 percent of all employees in construction were casuals. By 2001 this had increased to 32.6 percent. For the economy as a whole 15.9 percent of employees were casual; by 2001 it was 27.2 percent. Growth of self-employment, reduced firm size and increased casualisation have contributed to a large decline in union density. Union density collapsed from nearly half of the construction workforce in 1986 to just under one quarter of the workforce. This reduction closely matches that in the broader economy (ABS1986; ABS 2001a).

These changes in industrial structure and status of employment are argued below to have greatly influenced the occupational structure of the industry over the last two decades.

PUBLIC SECTOR: The other major change in both the international and Australian construction industry is the decline in the role of government 'as a direct provider…of construction services and employer of construction labour' (ILO 2001:21). The Australian public sector share of construction output and employment has declined markedly over the last two decades (Figure 1). In 1987 the public sector accounted for 36 percent of total construction output, by 2004 this had declined to 20 percent. In the 1980s the public sector accounted for 10 percent of all construction apprentices; it currently accounts for 1-2 percent (Toner 2004).

AFFECT OF CHANGES IN INDUSTRIAL STRUCTURE AND STATUS IN EMPLOYMENT ON TRAINING: The effect of the intensification of subcontracting, growth of small firms, increased casualisation and reduced role of the public sector in employment has been to increase the barriers to employer investment in training. Small firms have a lower propensity to invest in training. For example, the propensity of firms to invest in apprentice or trainee training increases with firm size. In 2002 12 percent of firms with less than 20 employees engaged apprentices or trainees. For firms with 20-99 employees 25 percent had apprentices or trainees and this increased to 50 percent for firms with 100 or more employees (ABS 2003: Table 17). Casuals much lower level of employer provided investment than full-time employees (Hall and Bretherton 1999). The reduced role of the public sector in training vocational occupations has not been compensated by an increase in private sector training.

Over the last 13 years from 1991 to 2003 the ratio of construction apprentices to construction tradespersons was around 15 percent lower than for the previous decade (Toner 2003, 2004). There has been no reduction in the demand for the services of construction tradespersons. (This is taken up further below). More generally, construction has the lowest level of employer investment in training of all industries. Construction industry employer expenditure on net direct training as a percentage of gross wages and salaries in 2002 was the lowest of all industries and only 66 percent of the all industry average (ABS 2003: Table 7).

Changes in the workforce structure of the Australian construction industry

CHANGES IN THE OCCUPATIONAL STRUCTURE: It was found that over the period 1986 to 2001 there were significant changes in the occupational structure of the Australian construction industry. These changes are due to three main factors. The first major factor is the intensification of subcontracting and consequent large increase in the number of smaller firms. The number of Managers in construction increased at a much greater rate than total employment due to the number of firms increasing at a much greater rate than total employment. Secondly, technological change and evolving consumer tastes saw a large rise in the number of electrical and airconditioning tradespersons and static numbers of Carpenters. The latter was due largely to the prefabrication of wooden structures and substitution of concrete and steel for wood. The continuing mechanisation of production saw the proportion of Labourers decline. Finally, the inter-industry division of labour had differential effects across occupations.
The absolute number of many Professional occupations directly employed in construction firms, such as engineers and architects, actually declined as these services were contracted out to the Property and Business Services industry. On the other hand the number of in-house computer related Professionals trebled over the period.

Between 1986 and 2001 total employment in the Australian construction industry increased by 31 percent, from 426,140 to 558,551 persons. This compares to 27.6 percent for the total economy (Morgan 2004). All Major Group occupations increased their absolute level of employment, though differential rates of growth resulted in the Major Groups changing their share of total employment over the period. Interestingly, the construction industry is becoming more dependent on Tradespersons, as the Trade Group increased its share of employment from 46.9 percent to 48.2 percent. There was considerable movement however, within the Trade Group, with the number of Carpenters and Joiners increasing by only 8 percent. This low growth resulted in the share of Carpenters and Joiners in total Trades employment falling from 25 percent to 20 percent. This low growth reflects greater use of prefabricated wooden components, such as roof trusses, frames and kitchens and increased use of prefabricated concrete substituting for wood. By contrast the number of Electrical Mechanics increased by 55.8 percent; and Refrigeration and Airconditioning Mechanics increased by 218 percent. This reflects changes in technology and consumer tastes with more electrical, electronics and communications equipment incorporated into new and existing structures. Over the last two decades there has been a substantial lift in the ratio of the value of equipment embodied in structures to the total value of new structures (Toner 1999). Again, as a result of changing consumer tastes, the number of horticultural tradespersons grew by 140 percent.

The Labourer group fell from 13.2 percent to 11.7 percent (Morgan 2004). One factor in this decline was increased mechanisation. Supporting evidence for this was that the construction industry’s net capital stock (buildings, equipment and software) increased by 48 percent between June 1986 and June 2001 (ABS 5204.0a: Table 89). The net capital stock for the entire economy (buildings, equipment and software) increase by 44.9 percent. Over the same period the Census data recorded an increase of 31 percent in total employment in the construction industry implying a real increase in capital per worker of 17 percent.

The share of Intermediate and Transport occupations remained largely unchanged over the period, though the number of Excavating and Earthmoving plant operators increased by 44 percent over the period due, in part, to the increased mechanisation of construction production processes. Interestingly, other occupations associated with the mechanisation of the industry, notably truck drivers have decreased in absolute numbers, presumably, as these services have been outsourced to the transport industry.

The white collar share of total construction employment increased from 28 percent to 29.6 percent. However, there are quite divergent trends within the white collar group. The number of Managers and Administrators increased by 48 percent, increasing their share of total employment from 9 to 10.1 percent. The increase in the proportion of Managers and Administrators was influenced by the reduction in average firm size, which by definition, increases the employment of this occupational group.

There was a marginal reduction in the proportion of Professionals due mostly to a fall in the number of architects and engineers directly employed by construction firms. The services of these Professionals have been outsourced and would be classified to the Property and Business Services industry. This is a consequence of the inter-industry division of labour whereby firms tend to increase their level of specialisation as the size of the market in which they operate increases. Supporting evidence for this affecting the occupational structure of the construction industry is provided by input-output data, which records the use by one industry of intermediate inputs to production from other industries. In 1983-84 the construction industry purchased 9.3 percent of its intermediate inputs from the Property and Services industry (ABS 1985: Table 14). By 1998-99 this had grown to 20.7 percent: an increase of 123 percent. (ABS 2001: Table 14). (This data underestimates the growth in the use of inputs from Property and Business Services as the 1983-84 data includes inputs from the Finance industry, such as repayments of interest and principal on loans to construction firms, where the 1998-99 data only includes inputs from Property and Business services).
On the other hand, the number of Business and Information Professionals, mostly computer related occupations, increased three fold. In 1986 Business and Information professionals represented only 18 percent of total Professionals; in 2001 they were 40 percent of total Professionals. These computer professionals would be engaged in a range of activities, notably project management functions. The fact that these services, unlike many other Professional services have not been contracted out suggests that construction firms regard their services as an essential element in the firms’ core competence and competitive advantage.

The share of Associate Professionals increased from 4.1 percent to 5.2 percent due largely to a doubling in the number of Building, Architectural and Surveying Associate Professionals to 16,500. This stands in contrast to the Professionals group, with engineering, architectural and surveying professionals outsourced to other industries. (Why there should be a difference in the outsourcing behaviour of firms for these related occupations needs to be further investigated).

The increase in Associate Professionals is also due to a very large rise in the number of Business and Administration Associate Professionals reflecting mostly the rise in Office Managers. The large increases in the occupational groups Office Managers and the Major Group Managers and Administrators is due in large part to the near doubling in the number of firms in the construction industry over the last decade, growing at a much faster rate than total construction employment which grew by just under a third. As noted above, the main driver of the growth in the number of firms is the intensification of subcontracting within the industry and the increased specialisation of production activities.

**CHANGES IN DEMOGRAPHIC STRUCTURE**: There has been a significant increase in the age of the construction workforce with the share of persons aged 45 or older increasing from one in every four persons in the construction industry in 1986 to one in three persons by 2001. The share of 15-19 year olds in the construction industry declined by 28.4 percent over the period from 6.7 percent of the total persons employed to 4.8 percent. The reduced share of younger persons has been only marginally affected by an increase in the average age of new entrants (apprentices) to the construction labour market (Saunders and Saunders 2002). This lift in the age of young persons entering the labour market is caused by increased school retention rates over the last two decades. More importantly, the construction industry reflects the more general demographic trends of an aging population. The share of employed persons 45 and older in the total workforce increased from 25.7 percent in 1986 to 34.2 percent in 2001. A construction specific factor is the reduction in the ratio of construction apprentices to tradespersons over the last two decades. As noted earlier, this ratio (the training rate) declined by 15 percent between the 1980s and the 1990s. The trades’ occupation, which includes apprentices, in construction represented over 65 percent of all 15-19 year olds in 1986 and 2001 in the industry.

The combination of demographic trends and a decline in the training rate suggests that skill shortages in construction and other industries are unlikely to improve in the medium term. Population projections suggest that the aging of the workforce, evident in the above data will continue. By 2050 the Australian Bureau of Statistics suggests that 24 percent of the Australian population will be over 65 years old, compared to 12 percent in 1995 (ABS 2000: 15).

**CHANGES IN THE QUALIFICATIONS OF PERSONS EMPLOYED**: The issue of change over time in the educational attainment of the construction industry was examined through Population Census data which cross classified the highest level of post school qualification obtained by persons employed in the industry by occupation (Morgan 2004).

There are three major findings from this analysis. Firstly, between 1986 and 2001 the share of the construction workforce reporting no post school qualification remained constant at 40 percent. Secondly, there was an increase in the share of persons reporting a post school qualification, with 48.5 percent of the workforce having such a qualification in 1986 compared to 55 percent in 2001. Both of these findings are affected by a substantial reduction over the period in the share of employed persons whose education qualifications could not be coded or was not stated. In 1986 the level of education could not be coded for 11.6 percent of the construction workforce compared to just 5.0 percent in 2001. Nevertheless, these findings are consistent with other data sources which indicate that the share of the workforce with a post school qualification has increased over the last two decades (ABS 2002b).
The third key finding is that there was a significant increase in the level of educational qualifications attained. In 1986 3.8 percent of the construction workforce had a qualification above a Certificate level. In 2001 8.5 percent had a qualification above a Certificate level. Moreover, most Major Group occupations showed an increase in the share of persons with a post-Certificate level of education. Nevertheless, the Certificate remains the most important single qualification with 44.8 percent of the workforce having this qualification in 1986 and 46.6 percent in 2001. (A Certificate level qualification is the typical entry level qualification for the trades’ workforce).

These three findings suggest a growing ‘educational segmentation’ within the construction industry, with a consistent 40 percent of the workforce having no qualifications, but a growing proportion of the workforce obtaining post-school qualifications and these qualifications at a higher level. This segmentation is occurring across most occupations. For example, only .7 percent of all tradespersons stated they had a post-Certificate qualification in 1986, by 2001 this increased to 3 percent. A striking example of this segmentation is that in 2001 10.9 percent of Amenity Horticulture Trades (nurserymen, landscape gardeners and green-keepers) had an Advanced Diploma or higher qualification (4.8 percent degree qualified). On the other hand 48 percent of persons employed in this trade had no qualifications. In 2001 8.1 percent of Communications trades and 6.4 percent of Electrical and Electronic trades have post-Certificate qualifications. This educational segmentation suggests that there is growing variability in the ‘quality’ of tradespersons in ostensibly the same occupation.

The increase in the share of the construction workforce with post school qualifications and the increasing level of these qualifications is due to a number of factors. Firstly, the construction industry is affected by the general upward shift in educational attainment across all occupations in the economy. Secondly, the share of total employment of those occupations having an above average rate of post school qualifications, Managers and Administrators, Associate Professionals and Trades (especially electrical, electronic, communications and horticulture) increased over the period. (The share of Professionals in employment remained largely static). Conversely, there has been a reduction in the share of total construction employment in those occupations with a below average rate of post school qualifications. Thirdly, the upward shift in the share of persons with post-Certificate qualifications in some trades, especially in electrical, electronic and communications is presumably being driven by the demands of new technologies.

Finally, a form of credentialism may also be important in explaining the increase in the share of the construction workforce with post school qualifications and the increasing level of these qualifications. For the economy as a whole over the last two decades there has been an increase in ‘the under-utilisation of skills and education in the workforce’ due to a rise in the share of persons working in occupations that require no qualifications or a lower level of qualification for entry than their highest qualification (Considine 2000:5). This is evident for example in the fact that in 2001 27.1 percent of all Intermediate Production and Transport Workers (typical jobs include steel fixers, crane drivers, exacting equipment operators, forklift drivers, and truck drivers) had a Certificate III or higher qualification. A similar proportion of labourers had these qualifications. In 1986 just under 20 percent of all Intermediate Production and Transport Workers and 16.4 percent of all Labourers had these qualifications. One driver of these trends is that studies of the career paths of tradespersons show that 25 percent of qualified tradespeople to work in occupations below the trades (ABS 1993: Table 1.8). Given the boom in construction employment it is likely that tradespersons outside of construction, such as those from manufacturing industry, are finding employment in the construction industry below the trade level. The possibility that a significant proportion of qualified tradespersons are working below the trade level in construction has important implications for current analysis of, and strategy for, redressing trades skill shortages. Currently there are no strategies focused on reducing the large ‘leakage’ of the stock of qualified tradespersons into lower skilled occupations. This issue warrants further research.

The increase in the proportion of persons below the trade having post-school qualifications could also have been affected by the growth of traineeships in construction. Traineeships are almost exclusively concentrated in the AQFII-III level. This was investigated and found to account for a maximum of 23 percent of the increase in the number of persons reporting a post school qualification employed in below trade occupations. The growth of traineeships over the period therefore is secondary to explaining the growth in persons with Certificate qualifications working in occupations below the trades.
Conclusion

Over the last two decades there have been major changes in the industrial and workforce structure of the Australian construction industry. This re-structuring has important implications for the sustainability of on-site skilled labour supply. The intensification of subcontracting has reduced firm size and induced large changes in the status of employment, notably growth in self employment and casualisation. These changes have created significant impediments to employer investment in training as evidenced by declining apprentice training rates and overall low employer investment in training.

There is also growing variability in the quality of labour supply due to increasing ‘educational segmentation’ across the industry and even within the same occupation. Over the last two decades the proportion of the construction workforce with no post school qualifications remains static at 40 percent, but on the other hand, there is a significant rise in the proportion of the vocational workforce with post-Certificate qualifications.

As in the wider economy the industry was subject to major demographic change. Between 1986 and 2001 the share of persons 45 years and older increased from one in every four worker to one in every three. This strongly suggests looming labour supply difficulties as the older cohort retire in the next decade. The combination of demographic trends and decline in the apprentice training rate suggests that trade skill shortages in construction are unlikely to improve in the medium term.

Paradoxically, a large number of qualified tradespersons are working in sub-trade construction occupations. It was suggested this may reflect a movement of tradespersons from outside construction into the industry, given buoyant labour market conditions in the industry. It is concluded that current strategies to deal with trade skill shortages outside of construction, focussed exclusively on increasing the flow of new entrants, may need revision.

The re-structuring of the Australian construction industry and the difficulties arising for the sustainability of skills supply have close parallels with many other countries (Winch 1998, Syben 1998, ILO 2001). Current and prospective skilled labour supply difficulties facing the construction industry are important, not just in terms of the direct costs associated with labour shortages. There are also a variety of indirect costs, notably a less skilled construction workforce has lower productivity, requires much higher levels of supervision and has less capacity to introduce product and process innovation (Clarke and Wall 2000, Clarke and Herrmann 2004).

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‘Why do we bother?': Recruitment and training in a call centre

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ABSTRACT

There appears to be a number of paradoxes within the management of the growing call centre sector. This paper considers one of these paradoxes, the extensive recruitment and training regimes in workplaces that are faced with very high levels of turnover. Along with increased levels of control over labour, this large organisation allows employees to transfer internally thus offsetting the high recruitment and training costs.

Introduction

Many call centres appear to have rather involved recruitment and training processes and yet, there remains a high level of turnover and burnout reported within the industry. This paper focuses upon the paradox of call centre recruitment and training. Thus far, there has been little academic debate on the issues of recruitment and training in call centres. While Callaghan and Thompson provide a single case study that focuses on recruitment and training in call centres (2002), the authors also note the dearth of research in the area. Callaghan and Thompson suggest that call centres undergo such intensive recruitment and training regimes in an attempt to ‘address the indeterminacy of labour, in part, outside the labour process’ (Callaghan and Thompson 2002: 234). van den Broek (2003) provides a two-case comparison that considers recruitment strategies as the strategies relate to union exclusion. This paper explores what a call centre ‘does’ for their recruitment and training, and ponders a rhetorical question asked by the Training and Development Team Leader ‘why do we bother’?

This paper is divided into five main sections. After a brief discussion of methodology, this paper will consider aspects of recruitment, training and emotional labour. This will be followed by some background information about the case study organisation. The recruitment and training regimes at PowerGrid are considered separately. Finally, this paper will draw conclusions from this case study in an attempt to determine why organisations with high levels of turnover invest substantial time and resources into extensive recruitment and training programmes.

Methodology

The research presented in this paper was collected through an ethnographic case study. Throughout a period of more than six months, data was collected considering a range of workplace issues. Primarily, the data was collected through non-participant job observation in the workplace, including recruitment, selection and training processes. In addition, ten interviews were conducted with informants from the PowerGrid call centre (A total of 18 interviews were performed, however only ten discussed issues relating to recruitment and training). Most of these people were managers and team leaders, although a union representative, a HR representative, a Roster and Planning officer, and a former supervisor were also interviewed. Interviews were informal, but topics of discussion and some relevant guiding questions were established by the researcher prior to the interview. Finally, organisational documents that related to recruitment and selection, training, rostering and turnover were obtained and analysed.
Recruiting and training the emotional labourer

While there has been a large volume of literature examining many aspects of the burgeoning call centre sector, there has been little attention paid to the recruitment and training processes in these organisations. It is becoming commonly accepted that CSRs are required to perform high levels of emotional labour (Taylor 1998; Wray-Bliss 2001; Mulholland 2002). In The Managed Heart, Hochschild suggested that there were potentially negative consequences for workers who were faced with ‘the management of feeling to create a publicly observable facial and bodily display’ (1983: 7). While CSRs involved in voice-to-voice interactions may not be required to display observable facial and bodily displays, they are required to empathise with their customer, manage the tone of their voice and control their emotions while servicing difficult customers. A common adage is that the CSR needs to ‘smile down the phone line’. Call centre operations are obliged to find employees who can ‘micro-self manage’ (Wray-Bliss 2001: 42) a complex mix of skills and competencies.

There are alternative approaches to the recruitment and selection of employees within organisations. There is of course the informal network of recruitment where employees are sourced through word-of-mouth. There is a more formalised and traditional ‘job-centred’ process where employees are recruited for their ability to perform a particular set of tasks. At the other end of the spectrum, organisations can recruit based on more intangible qualities within the person. For example, organisations can seek to match an applicant’s adaptability, teamwork skills, self-confidence, and degree of optimism to the existing organisational culture. While it is expected that various organisations engage in different recruiting methods, there is a body of literature that recognise the ‘person centred’ approach to finding the attitude to match the organisation, rather than the skills to match the tasks (Thompson and Findlay 1999; Alvesson and Willmott 2002; Callaghan and Thompson 2002).

An important role of recruitment is a form of organisational ‘gate-keeping’. That is to say, that those employees involved in recruiting are responsible for ensuring only the appropriate persons are employed. With the growing focus on customer service in the burgeoning service sector, the gate-keeper’s role is becoming increasingly important. The role is two-fold; the gate-keeper must be sure to allow the right people in, but also, to ensure the wrong people are kept out. Furthermore, many organisations with high degrees of emotional labour place a substantially greater importance on a person’s personality than their experience, training and skills (Nickson, Warhurst et al., 2001). As such, clichés become the order of Human Resource (HR) and Recruitment Departments with terminology like ‘We recruit attitude’ (Callaghan and Thompson 2002); ‘if they are willing to learn they are better to employ’ (Townsend 2004); and the aim to identify ‘individuals’ with ‘suitable characteristics’ (van den Broek 2003). The following section turns the focus of this paper to our case study organisation, PowerGrid.

POWERGRID: Since the early 1990s the supply of electricity and gas to Australian consumers has undergone dramatic changes. Industry deregulation is one change that has increased competition and had a major impact on previously government owned monopolies. Through a related restructuring process, in 1997 the former government owned monopoly supplier became a subsidiary company, and existing government owned corporation (GOC), PowerGrid. A number of regional electricity boards formed a joint project committee to investigate the development of a joint customer contact centre. While this project ultimately failed, the Customer Service department of PowerGrid utilised the knowledge and detail gathered through the research process to develop their own contact centre.

As a GOC, PowerGrid management are expected to develop efficient and effective operating processes. However, there is protection from pressures such as labour costs that might drive other call centres to outsource, or even to move offshore. Nevertheless, PowerGrid management appear to adopt a similar approach to that presented in many call centres, where employees are distracted from the tedious aspects of their work. This is achieved through a significant amount of time and materials committed to ensure the physical workspace is bright, vibrant and motivating, designed for employees to have ‘fun’ while they are at work. This environment was the motivation for the labelling of call centres as ‘bright, satanic offices’ (Baldry, Bain et al., 1998), a play on poet William Blake’s reference to the ‘dark, satanic mills’ of industrialising England (Blake 1804).
PowerGrid management have taken the step of codifying what the organisation’s culture means. This was achieved through a simple and reasonably vague five-point framework. Rather than list the five points for the employees in straight forward point form, a five-pointed star was utilised with each point representing a key value required to achieve the organisation’s culture. The figure was then developed to become the on-screen wallpaper of every computer throughout the call centre, a constant visual reminder of what was expected of employees.

In addition, forming an acrostic in large colourful cardboard letters spanning one of the walls, CULTURE is defined as: Communication, Understanding, Learning, Teamwork, Unity, Recognition and Everyone. Furthermore, central to the culture at the PowerGrid call centre, but aside from the ‘official’ cultural norms is the notion of ‘fun’. It is the role of the team leaders to be the fulcrum between the arduous aspects of the employment and the social and fun activities.

The work of PowerGrid CSRs is tightly monitored in terms of electronic surveillance, as well as having some scripting of calls, and low levels of task discretion. The incoming calls to the centre are placed in a queue, and distributed automatically to CSRs through an automated call distribution system (ACD). With Erlang ‘C’ planning, the ACD system also provides the Rostering and Planning officer with a range of information that is used to determine appropriate levels of staffing. Importantly, staff levels are measured to ensure there is always a queue, hence when CSRs are finished with one caller there will always be more calls waiting for them to attend to. It is from this data that the total number of required roster hours is determined, along with opportunities to plan team briefs, ‘fun’ activities and theme days.

The literature on call centres has evolved to a point where it is very clear that there are substantial differences between call centres (see for examples: Taylor and Bain 2001; Russell 2004). Batt argues that some call centres resemble the classic mass production model of simple and short job cycle times (less than one minute) typically serving up to 465 customers a day. This is compared to the other end of the spectrum where CSRs may handle only 30 customers a day with very complex transactions (Batt 2000: 549-551). The PowerGrid call centre seems to fit towards the quality end of what has been described as a call centre spectrum from quantity to quality (Taylor and Bain 2001). Each individual CSR is expected to take approximately 90 calls per day. Talk times average between 108 and 126 seconds. In addition, a 90 second post-call wrap period in which follow-up clerical work is completed are measured and included as some of the targets that contribute towards an employee’s performance bonus. This balance between quantity and quality and the managerial approach at PowerGrid have contributed to the centre receiving two state-wide awards as the ‘best call centre’ in 2001.

Recollecting the emotional labourer

Traditional job-centred or operational skills recruitment is relegated in importance behind person-centred recruitment designs that aim to attract personal qualities that align with the formal aims of the organisation (Jewell and Siegall, 1990; Thompson and Findlay, 1999; Findlay, McKinlay et al., 2000; Hallier, 2001; Rowden, 2002). The objective for organisations is to:

‘...develop the selection process so that only people whose values are consistent, or could be made consistent, with the dominant values of the organisations are able to increase the strength of the culture and reduce the possibility and consequences of undesired behaviour’ (Ogbonna 1992: 81)

Quite often the intensity of the recruitment process is designed to ‘put off many of the less committed’ applicants (Wickens 1987: 176). This proposition is supported in PowerGrid with complex and lengthy recruitment procedures.

Recruitment in the inbound call centre plays an important role for a number of reasons, including the growing number of total employees required within the call centre combined with the large turnover. The PowerGrid call centre has reduced the level of turnover from more than 43 percent in 1999 to a low of 21 percent in January of 2000 before returning to the 2003 level of almost 30 percent (Electronic data received from Roster and Planning Officer, 16 June 2003). It is well accepted that call centre employees leave in vast numbers thus externalising their resistance (Thompson 2003). These figures are comparable to many call centres, with data from the 2002 Australian Call Centre Report citing Industry turnover figures falling from 28.5 to 22.7 percent in 2002.
PowerGrid is a large organisation that provides employees with the opportunity for internal transfers. Employees utilising the opportunity for an internal transfer is viewed as positive turnover, when compared to negative turnover when people leave the organisation altogether. Since 2000, negative turnover has been close to half the rate of positive turnover (therefore negative turnover is approximately one third of total turnover). This is important for the organisation as positive turnover offsets the cost of training and recruitment that would normally be lost when employees leave an organisation. Similar to the findings in van den Broek's case study of Tellcorp and Servo (2003; 2004), the key focus of recruitment, in the view of the call centre's recruitment officer, is to find the ‘right fit’ of employees for such a ‘high stress’ environment (HR representative, 8 April 2003).

The key focus of recruitment, in the view of the call centre’s recruitment officer, is to find the “right fit” of employees for such a “high stress” environment (HR representative, 8 April 2003). Initially, advertising is performed both internally, through intranet sites and newsletters; and externally within the main metropolitan newspaper. Advertising for recruitment has been occurring every two to three months, with each round of advertising commonly attracting more than 700 applicants. The HR department is faced with the task of reducing this expansive list of applicants to a more manageable shortlist of prospective recruits. Generally, this ‘shortlist’ will be of between 100 and 120 applications. Telephone interviews take place to further reduce the mass of candidates to approximately three times the number of positions available. Generally, ten positions are filled at a time; hence, the group that is invited to take part in the next stage is between 25 and 30 people.

Those applicants who remain on the shortlist are invited to the worksite to participate in the next phase of the recruitment process. This stage involves two activities that the researcher witnessed group role-playing and written tests. Three written tests for the potential applicants are designed to measure levels of abstract reasoning, verbal reasoning and basic computer understanding. A HR representative administers these tests. Following the written testing procedure applicants are relocated in groups of eight to ten to perform group role-playing. HR representatives and call centre team leaders observe this role-play testing to assess participants. One task for the group to perform is to collectively rank ten different aspects of call centre life, based on what the candidate rates as most important.

Throughout this process, vague instructions are provided to add additional frustrations and opportunities to assist in differentiating those people involved. Some examples of the aspects of call centre life that are to be ranked include: teamwork, customer service, problem solving and having fun. Those who are grading the participants in the role-playing exercise place a rating against each potential employee for skills such as communication and cooperation with fellow applicants, willingness to engage others in the conversation, ability to compromise and problem solving. All are important skills when working in a team. This process takes approximately one hour, with the PowerGrid employees engaging in a discussion after each group role-play to ascertain which applicants will be invited back for the next stage of the recruitment process.

Reference checks are completed for those who have been successful to this point and the applicants are invited for the final stage of the recruitment process. This stage also involves two separate activities, the first being face to face interviews, and the second being telephone skills testing. The HR representative places a great deal of importance on the face-to-face interviews. It is in this context, according to the HR representative, that questions regarding previous work experience in customer service are asked in an attempt to determine the probability of potential applicants meeting a ‘standard of call centre effectiveness’ (8 April 2003). Some of the key traits that are sought by PowerGrid in their recruits are: good communication; teamwork; good customer service; the ability to be trained; and employees who are willing to exceed customer’s expectations and find solutions.

Telephone role-play provides the applicant with an opportunity to demonstrate their ability to process information while maintaining a conversation with a customer. The applicant is given ten minutes to read eight pages of information about a simulated company. This information includes details about specifics like products and services. While talking on the telephone to a PowerGrid staff member with a script, the recruit is expected to answer questions about information sought and in addition, offer information promoting products and services.
Following this staged call, the applicant is then faced with an angry customer, again a staged call. Observants are looking for an applicant that is able to identify the important information, handle the conflict while remaining calm and empathising with the customer. These skills are all aspects previously presented in call centre research on emotional labour (Holman 2003; Lewig and Dollard 2003; Zapf, Islie et al., 2003).

The recruitment process is developed around a cognisance that the call centre environment is very stressful and therefore successful applicants must be capable of positive interaction when faced with a high pressure situation. In essence, the recruitment process is intended to differentiate between people who are ‘team players’ with a view to ‘avoiding people who may cause problems.’ (25 March 2003) This was to suggest that call centres are a high stress environment and it was the role of the HR section to recruit ‘level headed people who won’t flip out when the pressure is on.’(25 March 2003) Furthermore, recruits had to be the ‘type of person’ to fit the organisation’s culture. This organisation demonstrates a consistency found by Thompson et al. (2002; 2004; 2004) with other call centre recruitment processes where it is the person’s attitude rather than their skills that are sought through the recruitment process. It is interesting that the people involved in the recruitment process are aware of the large level of internal transfers from the call centre to the organisation proper. All PowerGrid participants suggest that they pay some attention to the ‘bigger picture’, however, they also suggest their primary focus is protecting the integrity of the call centre recruitment process.

**Training the emotional labourer**

A high rate of turnover in call centres lends itself to arranging training in a manner that is quick ensuring workers are answering the telephones in the shortest possible time (Frenkel, Tam et al., 1998; Batt, 1999). However, as mentioned previously, turnover at the PowerGrid call centre is divided between employees transferring internally within the organisation (positive turnover); and people leaving the organisation all together (negative turnover). Offering expected responses to the related issues of training costs and turnover, the HR representative and the Roster and Planning officer suggest that as the organisation commits a lot of resources to train the staff PowerGrid therefore want employees to remain with the organisation. By maintaining employment with the wider organisation PowerGrid has a greater opportunity to secure a return on the training investment.

When developing a new operating system in the call centre, one of the goals was to bring about a reduction in training time. Previously, new CSRs faced a period of eight weeks training and the goal was for this to be halved to just four weeks. However, the training team leader suggests that the management team withheld information about the new system. Rather than being a completely new operating system, the new system was in fact an ‘add-on’ to the current system. Hence, the training team leader is now obliged to train new recruits on two systems (the original and the new system) for effective performance in the workplace.

Currently, new recruits undergo a three phase training programme. The first phase consists of two weeks of learning the computer applications away from the telephones. This training is consolidated with two weeks of taking calls in a controlled environment referred to as ‘the nursery’ and decorated with a range of baby clothes, nappies, pacifiers, and baby bottles. While the infantilising of the learning environment can be interpreted as demeaning, this idea is dismissed by management as just part of the ‘fun’ culture in the centre. At this stage, the recruits take live calls with the assistance of a training partner. Stage two consists of two weeks learning about more advanced processes, again followed by a two-week period of consolidation in the nursery. After these eight weeks, new recruits are allocated to their team in the call centre proper. Recruits are then on a twelve-month probation period, which more than 80 percent successfully complete.

Once the initial training process is completed, CSRs are required to complete fifteen self-paced training modules within the first twelve months of employment. The successful completion of the fifteen training modules results in the CSRs achieving a State Government accredited ‘Certificate in Telecommunications’. Completion of each individual module represents a modest increase in the CSR's wages. In addition to the fifteen compulsory training modules, there are an additional five optional training modules.
These additional modules also provide a modest pay increase, but more importantly, completion of the additional modules ‘demonstrates a willingness to commit and therefore the CSR would be more favourably looked upon if there was a promotion to a ‘senior’ available.’(Training and Development Representative, 10 June 2003).

Using a labour process interpretation of the employment relationship we are aware that members of the labour force do not completely surrender their soul to the management of their organisations. Employees maintain an ability to make decisions to slow their work, lie, cheat or steal from the organisation or indeed, to work hard and honestly for their company, themselves or a manager to whom they may be dedicated. It is one of the key managerial responsibilities to engage the employees in a manner that extracts the highest level of surplus value. As Callaghan and Thompson suggest, the recruitment processes at many organisations, call centres included, are designed to select the right person for the organisation. That is to suggest, use the recruitment process to ‘weed out’ those employees who may be more likely to resist managerial initiatives and controls and to attract those employees who wish to serve the organisation willingly and honourably. That is to say, the recruitment processes are designed as an investment in the workforce with the expectation that the investment will pay dividends in the future.

PowerGrid managerial staff recognise that they play an additional role in the larger organisation. Not only is their responsibility that of operating the call centre efficiently, but as a primary gate-keeper for the rest of the organisation. Not all PowerGrid employees enter employment through the call centre, however a large number do. Consequently, by selecting the ‘right’ employee initially, the investment in recruitment and training has an immediate return in the call centre, but an ongoing return when the employees progress into the larger PowerGrid organisation.

The management of the PowerGrid call centre have invested approximately $30 million (AUD) to develop an ACD system that reduces the training time substantially. However, the management failed considerably in this regard by establishing a system that was an ‘add-on’ to the existing system. Hence, training time for employees actually doubled to ensure incoming CSRs were familiar with the new ACD system and the existing, organisation-wide system. Certainly this is an example of poor planning, or at best, planning with restrained choices on the part of management. Without question the doubling of training time was an unintended consequence of this planning. It is expected that eventually service delivery will improve with the new operating system; however there is doubt over whether training time will decrease while employees must learn their way around two operating systems before they are ‘job-ready’.

The new Customer Management System (CMS) was in many ways an investment in removing employee control over decision-making and increasing the managerial control over the quality of service provided. That is, more scripting and fewer areas where mistakes can be made by employees. However, the new systems appeared full of inadequacies or ‘BIRs’ (Business Investigation Requests). Employees spoke regularly of their frustration with the new system. One of the primary frustrations employees hold is the speed that the CSRs can service the customers while using the new system. Unexpectedly, the new system operated slower than the existing system. Employees found the computer system slowing their service provision frustrating and began to ‘flick’ between the old and the new systems. This is a difficult situation for management and employees alike. If employees continue to use the old system then the ‘BIRs’ will never be resolved. However, if employees do not flick between the systems then the customer will be provided with an inadequate level of service. Employees share among their team the information to ‘trick’ the system and act against managerial expectations for the short to medium-term productivity gains and hence, the benefit of the organisation.

Employees provide a number of responses that consider the irony of disobeying managerial expectations as a means to providing the level of customer service expected by both management and the customer. Employees are facing heightened levels of emotional labour while the CMS system is operating ineffectively. This is an example of a situation that the HR representative refers to when suggesting that the recruitment process is extensive to ensure that the call centre is full of ‘level headed people who won’t flip out when the pressure is on.’
Conclusions

Callaghan and Thompson suggest that call centres undergo such intensive recruitment and training regimes in an attempt to ‘address the indeterminacy of labour, in part, outside the labour process’ (Callaghan and Thompson 2002: 234). Labour, the employees, maintain some degree of control over the processes in which they are engaged. This control is certainly limited in the highly scripted, highly monitored call centre context. This case study reflects the notion that employees in call centres face intensive recruitment and training regimes as a means of deselecting the wrong people and selecting people who have appropriate values and attitudes, if indeed they are lacking the appropriate skills. PowerGrid does hold an advantage over many call centres in the fact that it is a GOC and consequently not under the same financial pressures that many publicly-listed organisations would face. Furthermore, the organisation is also in the position to take a more broad approach to the costs associated with recruitment and training as a substantial portion of call centre turnover is internal, or within the larger organisation. Consequently, while pondering the extensive recruitment and training regime in place, the Training and Development team leader is posing a good question when asking ‘why do we bother?’ It appears the simple answer in this particular organisation is two-pronged: to select employees who would fit the organisational culture and the turnover costs are absorbed in internal transfers.

References


Where there’s smoke, there’s fire: The targeted selection of informants within organisational research

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ABSTRACT

This paper examines the difficulties encountered by researchers while trying to acquire an ‘emic’ or insider’s view of an organisation. It argues that smokers, because of their social outcast status, and their need to step outside for a cigarette, provide researchers with the opportunity to gain valuable insights into the operations of the firm. It is well-established that participant and non-participant ethnographic research provides an opportunity to investigate workplaces beyond the scope of workplace questionnaires and interviews. Through data collected across three separate research projects, this paper argues that smokers, as social outcasts in the workplace, present an opportunity to collect a wealth of important research data.

Introduction

In recent years, the introduction of anti-smoking legislation in Queensland has meant that employees who smoke cigarettes are no longer allowed to do so at their desk, workstation or staff canteen. Commonly, employees who smoke are forced outside the boundaries of their workplace to partake in their habit. This paper considers the importance of cigarette smoking employees in ethnographic research. It is well-established that participant and non-participant ethnographic research provides an opportunity to investigate workplaces beyond the scope of workplace questionnaires and interviews. Through data collected across three separate research projects, this paper argues that smokers, as social outcasts in the workplace, present an opportunity to collect a wealth of important research data.

This paper divides into four main sections. The first section provides a background into the ethnographic case study method. This is followed by a consideration of research tools that have been considered within the literature on conducting ethnographic research. Section two provides a brief consideration of anti-smoking policies and legislation within Queensland. The third section presents the experience of three separate case studies where interactions with cigarette smokers have either, provided important organisational data, or alternatively, provided a means of entering what Cunnison (1966) referred to as the ‘gossip circle’. This section adopts the first person approach. The authors recognise that first person prose is uncommon in industrial relations research; however, for the purposes of this paper it is appropriate because it is, in part, a journey of discovery. The final section of the paper draws on the evidence to demonstrate how the community of smokers, as social outcasts, are valuable in investigating workplace issues. For researchers and practitioners, these social outcasts may very well prove to be an important barometer of employee attitudes; attitudes that may be unable to be measured through traditional staff surveys.

The ethnographic case study

Qualitative research is mainly concerned with the properties, the state and the character of phenomena (Labuschagne 2003). The emphasis lies on processes and meanings that are examined, but not measured in terms of quantity or frequency. Qualitative research approaches are often preferred when the main research objective is to improve our understanding of a phenomenon and its context (Audet and d’Amboise 2001). Such methods commonly produce detailed data (through direct quotation and careful description of situations, events, interactions and observed behaviours) about a small number of cases (Labuschagne 2003).

Industrial relations research in Australia has traditionally been dominated by qualitative case studies. This is due to the fact that the case study is an excellent means of explaining how and why particular events or actions have taken place (Kitay and Callus 1998; Gardner 1999; Sutcliffe 1999). However, it must be noted that within the broad family of ‘case study’ methods, there are a range of sub-methods.
There are many strengths associated with in-depth, qualitative studies of organisations. Such methods allow researchers to investigate perspectives and issues that are often out of the reach of quantitative research methods. For example, researchers are able to ‘get under the skin’ of an organisation to find out what really happens, as the ‘informal reality’ can only be perceived from the inside (Gillham 2000: 11). Case studies provide the opportunity to draw a range of data collection methods together, in an attempt to develop a rich and detailed analysis of a particular organisation. One aspect of data collection is ethnography.

There is a significant body of literature that argues convincingly that ethnographic research allows a researcher to find a ‘truth’ that is different to the picture presented on the surface of the workplace (see for example: Friedmann and McDaniel 1998; Neumann 2000). Ethnography is not unusual in the fields of industrial relations/industrial sociology. Indeed, some of the ‘classics’ appear as a result of ethnographic research (see for examples: Roy 1952; Cunnison 1966; Burawoy 1979; Kunda 1992; Barker 1993; Scott 1994). Ethnography is a:

…family of methods involving direct and sustained social contact with agents, and of richly writing up the encounter, respecting, recording, representing and at least partly in its own terms, the irreducibility of human experience. Ethnography is the disciplined and deliberate witness-cum-recording of human events (Willis and Trondman 2000: 5).

By selecting a case study method and utilising the ‘closeness’ allowed through ethnography, a rich level of detail can be achieved. The most widely articulated objective of ethnographic research is to:

…discern, grasp, and understand the world at hand from the standpoint of its members or practitioners; to acquire an insider’s view so that, in the words of Geertz (1973: 6), one can distinguish between a wink and a twitch (Snow, Morrill et al., 2003: 183).

One of the primary research methods used by ethnographers is participant observation. By mingling with the research subjects, and participating in their daily work life, knowledge of the research organisation and its cultural and behavioural patterns is enhanced. The aim of ethnographic research is to acquire an ‘emic’ or insider’s view, as opposed to an ‘etic’ or outsider’s view (Hall 2004). In order to achieve this ‘emic’ view, it is necessary to actively participate in the research subject’s daily routine, while observing their behaviour in a non-subjective manner. However, this type of methodology presents practical difficulties. Sutcliffe (1999) highlights the cost of this method in terms of researcher time. Most industrial relations researchers therefore adopt the role of non-participant observers (Sutcliffe 1999). One of the primary problems with non-participant observation is that an awareness of researcher presence amongst research subjects is likely to modify the behaviour of informants (Sutcliffe 1999). This is of particular import if the researcher is trying to unearth material at variance with the corporate position. Methods need to be found that enable researchers to ‘break the ice’, establish trust and rapport with research subjects, and find those ‘unexpected stories’ (Behar 2003: 16).

Entry and acceptance into an organisation is critical in designing a research project (Bryman 1988), and largely dependent on the goodwill of managers. Indeed, Sutcliffe (1999: 143) suggests that researchers must be introduced as ‘separate’ from management. While an ethnographer attempts to remain objective and independent of influence, maintaining a good relationship with management of the organisation is critical. Unfortunately, this can lead to a perception by employees that the researcher is present as little more than a ‘management informer’, creating a potentially impenetrable barrier to quality data collection, particularly if you are investigating resistance. A large part of the problem is the formal setting in which organisational research is conducted. Within organisations, and particularly in confined workspaces, employees are often loath to voice opinions that contradict the management position.

The data presented within this paper is drawn from two separate research projects that were investigating unrelated topics. One project was investigating covert resistance within work teams, while the other project was investigating labour utilisation in a retail chain. As such, this is an example of a cross-case pattern that became apparent in a serendipitous fashion such as Eisenhardt (1989; 1999) suggests. Within the context of each individual study other research methods were utilised. For example, the teams research project included 31 interviews with company personnel. The retail project included 45 interviews with 34 individual research subjects,
management and employees, and 272 self-administered questionnaires. In the case of the retail project only two formal interviews were conducted with ‘smokers’, most discussions were informal in nature. However, what was realised throughout both research projects is that smokers, when forced outside the workplace, become a valuable source of information, particularly if the data sought is of a sensitive nature. As such, these smokers are a valid means of triangulating data, confirming hunches and uncovering another side of the story. The following section of this paper considers the changes in smoking legislation that have provided researchers with a group of social outcasts, and an informal setting, from which to draw research subjects.

**Smoking in the workplace – hiding your butts**

The first ‘anti-smoking’ legislation, the *Tobacco and Other Smoking Products Act* was introduced in Queensland in 1998. This legislation was designed to protect members of the public from the health dangers of smoking and also to reduce the uptake of smoking within the community, especially amongst children. As a result of this legislation it is generally unlawful for persons to smoke in enclosed spaces in Queensland (s.26R(1)). Smokers, therefore, are legally required to smoke outdoors. Many workplaces have developed their own smoking policies which stipulate that smokers must not smoke within prescribed distances from doorways and windows. Consequently, there are often large numbers of employees standing around outside buildings having a smoke. While we recognise the dangers inherent in passive smoking and certainly do not advocate taking up smoking as an aid to research, the following case studies highlight the value of smokers as a means of establishing rapport with research subjects, as well as gaining an ‘emic’ view of the organisation and its practices.

**The three case studies**

The data for these case studies was drawn from research conducted across a number of disparate projects in industries as diverse as call centres, food retailing and food processing. In each case, the researcher needed to establish rapport with the research subjects, and in each case this was made difficult by the nature of the work that the research subjects were engaged in and the pace at which work was undertaken. In two of the firms, the attitudes of firm-level management towards the presence of researchers also made gaining access to research subjects and establishing this rapport difficult. These cases all highlight the practical value of smokers as research subjects, both for building research relationships and for providing a divergent perspective that is often missed by formal interviews or surveys.

**CALL CENTRE**: The Call Centre was a relatively new organisation, and while it has been well established that call centres are not homogenous (Batt 2000; Hutchison, Purcell *et al.*, 2000; Taylor, Mulvey *et al.*, 2002; Taylor, Baldry *et al.*, 2003) there is nothing atypical about this call centre. Employees face a high degree of monitoring and performance measurement, high levels of pressure and high levels of turnover. The research process at the Call Centre was based around informal discussions with employees about aspects of being organised into teams in an organisation with such individualised work processes. Part of this included attempting to uncover individual and collaborative acts of covert resistance. However, as I have noted elsewhere, employees initially seemed to hold a degree of reticence in discussing issues of covert resistance with me, an outsider (Townsend 2004). Part of this was associated with this style of methodology in such a research setting.

Taylor and Bain (1999: 109) refer to call centres as ‘an assembly line in the head’ due to the similarities between traditional Fordist regimes in terms of mass production of product (or service in the case of call centres), and short job cycles. The work of Call Centre employees is tightly monitored in terms of electronic surveillance, as well as having some scripting of calls, and low levels of task discretion. The incoming calls to the centre are placed in a queue, and distributed automatically to CSRs through an automated call distribution system (ACD). This system also provides the Rostering and Planning officer with a range of information that is used to determine appropriate levels of staffing. Importantly, staff levels are measured to ensure there is always a queue, hence when CSRs are finished with one caller there will always be more calls waiting for them to attend.
Employees work in an open-plan office space with each CSR sitting in a partitioned cubicle. While sitting in the workstation the cubicles are slightly above head-height for an average sized adult, limiting the potential visual distraction from surrounding employees. Each cubicle is equipped with a networked computer, a telephone and headset and minimal and ever-decreasing number of hard-copy manuals. Although employees have only a semi-permanent partition separating them physically from the adjoining CSR, the overarching requirement to be on the telephone for approximately 85 percent of their working day, limits worker interaction. Each individual CSR is expected to take approximately 90 calls per day. Talk times average between 108 and 126 seconds. In addition, a 90 second post-call wrap period in which follow-up clerical work is completed are measured and included as some of the targets that contribute towards an employee’s performance bonus. It is within this context that the informal conversations remained short and problematic for data collection. Consequently, I was able to collect much of the data from employees while away from the employee’s workstations.

Commonly, employees would relax in what was known as ‘the breakout room’ while on breaks. The room was rather small with a fridge, a television, a table and four chairs along with four lounge chairs. Importantly, as this was a non-smoking area, hence, all the smokers would quickly grab their lunch from the fridge and congregate outside the building in two main areas. For the purpose of this research, when I managed to talk to an employee on a weekend without anyone around, he mentioned his reticence to talk openly in the breakout room because of concerns for who may overhear our discussion. The employee’s reticence to discuss issues of resistance with me did not change immediately once I began to spend time with the smokers. This was evident through a number of occasions when employees would begin a sentence and then stop, often after glancing in my direction. However, over time employees appeared to become more comfortable with my presence and return to their everyday conversations.

The time spent with the smokers opened a number of gateways to rich data. Employees spoke about political alliances and disputes within the organisation between particular team leaders and managers or general employees. Such political relationships can be essential contextual information for the ethnographic researcher. As time progressed, employees began to open up and tell of some of their fiddles. Importantly, in each of the organisations presented within this paper, the information collected from the smokers was not to be taken as gospel. Rather, there were two uses for this data. It could be used as signposts or clues to piece together other data collected from within the organisation, or alternatively, information that can be used to progress the collection of data within the workplace. Hence, the ‘smoker’s word’ could be used as a glue to stick together already collected data; or as a wedge to pry open areas for further investigation.

RETAIL FOODS: This case study organisation was a large retailer of low margin, high volume foodstuffs. In this instance, obtaining research access to the organisation took over six months of negotiation with senior management. It was then left up to individual store managers to determine the level to which they were prepared to become involved in the research. While individual store and department managers were prepared to submit to individual interviews, only one store manager was prepared to permit access to employees and it was stipulated that employees were not allowed to stop work to be interviewed. Even this proved problematic.

Food retailers use industrial engineers to ensure that labour is used productively every minute of the day. Sophisticated software is used to calculate precisely how many staff are required at any given point of the day, based on calculations of expected workload. As a result, like call centres, the degree of employee performance monitoring is extensive; budgetary targets for staffing levels are in place and religiously adhered to. These workers are so busy that it is hard to find time to speak to them. Additionally, in store ‘musak’ meant that taping conversations was also not a viable option. Initially, I helped stack bags of potatoes while talking to the fresh foods employees and squashed cartons flat while talking to nightfill workers. While this made it difficult to take notes, it was possible to sit down immediately afterwards and write up research notes. Another difficulty was that staff were often involved serving customers, or within earshot of customers, and this limited the type of questions that it was possible to ask. This was particularly the case for checkout operators, who represented nearly fifty percent of the store’s workforce. While I made a point of doing my regular grocery shopping within the stores being researched and talking to checkout operators while I did so, this was not only expensive, but also constrained the range
of topics suitable for conversation. The organisation was amenable though, to allowing me to undertake an employee survey.

These surveys were undertaken in the tea rooms of the respective stores. I found that by sitting and chatting to people about the surveys, I was able to establish a rapport with employees that previously had not existed. This was particularly the case in the two stores where the store manager used the tearoom to make coffee and made a point of chatting with the staff sitting there and the researcher. The store manager's recognition of me also helped to break the ice with workers, but it did not overcome the problem of resistance, as workers were often hesitant to speak freely in a tearoom with their colleagues, and often their supervisor, in attendance.

Conscious that I was limited in my capacity to access employees that did not use the tearoom, I asked the employees where you were allowed to smoke in the shopping centre. In two of the three stores, the management of the shopping centre had designated smoking areas. My original intention was to use this opportunity to survey those workers who did not use the tearoom, but instead I discovered that employees who were outside smoking were happy to talk freely about their experiences within the organisation. Their views were often far more critical than those expressed within the walls of the organisation. Indeed, quite fortuitously, I discovered one particularly valuable smoker. This worker, a service supervisor on his final day of employment with the organisation, was quite prepared to disclose the ways in which the computerised staff scheduling system could be circumvented.

On the surface, the scheduling system appears as an omnipotent force, allocating staff to shifts free of management intervention or prejudices. I had previously been told by one Store Services Manager that ‘the computer rosters staff’ so she had ‘no control and could not play favourites’ (10 July 2001). Clearly, the software had a series of protocols but the industrial engineer in charge of the system was not prepared to disclose these (12 December 2001). This disgruntled smoker, while standing outside the store, felt free to disclose favouritism in staff scheduling. ‘You can chop and change and manipulate it to suit, however you want’ (6 June 2003). As a researcher, finding such an informant was invaluable and enabled me to present both sides of the staff scheduling story within this organisation. Other smokers provided similarly valuable insights that would not have been captured by either the formal interviews or the survey instrument.

**FOODWORKS:** The FoodWorks plant was a greenfield plant, opened in 2001. The managerial team dedicated a great deal of time and resources to the development of a particular managerial culture, aimed to avoid unionisation and promote cooperation and commitment from employees. The research for this organisation took place over an eight month period throughout 2003. Primarily, participant and non-participant job observation was deemed an appropriate methodology as the focus of the study was workplace resistance. It is acknowledged that the investment of time is important when researching topics that may appear as ‘deviant’ by the organisational hierarchy and indeed by many workers (Friedmann and McDaniel 1998; Neumann 2000). Hence, when little resistance was uncovered in initial weeks it was not of concern to the researcher. However, when the employees presented an image of cooperative, committed people I did begin to wonder what to do.

I would commonly ask operators about their relationships with managers and team leaders. One operator commented: ‘The team leader is good, really friendly, that might be to do with the test we take when we start. Almost everyone here is very friendly.’ Months later the same operator had just completed a conversation with a team leader when I had entered the workspace. When I approached the operator, without any coaxing the operator provided a decidedly unhappy expression and exclaimed: ‘He’s a wanker. He’s a pain-in-the-arse, fucking wanker.’

I was taken aback, however, this proved to be an opportunity to delve further. Conversation progressed and it was asked of the operator: ‘So, you lot have been telling me for months that this is such a happy place, and ‘we all get treated so well here’ but that’s not really the truth. Why have people been telling me that?’ The operator’s response was forthright and only partially surprising given what we know about researching deviancy. The reply:

‘They’ve all been lying to you, of course. This is a shithole of a place and I’m tired of lying about it. If you want to really know what people think of this place, I’m about to have morning tea, come out with me and spend some time with the ‘gutter scum’ (23 April 2003).
Again, patience allowed the continuation of the research when it seemed pointless, and a little luck allowed the opportunity to uncover these two significant events that may not seem overly significant to the management or the employees. However, when searching for dissatisfaction that manifests as resistance and misbehaviour, these two events proved crucial.

As it transpires, the ‘gutter scum’ is a term that many of the smokers use to describe themselves. The reason for this is the worksite is non-smoking and the employees must leave the worksite altogether for a cigarette. Progressively through the day there is a procession of employees heading out to a street beside the plant, sit in the gutter smoking cigarettes, drinking caffeine in a variety of forms (coffee, tea, and a range of colas) and, most importantly for the research, complaining about management and the organisation. Interestingly, not all members of the ‘gutter scum’ were as trusting as the operator who had extended the invitation to join them. Nevertheless, entry had been allowed to the inner circle of discontent and this presented a wealth of data in its own right. Similar to the ‘gossip-circle’ described by Cunnision (1966: 163), within the protected confines of the like-minded gutter-scum employees spoke freely about conflicts with team leaders and co-workers, long tea breaks, hiding instead of working and other activities that are central to this research.

It was after the initial entry to the ‘gutter scum’ that more data that was central to the research problem came to light. While it was not necessarily the ‘gutter scum’ who provided this data, it was the recognition and knowledge of dissatisfaction that had previously been hidden that allowed issues to be discussed with other staff members. Importantly, discussions about conflict and misbehaviour and resistance could be addressed with the knowledge that it occurred and without threatening the employee’s fear of being the person to initiate such conversation. Issues uncovered include: conflict between operators and a team leader that escalated to threatened mass resignations; disputes about the exclusion of the union as a bargaining agent; and team leaders and operators hiding when they are supposed to be working.

**Finding a place for the social outcast**

The legitimacy of ethnography as a research method is beyond question; however, the question of the best means to gather data remains. This paper presents a practical tool for the ethnographic researcher to gather quality data that may not be accessible within the confines of the research site. In discussions during the preparation of this paper, our views were further verified by a public service manager who noted,

> ‘If you want to know anything that goes on in the public service you’ve got to stand with the smokers. More than that, smoking is really the great leveller. Your youngest, inexperienced clerk will be standing beside your DG (Director-General) if they both want a smoke, and that’s not going to happen at any other time’ (LC, Conversation 23 July 2004).

Since the regulation of workplace smoking has led to the segregation of smokers in the workplace, or more correctly outside the workplace, there has been a changing social dynamic in workplaces. Legislation has made smokers into social outcasts. A social outcast is a social outcast, regardless of their rank of employment. Furthermore, the researcher is able to position themselves within the ‘haze of smoke and discontent’ to gather a range of data that may not be able through more formal means. In part, this appears to be a direct result of getting outside the physical boundaries of the organisation and out on the gutter, or in the designated smoking area. Research subjects feel much less constrained to offer the company line when they are not within the workplace. Similarly, smokers share a common addiction, widely regarded a socially unacceptable, therefore camaraderie exists amongst smokers. For a researcher, this camaraderie enables the barriers between the researcher and the research subject to evaporate, even if the researcher is not a smoker. We readily acknowledge that these informants may represent a very biased and unreliable source of information, but they provide the opportunity to obtain a story that deviates from the management line. The authors are not advocating that mingling with a group of smokers is the best method to collect research data. Rather, it is a method that can open up further areas of investigation or confirm data already collected. However, the authors are suggesting that in the three cases studies mentioned in this paper, interactions with cigarette smokers, away from the confines of the organisation, provided them with a wealth of data that was previously inaccessible.
Conclusion

This paper has briefly examined the literature on the ethnographic case study method and highlighted the benefits of the research method as well as the practical difficulties. It was argued that it was particularly difficult for researchers to break the ice and establish a level of acceptance within the workplace so that workers fell able to speak openly about their workplace experiences. The second section of the paper outlined the anti-smoking legislation that has forced workers who smoke to congregate outside buildings in order to partake in their habit. The third section uses data from three cases studies in which smokers have proved invaluable for enabling researchers to establish rapport with research subjects and to obtain viewpoints at variance with those of the organisation. The final section reflects on how this was achieved. It suggests that by getting outside the boundaries of the firm, and also by shared social outcast status, researchers are able to break through the barriers and establish insider status with research subjects. Importantly, the use of a particular group of informants cannot be the sole source of data. Rather, it is one source, and one method that can be valuable in particular circumstances.

References


The importance of having a say: Labour hire employees’ workplace voice

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ABSTRACT

Labour hire employment is an increasingly important segment of the labour market. The conditions under which labour hire employees work, however, appears especially degraded relative to direct hire employees. This paper explores the extent to which labour hire employees’ ability to effectively voice concerns about workplace issues is associated with degraded employment outcomes. The analysis draws upon a survey and focus groups of labour hire employees in Victoria, and identifies a number of constraints upon the effective exercise of voice: discrimination and harassment, threat of job loss, and the failure of host employees to support labour hire employees. The outcomes on a number of workplace issues, beyond regulatory minimums, are then assessed. Whilst labour hire employers have primary responsibility for the employment conditions of their employees, the host is also identified as playing a critical role.

Introduction

The rapid expansion of labour hire employment in Australia is contributing to growing concerns about the impact of this form of engagement upon employment conditions. Two state governments have initiated enquiries into labour hire employment (Labour Hire Task Force, 2001; Economic Development Committee, 2004) and union campaigns to convert casual employees to permanent employment are intended to capture the interests of labour hire employees, most of whom are casual. This paper focuses upon one aspect of labour hire employment, the ability of labour hire employees to effectively voice concerns over working conditions and safety at the workplace. Drawing upon a survey and focus groups of labour hire employees, the paper examines the extent to which voice has been exercised, the mechanisms for undermining employee voice, and the differing employment outcomes for those able to express concerns about their employment conditions.

The paper begins with a brief explanation of the operation of labour hire agencies in Victoria, and the research methodology, including demographic and employment characteristics of the respondents to the survey and focus groups. The options for exercising voice are outlined, and the experience of labour hire employees using these processes is discussed. A comparison is then drawn on non-regulated employment conditions amongst those with an effective voice at the workplace compared to those without. Most participants in this study were union members - not by itself sufficient to guarantee voice when managements’ freedom to hire and fire is so strong.

Labour hire operations in Victoria

Labour hire employment has expanded rapidly in Australia since the early 1990s (Burgess, Rasmussen, and Connell, 2004). The proportion of agency workers in workplaces with twenty or more employees doubled from 1989 to 1995 (Wooden, 1999), and anecdotal evidence suggests more rapid growth in the second half of the 1990s. By 2000, the number of agency workers was estimated to be just over 2% of the workforce (Austats, 2000). The majority of temporary agency workers are female clerical workers (Australian Bureau of Statistics, 2001), but the recent expansion has been driven by the growth in blue-collar, low skill, male dominated occupations (Underhill, 2002). The majority (80%) of labour hire workers are hired as casual employees, with only 20% employed on a permanent basis (Austats, 2000). Some agency workers are hired as independent contractors but data on the prevalence of these workers is not collected. The latter are hired as quasi self-employed and are not entitled to statutory employment protections. Anecdotal evidence suggests such arrangements are least common in Victoria, the location of this study.
Labour hire operations have evolved to take several forms. Underpinning each is a high level of competition between agency firms, conducted primarily on the basis of price (Underhill, 1999). First is the supply of short term placements (Austats, 2004). These placements reflect the more conventional concept of ‘temping’, or filling very short term vacancies with on-call casual employees of the labour hire company. The supply of seasonal workers, especially in agriculture and food processing, is a growing variation on this arrangement. These placements can last several months, and in rural areas, often involve the casual re-hiring of locals on an annual basis. Here, the workers supplement the direct hire workforce of the host for a limited time. Second, a significant proportion of labour hire growth is due to the outsourcing of specific functions, such as maintenance operations, to labour hire companies. The labour hire company may re-employ the host’s workforce, but will generally employ fewer workers and hire them, at least initially, as casual employees (Underhill, 1999). Regular working hours appear common, but employment status remains primarily casual. Third, labour hire companies may supply a substantial proportion of a host’s workforce for an extended time. Focus group participants in this study provided several examples of this kind of operation. In one major retail distribution centre, for example, approximately 25% of the workforce is employed by the retailer, and the remaining 75% are employed by two labour hire companies. The retailer’s workforce is hired predominantly as permanent employees and the labour hire companies’ workforces are hired on a casual basis. A similar practice was identified in a call centre, where the majority of the workforce was supplied through two labour hire companies with a small core of permanent direct hire workers, most of whom had worked at the centre prior to outsourcing by the host. The major task distinctions in both examples were one of degree. The direct hire permanent employees had more task variety, more regular shifts, and were more likely to be paid at a higher job classification. Fourth, some labour hire companies supply the entire workforce for the host. In meat processing, for example, labour hire companies increasingly supply the host’s former workforce as casual employees under new, usually poorer, employment arrangements (for example, see Australian Meat Industry Employees’ Union v. Belandra Pty. Ltd. (2003) FCA 910). Fifth, a small number of labour hire firms own and operate their own workshops and call centres, displacing the role of the host and taking on the role of more traditional employers. The likelihood of permanent employment seems greatest under this last arrangement, but is probably not universal.

The ability of workers to exercise voice on workplace issues will be affected by the nature of these operations in several ways. First, on-call and casual employees, a common feature of each of these operations, are difficult to recruit into unions and are vulnerable to employment termination should they voice their concerns (Pocock, Buchanan, and Campbell, 2004). Second, workers employed in the more traditional ‘temping’ roles would be expected to have the most individualised employment experience, and the least bargaining power beyond that related to specialist skills. Seasonal workers, on the other hand, may be numerically strong but relatively transient and less concerned about employment conditions attached to a specific employer. Third, workers employed in outsourced arrangements will have relatively little contact, if any, with their fellow employees beyond those placed at their host workplace. This limits their ability to collectively raise concerns with their employer. To redress problems arising at the workplace, they need the support of host direct employees (Heery, 2004). This can be problematic when breaches occur between the direct employees and labour hire workers, especially when the latter are seen as a threat to the direct hires’ employment. The capacity of workers to raise concerns appears strongest in the fourth type of operation, when labour hire workers are a significant proportion of the entire workforce. Their casual employment status here, however, is likely to undermine their potential exercise of voice. Union strategies to regulate labour hire employment through enterprise agreements negotiated with labour hire employers should, in principal, offer a channel for labour hire employees to voice their concerns. In practice, however, enterprise agreements appear relatively standardised (Underhill, 2004) and job insecurity undermines the operation of grievance procedures and union representation on a day-to-day basis (see below). The union strategy of converting casual employees to permanent status may counter this constraint (Campbell, 2004), however the labour hire sector has yet to be challenged by this approach.
Methodology

Researching the employment experience of labour hire employees is difficult. Like other itinerant workers, they are difficult to access (Quinlan, Mayhew and Bohle, 2001), are mobile and scattered amongst many workplaces, whilst low barriers to entry contribute to a large number of relatively small operations with high turnover. Notwithstanding two state government enquiries into labour hire employment, no government has yet sponsored research on the employment experience of labour hire employees, preferring instead to rely on the submissions of interested parties for empirical evidence. Only one other survey of labour hire employees has been conducted in Australia. The Recruitment and Consulting Services Association, the employer association representing labour hire employers commissioned research in 2003 (Brennan, Valos and Hindle, 2003). That survey of employees included those with experience of working for labour hire, and those who had registered with but not yet received a placement with a labour hire company. Unfortunately the study rarely distinguishes between the two groups (although the latter appear to make up just under 50% of responses), limiting the usefulness of their analysis. The data upon which this paper is based was collected with the support of the Victorian Trades Hall Council, and drawn upon for their submission to the Victorian government enquiry into labour hire employment. Focus groups and a survey of temporary agency workers were undertaken in Victoria in 2003. The survey identified common work experiences among agency workers, whilst comments from focus group participants provided a richer understanding of how their employment impacts upon their work experience and beyond. Five focus groups were held, four in Melbourne and one in a regional centre. Attendance at focus groups was organised through trade unions, and all attendees except call centre workers were union members. Thirty-eight people attended, the majority of whom worked for labour hire companies. The other attendees were union organisers with substantial experience responding to concerns of labour hire workers and organising host work sites where labour hire employees are placed. All attendees were assured of confidentiality, and the proceedings were taped. Each focus group lasted approximately 1½ hours. The industry sectors represented were call centres, construction, local government, manufacturing maintenance, meat processing and warehouse distribution.

The gender distribution of focus group participants was skewed towards males, with only four female attendees. Persistent attempts to conduct a focus group of female process workers, an increasingly important segment of labour hire workers’ compensation claims (Underhill, 2002), were unsuccessful allegedly due to these workers’ fears of discrimination should they attend. The self-selection process inevitable in voluntary participation in focus groups held outside working hours means that those who attended held strong, predominantly negative, views about their labour hire experience.

The self-administered questionnaire for labour hire employees was developed based upon findings of previous research, the findings from an analysis of individual workers’ compensation files of agency workers (Underhill, forthcoming), and consultation with union officials. The questionnaire was pilot tested with ten union organisers and officials responsible for labour hire employees. Questionnaires were distributed at workplaces by union organisers, and most were returned anonymously via pre-paid postage to the Victorian Trades Hall Council. A small number were returned directly to union organisers. Whilst 1000 surveys were printed, the number distributed remains indeterminate due to the distribution method. One hundred and forty-seven (147) surveys were returned by agency workers.

The data collection method skews the data in three important respects. First, respondents were more likely to be working in a unionised host workplace (indeed, 82% of respondents were union members). They are thus more likely to be employed under regulated employment conditions, and more informed of their employment entitlements compared to non-union members. Their responses should reflect a better working environment than that experienced by the majority of labour hire employees who are non-union members. Responses were least likely from highly itinerant agency workers. Second, industries and sectors with low levels of unionisation, such as clerical workers and the hospitality industry, both of which draw heavily upon agency workers, were excluded because of reliance upon unions for the distribution of the survey. Call centre workers were the exception to both of these qualifications. Third, the survey was not a random sample, and is likely to have drawn more responses from workers with an antipathy towards temporary agency employment. Hence, counter-balancing factors are at play.
On the one hand, responses come from workers whose minimum standards should be broader and better enforced than non-union agency workers. On the other hand, their views may reflect a negative attitude towards agency employment. Survey data was analysed using SPSS version 11 for Windows.

The industry location and occupation of survey respondents is given in Table 1 and reflects the union coverage associated with the distribution of the survey. Organisers in industries and sectors with either an established labour hire presence, or a rapidly emerging level of labour hire engagement were most likely to encourage participation in the survey.

Almost half the respondents work in manufacturing or construction, including a small proportion that moves between these two industries according to placements. Food processing, a major growth area for labour hire employees, is the third largest industry grouping alongside the more traditional nurse agency workers in the health sector. Like industry distribution, the occupational distribution also reflects the membership coverage of the unions most actively encouraging survey responses. Just under three-quarters (73%) of respondents are in blue collar, manual occupations. The gender distribution of responses reflects this occupational distribution. Only 24% of responses came from females, and half of these were nurses.

Survey respondents had substantial experience working through labour hire agencies. The average time employed as a labour hire worker was 4 years 3 months (median 3 years, 6 months after removing outliers), varying from a minimum of one week through to 30 years. Respondents received work through an average of 2.3 agencies in the previous 12 months (median 1, 1.7 after removing outliers). The average time of placement was 38 weeks (after removing outliers), with a minimum of 1 day and a maximum of 9 years. The placement time varied according to the reasons why the employee became a labour hire employee. Table 2 gives the distribution of placement times for all respondents, and disaggregated by reason for becoming an agency worker.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Responses (%)</th>
<th>Occupation</th>
<th>Responses (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call centre</td>
<td>5%</td>
<td>Customer Service</td>
<td>6%</td>
</tr>
<tr>
<td>Construction</td>
<td>16%</td>
<td>Labourer</td>
<td>11%</td>
</tr>
<tr>
<td>Food processing</td>
<td>14%</td>
<td>Maintenance (2)</td>
<td>5%</td>
</tr>
<tr>
<td>Health</td>
<td>14%</td>
<td>Nursing</td>
<td>12%</td>
</tr>
<tr>
<td>Local government</td>
<td>7%</td>
<td>Office worker</td>
<td>3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>24%</td>
<td>Process worker</td>
<td>5%</td>
</tr>
<tr>
<td>Manufact. &amp; construct (1)</td>
<td>6%</td>
<td>Storeperson</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>12%</td>
<td>Tradesperson</td>
<td>50%</td>
</tr>
<tr>
<td>Not stated</td>
<td>2%</td>
<td>Other</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

(1) ‘manufacturing & construction’ was established due to the number of responses indicating this combination
(2) respondents who indicated Maintenance and Tradesperson have been categorised as Tradesperson.

<table>
<thead>
<tr>
<th>Average time of placement</th>
<th>All responses (n=147)</th>
<th>Lack of direct employment (n&gt;5,3)</th>
<th>Position outsourced (n&gt;25)</th>
<th>Prefer flexibility (n=24)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 week</td>
<td>17%</td>
<td>6%</td>
<td>4%</td>
<td>54%</td>
</tr>
<tr>
<td>1 week &lt; 1 month</td>
<td>6%</td>
<td>6%</td>
<td>-</td>
<td>8%</td>
</tr>
<tr>
<td>1 month &lt; 6 months</td>
<td>35%</td>
<td>43%</td>
<td>36%</td>
<td>21%</td>
</tr>
<tr>
<td>6 months &lt; 12 months</td>
<td>14%</td>
<td>17%</td>
<td>8%</td>
<td>13%</td>
</tr>
<tr>
<td>12 months or more</td>
<td>28%</td>
<td>28%</td>
<td>52%</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Those working for an agency because their permanent position was outsourced are most likely to have experienced a single placement for the previous 12 months, with more than half working for the same host for 12 months or more. Those preferring the flexibility of agency work (primarily nurses) are more likely to have very short placements, and several placements each week. Those employed in labour hire because of the lack of direct employment options appear to have the most regular churning of placements, with less than one-third having average placements of more than 12 months.

**Capacity to raise issues at the workplace**

Workplace concerns can be raised through union representation in ad-hoc negotiations, grievance processes, or enterprise bargaining. They can also be voiced through individual workers raising issues directly with management. Most survey respondents (82%) were union members, and just over half were employed under union negotiated enterprise agreements. This suggests, prima facie, a level of acceptance by labour hire employers of union representation. Yet a minority of survey respondents indicated they had been discriminated against or harassed for joining a union or being a union or OHS representative. A majority had not. The results are given in Table 3.

<table>
<thead>
<tr>
<th>Grounds for discrimination</th>
<th>Yes</th>
<th>No</th>
<th>Not Applicable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talk of joining a union (n=138)</td>
<td>17%</td>
<td>67%</td>
<td>16%</td>
<td>100%</td>
</tr>
<tr>
<td>Being a union member (n=142)</td>
<td>20%</td>
<td>70%</td>
<td>10%</td>
<td>100%</td>
</tr>
<tr>
<td>Being a union delegate (n=142)</td>
<td>13%</td>
<td>48%</td>
<td>39%</td>
<td>100%</td>
</tr>
<tr>
<td>Being an OHS rep (n=136)</td>
<td>10%</td>
<td>44%</td>
<td>46%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Focus group participants highlighted discrimination and lack of voice as a major impediment to improving employment conditions. Discrimination typically took the form of no further placements offered (pseudo dismissal), or being moved overnight to another host too geographically removed for the placement to be practical. Comments included:

‘No OHS rep because they don’t get a job when contract renewed’

‘We haven’t got many OHS reps, just as we haven’t got many stewards – the minute you raise an issue, they move you out.’

A union organiser commented on the difficulties of representing labour hire workers:

‘they want to remain anonymous, actually afraid even to talk to me…we get our phone calls from labour hire employees after hours, it’s not during work hours…a lot use direct debit for union dues because they don’t even want the company to know…when you go out there they specifically say to you “don’t mention my name”’

When workers raised concerns about workplace conditions or safety, a similar pattern of employer responses was evident. Whilst just over half of the survey respondents had raised a concern, the outcomes were often unsatisfactory (see Table 4). Problems were fixed in 55% of cases, but one in four problems remained, and the risk of losing a placement or job arose in 17% of cases.

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Proportion of those who raised a concern (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem fixed</td>
<td>55%</td>
</tr>
<tr>
<td>Problem ignored</td>
<td>26%</td>
</tr>
<tr>
<td>Sometimes fixed &amp; sometimes ignored</td>
<td>2%</td>
</tr>
<tr>
<td>Placement terminated</td>
<td>7%</td>
</tr>
<tr>
<td>No further work offered by the agency</td>
<td>6%</td>
</tr>
<tr>
<td>Placement terminated &amp; no further offer</td>
<td>4%</td>
</tr>
<tr>
<td>Total (n=82)</td>
<td>100%</td>
</tr>
</tbody>
</table>
Survey respondents who had not raised any concerns about working conditions or safety were asked why they had not done so. The results are given in Table 5. The majority (63%) were either satisfied with conditions or not aware of any problems needing attention. However, fear of job loss was an important impediment to workers exercising voice. One-third of the ‘silent’ workers identified this reason. Focus group participants explained how problems tend to go unresolved as hosts and labour hire employers passed-the-buck between each other, with neither taking responsibility. Responses included:

‘…it’s not my problem it’s their’s…’

‘…we always get the ping-pong ball…’

‘…the labour hire company says it was the host’s decision, the host says it’s got nothing to do with us…’

<table>
<thead>
<tr>
<th>Reason</th>
<th>Proportion of those who had not raised a concern (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied with condition / safety</td>
<td>37%</td>
</tr>
<tr>
<td>Unaware of problems / issues</td>
<td>26%</td>
</tr>
<tr>
<td>Fear of job loss</td>
<td>34%</td>
</tr>
<tr>
<td>Because nothing will be done</td>
<td>3%</td>
</tr>
<tr>
<td>Total (n=76)</td>
<td>100%</td>
</tr>
</tbody>
</table>

The ability to draw upon the support of direct hire employees at the host workplace provides another avenue for voicing concerns about workplace issues. However, focus group participants and survey respondents (open-ended question) commented upon the lack of support they receive from host employees, as follows:

‘No confidence in permanently employed OHS reps or union delegates…lack of workplace democracy for casual workers and no representation…casual workers need to be organised to elect their own representatives on large shutdown maintenance jobs, eg. Power industry, pulp & paper…’

‘The main problem is labour hire is treated by fellow union members as being scum and consequently we do not get support from the host employee. I don’t blame them, because they fear us, as we are about to take their jobs.’

‘Labour hire employees are outcast from in-house and let known regularly. There is no boss to back you up in a dispute (with the host) and so most labour hire people feel vulnerable and intimidated and so keep quiet about conditions and safety.’

The perceived threat to host employees’ employment, and the tendency for direct hire employees to take advantage of the vulnerability of labour hire employees, such as giving them the worst or most dangerous jobs, appears to underpin the lack of cohesiveness amongst direct hire and labour hire employees working at the same workplace. This is reflected further in the extent to which labour hire employees do not feel integrated into the host workplace. Forty-one percent of survey respondents said they often or always felt like an outsider at the host’s workplace. Of those who worked in labour hire because their job had been outsourced, 37% often or always felt this way, whilst another 37% said this was sometimes the case, notwithstanding 60% of this group had been employed at the one workplace for more than 6 months. The attitude of host employers towards labour hire employees promotes and legitimises the hostility shown by some host employees towards their labour hire fellow workers. Arguably a divide and rule strategy has been remarkably effective in reducing the potential bargaining power of labour hire workers.

**Impact of lack of voice on employment outcomes**

A comparison between the wage and employment conditions of labour hire employees and direct hire employees is not explored in this paper. Instead, the focus is upon whether labour
hire employees constrained from exercising voice are employed under poorer conditions than those who are not similarly constrained. Table 6 compares the outcomes for a number of issues which have a direct impact upon employment conditions, pay, control over working hours, and health and safety outcomes for labour hire employees. The data is limited to issues where the on-going exercise of management discretion by the host or the labour hire company determines the outcomes. A comparison of outcomes associated with forms of employment regulation would be provide a fuller picture of working conditions and pay, but this is not possible within the scope of this paper. It should also be recalled that the majority of respondents are union members, preventing a comparison of outcomes based upon union membership. The comparison is drawn between those who raised a concern and had the problem fixed, and those who raised a concern which was not fixed or whose employment was terminated for raising the issue.

Table 6 shows that those with a voice at the workplace are relatively advantaged across a range of employment issues. First, they are more likely to receive a placement for which their qualifications and experience are necessary and relevant, and to not be paid a lower hourly rate when they accept a placement involving lesser skilled jobs. Second, their placements potentially offer better health and safety outcomes. They are more likely to receive OHS information from the labour hire company and/or the host, and feel they can refuse unsafe tasks. Third, they have more control over their work time, expressed as having a say in when they work. Fourth, they are more likely to feel a part of the workplace where they are placed. They are much less likely to feel like an outsider, and much more likely to experience working for a host who provides them with as much support as their direct hire employees.

<table>
<thead>
<tr>
<th>Employment experience</th>
<th>Frequency of experience</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Never / rarely</td>
</tr>
<tr>
<td><strong>Those with an effective voice (a)</strong></td>
<td></td>
</tr>
<tr>
<td>Qualifications unnecessary for placement (41)</td>
<td>44%</td>
</tr>
<tr>
<td>Experience irrelevant to placement (41)</td>
<td>46%</td>
</tr>
<tr>
<td>Same rate of pay for placements involving lower skilled jobs (39)</td>
<td>36%</td>
</tr>
<tr>
<td>OHS information from labour hire company (41)</td>
<td>29%</td>
</tr>
<tr>
<td>OHS information from host (41)</td>
<td>12%</td>
</tr>
<tr>
<td>Able to refuse unsafe tasks (40)</td>
<td>10%</td>
</tr>
<tr>
<td>No say when I work (42)</td>
<td>52%</td>
</tr>
<tr>
<td>Feeling like an outsider at the host workplace (40)</td>
<td>40%</td>
</tr>
<tr>
<td>Host provides as much support to me as to direct hire (eg. discrimination, unfair treatment) (39)</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Those with no effective voice (b)</strong></td>
<td>32%</td>
</tr>
<tr>
<td>Qualifications unnecessary for placement (37)</td>
<td>35%</td>
</tr>
<tr>
<td>Experience irrelevant to placement (37)</td>
<td>51%</td>
</tr>
<tr>
<td>Same rate of pay for placements involving lower skilled jobs (37)</td>
<td>65%</td>
</tr>
<tr>
<td>OHS information from labour hire company (37)</td>
<td>36%</td>
</tr>
<tr>
<td>OHS information from host (36)</td>
<td>31%</td>
</tr>
<tr>
<td>Able to refuse unsafe tasks (36)</td>
<td>41%</td>
</tr>
<tr>
<td>No say when I work (37)</td>
<td>19%</td>
</tr>
<tr>
<td>Feeling like an outsider at the host workplace (40)</td>
<td>58%</td>
</tr>
</tbody>
</table>

(1) defined as those who raised a concern and the problem was fixed.
(2) defined as those who raised a concern and the problem as not fixed, or their employment was terminated.
These better outcomes were also associated with higher levels of satisfaction with working under labour hire arrangements. Fifty-six percent of workers with voice were satisfied (42%) or very satisfied (14%) with their employment arrangements. A stark 80% of those without voice were either not satisfied (31%) or very dissatisfied (49%) working under labour hire arrangements.

Conclusion

This paper has explored the constraints upon labour hire employees exercising voice at the workplace, and identified better employment outcomes for those with a capacity to exercise voice. Notwithstanding the high level of union membership amongst survey respondents and focus group attendees, a substantial proportion indicated their jobs were at risk should they raise concerns about working conditions or safety at the workplace. Just under 20% of those surveyed who had raised concerns at work had subsequently lost their employment. Their ability to draw upon the collective strength of the host workforce to assist with resolving their concerns is similarly constrained. Host employees feel threatened by labour hire workers, and react against the presence of labour hire employees at an individual level. Rather than viewing labour hire workers as more vulnerable and in need of support, they take advantage of that vulnerability. The practices of the host employer towards labour hire employees appear to contribute to this outcome. When hosts treat labour hire employees more fairly, including responding to employment concerns, employees are more likely to be integrated into the workplace. Further research on the attitudes of host employees would enable a better understanding of the interaction of these forces. Another issue requiring further exploration is why some labour hire employees are better able to exercise voice than others. Is it because some labour hire companies and hosts adopt a more democratic approach to managing employees, or is it because those employees with voice are supported by a more active union? Finally, this paper draws upon the views and experience of primarily unionised labour hire employees. These workers would be expected to experience fewer workplace problems and be less marginalised than the majority of labour hire employees who are both non-unionised and casual employees. What then must be the experience of those working beyond the realm of union contact?

References


**Case studies in ‘unfair dismissal’ process**

**Gerry Voll**  
*Charles Sturt University*

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**ABSTRACT**

This paper briefly traces the history of ‘unfair dismissal’ legislation in Australia and outlines the basic approach of the ‘unfair dismissal’ process in the NSW jurisdiction. The paper then provides some real life case studies of the ‘unfair dismissal’ process in action to illustrate that the process is relatively simple for employers, though a little more problematic for employees. The case studies range from the year 2000 to 2003 and are all set in regional Australia and involve small to medium enterprises. The paper makes some observations based on the experience of the case studies about the outcomes and proceedings of ‘unfair dismissal’ cases for both employees and employers.

**Introduction**

Much concern about the current federal ‘unfair dismissal’ legislation has been expressed by the Federal Government stating that it is “cumbersome” and that ‘unfair dismissal’ procedures demand small business operators to “become experts on employment law” (Federal Government Media Release CCH 29 October 2003). While federal legislation in this area is relatively recent, the ability for employees to seek relief from ‘unfair dismissal’ has been a part of the States’ jurisdiction since Federation and since the enactment of the *Workplace Relations Act 1996* the process and procedures of both the State and Federal systems have essentially been the same. The concept of ‘unfair dismissal’ as the subject of Federal legislation has only existed since 1993 and resulted from the *Industrial Relations Reform Act, 1993*, which amended the *Industrial Relations Act 1988*. Most of the principles that governed the ‘Termination of Employment’ Division of the 1993 *Reform Act* originated from the *Termination of Employment at the initiative of the Employer ILO Convention* of 1982. The 1982 Convention introduced a concept of ‘unjustifiable dismissal’ and urged member countries to provide statutory protection against unfair or unjustifiable dismissal in order to strike a balance between management autonomy and the protection of the workers’ security of tenure in employment. (Butterworths, October 2004). The 1993 legislation allowed employees to challenge their termination at the initiative of the employer on the basis that it was ‘harsh, unjust and unreasonable’. This paper briefly examines the history of ‘unfair dismissal’ legislation in Australia and provides some case studies to illustrate the process in practice. The case studies show that the process is not cumbersome or complex for employers and, even if employees are dismissed ‘unfairly’ or arbitrarily, the price the employer is likely to pay in compensation may be relatively minor. The case studies are drawn from the personal experience of the author as an employee representative and advisor to the applicants.

**Literature review**

The *Termination of Employment at the initiative of the Employer ILO convention* (1982) has significantly influenced many legislatures throughout the world. It has placed restrictions on the freedom of the parties to regulate the terms of employment thereby placing employees in a better position than had previously existed at common law. (Mahomed, 2002). This Convention has led to legislation in England (*Employment Rights Act 1996*), New Zealand (*Employment Relations Act 2000*) and Canada (*Canadian Labour Code RSC 1985*) to name but a few. In Australia, the Federal Government has had constitutional limitations in regard to legislation in this area until relatively recently, with the argument being that the Australian Industrial Relations Commission (AIRC) did not have the jurisdiction to order remedies for ‘unfair dismissal’. High Court decisions (*Ranger Uranium Mines case* (1987), 163 C.L.R. 656, *Fruehauf Trailers case* (1988), *AILR No. 426* and *Wooldumpers case* (1989), *AILR no. 54*) in recent years challenged this perception and this, together with the High Court’s decision in the *Tasmanian Dams case* 1983, (138 C.L.R. 1) that made it clear that the Foreign Affairs and Corporations powers of the Constitution could form the basis of domestic legislation, led to the enactment of the *Industrial Relations Reform Act 1993*. 
This Act for the first time, in the federal jurisdiction, legislated for relief from ‘unfair dismissal’ for employees, subject to a certain category of exclusions. Prior to the High Court decisions, particularly Ranger Uranium Mines, the AIRC could only deal with ‘unfair dismissal’ through conciliation and make recommendations about remedies that were not binding on the parties.

The State Industrial Relations Commissions, however, had no such constitutional restrictions and were able to deal with ‘unfair dismissal’ cases under their broad dispute settling powers since Federation (Davidson, 1980). Despite the ability to deal with ‘unfair dismissals’ in this manner, the States (except Tasmania) also enacted legislation allowing an individual to apply to a State industrial tribunal for relief in respect of an ‘unfair dismissal’. In South Australia and Western Australia legislation was enacted in the 1960’s, Queensland in 1990, New South Wales in 1991 (amended in 1996) and Victoria in 1993 (Butterworths, October 2004).

The 1993 Federal provisions made it unlawful to dismiss an employee unless there was a valid reason connected with the employee’s capacity or conduct or based on the operational requirements of the undertaking, establishment or service; and a reason was not valid if the termination was harsh, unjust or unreasonable (Sect. 170DE). The employer bore the onus of establishing a valid reason for termination; the onus then shifted to the employee to show that the dismissal was harsh, unjust or unreasonable (Sect. 170EDA). Further, an employee could not be dismissed without first being given the opportunity of defending the allegations unless the employer could not reasonably be expected to give the employee that opportunity (Sect 170DC). All applications for unlawful terminations went to the AIRC for conciliation and for arbitration by consent of the parties. Applications not settled in conciliation and not arbitrated by consent by the AIRC were sent to the newly established Industrial Relations Court of Australia, which had jurisdiction to make orders reinstating a dismissed employee and providing compensation either in addition to reinstatement or alternatively to it (Sect. 170EE). An application to the Court was limited to persons employed under a federal award or if award free earning not more than $60,000 (adjusted annually for inflation) (Sects 170CD and 170EA). The cap on compensation was a maximum of 6 months salary for those employed under a federal award or $30,000 (adjusted for inflation) for non-award employees (Sect. 170EE). The constitutional validity of the 1993 termination of employment provisions was challenged in the High Court and their validity was substantially upheld (Victoria v Commonwealth [Industrial Relations Act case] (1996) 187 CLR 416). The High Court held that it was a valid exercise of the Commonwealth’s external affairs power.

When the Workplace Relations Act 1996 was enacted, the termination of employment provisions were based more significantly on the constitutional Corporations power (as well as other constitutional powers) rather than the External Affairs power as the 1993 amendments had been. The termination provision of the 1996 Act used the Public Service power (for public servants), the Territories power (for territories), the Corporations power (using the definition of constitutional corporation), the Conciliation and Arbitration power (for federal award employees), the Trade and Commerce power (for waterside workers, maritime employees and flight crew officers) and the External Affairs power (to support the constitutional validity of unfair dismissal applications). The use of these powers in the 1996 Act resulted in the following types of employees becoming eligible under the termination of employment provisions (Sect. 170CB);

- Commonwealth public sector employees
- Territory employees
- Federal award employees employed by a constitutional corporation
- Federal award employees who are waterside workers, maritime employees or flight crew officers
- Victorian employees (as Victoria had ceded its industrial powers to the Commonwealth)

The general exclusions from the termination of employment provisions remained essentially the same as those in the 1993 legislation and these are (Sect. 170 CBA);

- Employees engaged for a fixed term
- Employees engaged for a specific task
Employees on probation for a period, determined in advance, of 3 months or less, or,
if more than 3 months the period is deemed reasonable
• Casual employees engaged for a short period
• Employees engaged under a traineeship
• Employees with earnings of more than $60,000 (adjusted annually for inflation)

The NSW ‘unfair dismissal’ provisions have the same exclusions as are listed above, have the same application fee ($50) to make a claim and the same time provisions for making a claim as the federal system.

The essential difference between the provisions of the 1993 Act and the 1996 Act was that the 1993 Act provided for two criteria that could lead to the finding that the dismissal was ‘unfair’ and the employee could succeed by establishing either of the criteria, while the 1996 Act used the ‘a fair go all round’ principle. The two criteria were, firstly, that there had to be a valid reason for the dismissal and that the reason was not valid if the dismissal was harsh, unjust or unreasonable and, secondly, the process of dismissal had to be procedurally fair. The ‘a fair go all round’ principle of the 1996 Act attempted to ensure that in all aspects of the dismissal both the employee and the employer were accorded a ‘fair go’. The ‘a fair go all round’ principle came from the case Re Loty v Australian Workers’ Union 1971 AR (NSW) 95 and was a principle that had essentially been adopted in the State jurisdictions, particularly in NSW. The effect of the changes brought about by the 1996 Act clearly made it easier for employers to defend Federal ‘unfair dismissal’ claims.

The use of the ‘a fair go all round’ principle aligned the federal legislation with the State legislation so that the process in both systems is now essentially the same. The only difference between the federal and the NSW system (and other State systems) is that in the federal system the AIRC provides a certificate to the parties after the conciliation process is exhausted that indicates whether either party has a case and therefore gives a strong indication of the feasibility of continuing with the case to arbitration. So, for all practical purposes the process and procedures of ‘unfair dismissal’ legislation as applied in the federal and NSW systems are the same. This point justifies observations and conclusions drawn from the case studies being applicable to either the federal or State systems even though the case studies are all from the NSW jurisdiction.

The AIRC produces an annual report concerning the number of claims for relief in respect to ‘unfair dismissals’ that are made, but this report is essentially statistical. For example, the 2001-2002 report finds that around 7500 claims were filed and most cases were settled by conciliation or were abandoned. Only 550 cases went to the Commission for formal arbitration. (AIRC Annual Report 2001 – 2002). The NSW Industrial Relations Commission’s annual report for 2002 states that 4052 claims were lodged for that calendar year and that 4010 were completed by 31 December 2002. This report does not give a break up of claims that were settled during conciliation or those that were arbitrated. (NSWIRC Annual Report, 2002).

**The practice – some case study examples**

The preceding section sets out the historical and theoretical aspects of the provisions in relation to dismissal at the instigation of the employer, but how do these provisions operate in practice? The following case studies come from actual cases all of which are set in regional Australia and illustrate the sort of unfair dismissal claims that are commonly made, the jurisdictional problems that may arise and the outcomes that result. All of the cases dealt with below that resulted in an ‘unfair dismissal’ claim were conducted in the NSW jurisdiction under the provisions of the NSW Industrial Relations Act 1996. The process followed once a claim is submitted (Sect. 84) is that a Commissioner lists the case for a conciliation conference (Sect. 86), which is a relatively informal procedure designed to settle the matter, if possible, by discussion. This is done whether the claim is lodged out of time (a claim should be made within 21 days of the date of dismissal (Sect. 85)), the employees’ eligibility to lodge a claim (Sect. 83) may be challenged or other jurisdictional issues need to be sorted. If the matter is not settled at this hearing the matter will then be listed for a formal hearing (provided the applicant is willing to pursue the matter further) to determine jurisdictional issues and/or the merits of the claim (Sect. 87).
It is only at the formal hearing that formal evidence is provided in the form of witnesses and/or exhibits. It is also at the formal hearings that employers are more likely to be represented by employer associations or solicitors, even where they were not represented at conciliation hearings. The conciliation hearings and any formal arbitration hearings are normally conducted in the regional centre where the applicant lives, though formal appeals on arbitrated decisions are heard in Sydney (in the NSW jurisdiction). This means that employers who are seeking representation from an employer association often require the representative to travel from Sydney to the regional centre. Hearings dates vary from about two weeks after the date of lodgement of the claim to about three months after the date of lodgement. So, where the employee and the employer are represented, there are often discussions held between the representatives prior to any hearing aimed at trying to settle the matter. Hearings can be delayed by either representative being unavailable on the suggested hearing date.

CASE 1 (MATTER NO. IRC 2000/1504): An assistant catering manager from a local services club was dismissed for allegedly stealing from the till at the end of a shift. The assistant catering manager was a young man who vehemently denied the allegation and lodged an unfair dismissal claim mainly to clear his name, especially for future career prospects in the hospitality industry. At the conciliation hearing, the employer, who represented himself because the employer association representative failed to appear, admitted that the employee was an extremely good worker, that the employees were under constant video surveillance in the work area and this produced no evidence of theft. The only basis for the accusation of theft was that the till takings did not balance. The employee explained that the till imbalance was caused by a discount to a member for meals not being correctly recorded on the till. The employer refused reinstatement, but offered a few weeks pay. The employee accepted this deal on the condition that he receive a reference from the employer, which the employer was happy to provide. It emerged later that the employer had one too many catering managers and needed to shed one and took this approach to do so. The good news for the employee is that he has gone on to a much more senior management position at another services club. The hearing and settlement of this matter took about one hour.

CASE 2 (MATTER NO. IRC 2217/2001): The employee began employment as a permanent part-time courier driver and was on probation for the first three months and was paid under the Transport Industry (State) Award. About eight months after starting employment the employee, having confirmed with his employer that he was permanent part-time, pointed out to his employer that he was entitled to public holidays and annual leave on a pro-rata basis. The employer became abusive and said that he would look into it. Two weeks later the employer informed the employee that he was not going to get public holidays or annual leave. The employer added that he was prepared to give a pay rise if the employee dropped all the issue with public holidays and annual leave. The employee wanted time to think about this. A few days later on a Friday the employer asked the employee whether he was still insisting on his claims and when told that he was, the employer said that he would not be needed next week. At the end of the following week the employer rang the employee to say that he should start back at work next week as a casual employee on casual rates and shorter hours. The employee refused this offer and lodged an unfair dismissal claim on the basis that he was constructively dismissed on the previous Friday. At the conciliation conference it was established that the employee was ‘unfairly’ terminated by the employer and a settlement was reached that resulted in the employee being paid ten weeks pay, which included one weeks notice and public holiday pay owed. The employer, who represented himself, was a little surprised by the result, despite the fact that he suggested the final settlement amount and asked for time to pay the compensation amount (eight weeks pay). The applicant and the employer came to an arrangement on the matter. The employee was satisfied that he had been vindicated in asserting his industrial rights to annual leave and public holidays, but as a result had no job to go to.

CASE 3 (MATTER NO. IRC 4355/2001): The applicant employee commenced employment with a local sheet metal manufacturer in early September 1999 as their accounts manager. The applicant proved an excellent employee who performed his job to the total satisfaction of the employer. However, just before Christmas in 1999, the employer met a person whom he preferred to the
applicant as the company’s accounts manager and promptly sacked the applicant with one weeks pay in lieu of notice. Though this shocked the applicant, he did nothing about this except to look for other employment, which he found within some weeks. It wasn’t until May 2001, when the applicant discovered by way of studying employment law at university that he had been unfairly dismissed, that he lodged a claim for unfair dismissal, which turned out to be about eighteen months out of time. At the conciliation hearing, though there was strong evidence that indicated that the applicant may well have been unfairly dismissed, the fact that the claim was made so late was clearly the major issue. The respondent employer, who was represented by an employer association advocate refused to concede that the claim should be heard so long out of time. The applicant, however, was willing to pursue the matter in a formal hearing to establish whether the claim should be accepted out of time and a formal hearing date was set. The matter was subsequently settled immediately after the initial conciliation hearing by the employer (on advice from the employer association advocate) offering the applicant four weeks pay to settle the matter and this was accepted by the applicant.

**CASE 4 (MATTER NO. IRC 4295/2001 AND MATTER NO. IRC 6037/2001):** The applicant employee commenced work with a private care provider who cared for people with intellectual disabilities in January 2000. Her job was a part-time carer working between 20 to 30 hours per week. Towards the middle of the year 2000, the company decided to set up an ‘Acquired Brain Injury (ABI) Unit’ and began with one client. The company advertised for a Coordinator for this Unit and the applicant applied and got the job in July 2000. Over the next nine to ten months the number of clients of the ABI Unit expanded due largely to the efforts of the Coordinator while the staff managed by the applicant grew to 27 from an original 5. The title of the Coordinator was changed to Manager (ABI Unit) and an Assistant Manager was appointed in January 2001. A fringe benefit package was also arranged for the Manager, which included a fully serviced car. In early June 2001, the applicant was called to a meeting with the CEO and the Chairperson of the Board and was told in a very brief meeting that the ABI Unit was to be ‘restructured’ and a new Manager would take over and the applicant would revert to her original position as a part-time carer. No explanation for this was given. The applicant lodged a claim for ‘unfair dismissal’ from her job as Manager, ABI Unit. The employer was represented by a Sydney based employer association but the conciliation hearing was set for a regional centre. The employer association advocate was keen to settle the matter by negotiations over the phone and the matter was settled at the end of July 2001, the day prior to the conciliation hearing, with the company agreeing to pay the applicant an amount of compensation for her demotion and effective termination from the job as Manager. The applicant continued to work as a part-time carer with the company and continued to have the use of a company car, though a smaller one than before. At the end of August 2001, only one month later, the CEO again called the applicant into his office and handed the applicant a Termination Notice, a cheque for two weeks pay in lieu of notice and holiday pay owed and some cash to take a taxi home. The applicant again lodged a claim for ‘unfair dismissal’. The conciliation hearing for this claim was held in mid November 2001. The hearing failed to reach any settlement and the matter was listed for a formal arbitration hearing in mid February 2002. The employer, through the employer association advocate, made some attempts to settle the matter prior to the formal hearing but the offers were unacceptable to the applicant and the hearing went ahead. After a full day’s hearing an agreement was reached to pay the applicant four months pay (including the fringe benefits for the use of a company car) without the Commissioner making a formal order, except to indicate that he thought that the applicant was unfairly dismissed but in the circumstances he would not order reinstatement. This was because the company refused to have the employee back and thus the relationship had broken down to such an extent that reinstatement would not be fair to either party. This suited the employer, but once again the employee though vindicated in her ‘unfair dismissal’ claim was left with no job.

**CASE 5 (MATTER NO. IRC 1146/2003):** The applicant began work as a casual employee with a local branch of a national removalist company in December 1997 and became a regular casual employee in January 1998. She worked regularly, allowing for seasonal fluctuations, for the company until late January 2003. During this period she became a very competent and experienced pre-packer with the company and was considered a good worker. She also became quite friendly with the then branch manager.
The applicant had over some years endured workplace harassment from a fellow casual worker and reported this to the branch manager, who eventually dismissed the offending employee. In early February 2003, the branch manager was terminated from her job and this became the subject of a separate ‘unfair dismissal’ claim before the AIRC. The applicant expected to be called in to work on 4 February 2003 but was not called. On enquiry a few days later she was told by a fellow employee that the State Manager had instructed that no friends of the previous branch manager were to be employed. The applicant then became aware that a new branch manager would soon be appointed and because she knew this person waited until she took over to verify whether she still had a job or not with the company. The new manager took over on 18 February 2003 and the applicant was told by the new branch manager that she did not want to become involved in the alleged dismissal of the applicant. It was at that point, the applicant finally accepted that she had been dismissed and lodged an ‘unfair dismissal’ claim. At the initial conciliation hearing, the respondent employer, who was not represented, denied that the employee had been dismissed and maintained that she was a casual employee who was still on the company’s books as a casual employee, but had not been called in to work for some time because other casuals had worked. The respondent also denied all allegations about the conversation he allegedly had about the applicant. As there was no resolution at this hearing the Commissioner determined that two jurisdictional threshold issues needed to be determined in a formal hearing. These were firstly, was the employee entitled to lodge a claim for unfair dismissal even though she was a casual employee and secondly, should the claim be heard despite the apparent late lodgement of the claim? After the formal hearing to deal with these threshold issues, the Commissioner handed down a written decision some months later. The outcome was that the Commissioner found that the applicant was a long term casual employee and was entitled to lodge an unfair dismissal claim, but dismissed the out of time claim and therefore the claim could not proceed.

CASE 6: This is a case where there was not any ‘unfair dismissal’ claim lodged due to early advice and negotiations directly with the employer. The employee was a senior registered nurse who was employed in an aged care facility that came under the umbrella of a regional base hospital. The employee’s job was mostly administrative at the aged care facility and she was able to carry out her job very efficiently. However, due to a long simmering clash of personality with the manager of the facility, she was transferred back to a clinical nursing position at the base hospital but still maintaining her salary level. She had not been engaged in clinical nursing for many years and over a period of a few months had been severely reprimanded for making potentially serious errors with medication and the like. She was facing another disciplinary hearing when she sought advice. The likely outcome of the disciplinary hearing was dismissal and without advice she would have lodged an ‘unfair dismissal’ claim, because even though she accepted that she had made errors in her work, she did not accept that they should have led to her dismissal. The hospital on the other hand had dealt with the employee with due process and given her all the chances to improve her clinical skills and could no longer condone her failures in procedure. An ‘unfair dismissal’ claim would have been very difficult to defend and would still have cost the hospital a significant amount even if they had won the case. A further detriment to the employee would most likely have been deregistration of her nursing credentials, which meant not being able to work as a nurse in future. The employee was nearing retiring age could reasonably have contemplated retirement within about six months. A settlement was negotiated with the hospital, which was that the employee would go on annual leave and long service leave until the desired retirement date and then resign her position. The hospital contributed to the deal by granting some ex-gratia leave to be able to reach the desired retirement date. The employer was satisfied with the arrangement because it solved a serious problem and saved potential costs and the internal disruption that the ‘unfair dismissal’ proceedings would have created. The employee was not entirely happy, but once convinced that she would most likely lose the ‘unfair dismissal’ case as well as being deregistered as a nurse, accepted the deal as being fair in all the circumstances.
Observations from the case studies

There are a number of broad conclusions suggested by these case studies.

1. Employees do not automatically lodge ‘unfair dismissal’ claims when they are dismissed. This is partly because of a lack of knowledge about the system and partly because of a sense of powerlessness in comparison with the employer. Also, some employees accept the reasons for their dismissal. In all of the cases listed above the employee sought advice either before lodgement of a claim or soon after the claim was lodged. There is little doubt that had these applicants not received advice and representation, many would not have proceeded with their claims.

2. Employees find it quite difficult to obtain good advice about how to respond to dismissal, how the system both at State and Federal level operates, their chances of success and the possible remedies available. Generally, the only avenues for this sort of advice are unions (if the employee is a member) or a solicitor. The latter is usually too expensive for the average employee, especially if there is more than one hearing involved. The employees in the case studies above were not union members and the financial outcomes in these cases would not warrant legal representation as that would eat up most, if not all, the compensation paid.

3. The outcomes generally favour employers with compensation paid being relatively small in the case studies even though in all cases the employees had substantial evidence that they were unfairly dismissed. None of the employees were reinstated, despite that being their major objective in most cases. In only one of the cases listed above (Case Study 3) did the employer pay out some compensation where there was no pressure to do so as it appeared very unlikely that the application would be accepted out of time by eighteen months. In this case, the employer did so based on the advice of the employer association representative on a cost benefit analysis. In other words it was cheaper to offer some compensation to avoid a full arbitration hearing in which the employer would have invested significant time (and money) even though the outcome would almost certainly have been in favour of the employer.

4. The outcome for employees was reasonably acceptable, where employees were able to obtain similar or better employment relatively quickly after dismissal. For the others the outcomes were not so positive. Not only were the settlements small, but they had no job and prospects were not good for getting another one.

5. The reasons for dismissing employees are quite varied and included wanting to switch a new person into the job on a personal whim, making a dishonesty allegation without investigation in order to reduce staff in that area, personal work and office politics, dismissing for insisting on industrial rights and as payback for challenging an earlier demotion that was a constructive dismissal. In all of the cases listed above, proper disciplinary and dismissal procedures were not followed, even though some of the employers had written procedures. Clearly, employers are not inhibited from dismissing employees at any time they deem it appropriate.

6. ‘Unfair dismissal’ claims can be avoided if the employee receives proper advice and is offered alternative solutions (see Case 6) and/or the employer is willing to consider alternatives to dismissal. The employer in Case 6 above was clearly going down the path of dismissal and did not consider other options until those were suggested by a third party, which in this case was an agent for the employee.

7. Most cases do not proceed beyond the conciliation stage and are settled during conciliation hearings or shortly thereafter. This means that employers usually do not require representation as the process is informal and not complex. Only in two of the case studies was the employer represented and even in a formal arbitration hearing the employer in Case 5 was not represented.

8. The experience suggests that employers have little to fear, either financially or otherwise, from ‘unfair dismissal’ claims even if the employee has been dismissed ‘unfairly’. The case studies suggest that even where employers act arbitrarily and ‘unfairly’ the consequences in terms of time and money spent in defending claims are minimal.)
Conclusions

Whilst these case studies might be relatively atypical of ‘unfair dismissal’ claims made in regional areas, it is not appropriate to draw general conclusions about such claims based on the small sample of case studies outlined above. However, two points can be made in relation to the practice illustrated by the case studies. The first is that the process involved in ‘unfair dismissal’ proceedings is not cumbersome or complex with most employers able to conclude matters without representation. The second is that reinstatement of the employee is rarely provided as a remedy, where there is any evidence that the employment relationship has been fractured.

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ABSTRACT

Many former employees of Queensland Rail look back fondly to pre-reform days and to what they believe was then ‘a good job in the railway’. Largely through oral history from former employees from the late 1930s, this paper examines the nature of working life in the Rockhampton Railway Workshops to the 1980s. The research reveals that, in that era, perceptions of a job there as being ‘good’ derived from the terms and conditions of employment but also extended into the socio-cultural realm, where mateship, pride in trade and perceived valued service to the State contributed to both work satisfaction and notions of identity.

Introduction

In June 2004, hundreds of former Queensland Rail employees in Rockhampton, including many from the workshops section, gathered for a weekend reunion in the city. Drawn from across the state and beyond, they toured the railway complex, including the heritage-listed Roundhouse, visited displays at local museums and rekindled shared memories of what they believed had been ‘a good job in the railway’. For Rockhampton Railway Workshops retirees, the focus of this paper, guaranteed lifetime security constituted the foundation of that belief; however, a position in the workshops provided additional benefits - both pecuniary and non-pecuniary and often unattainable in private industry or even elsewhere in the railway service - which far outweighed the drawbacks. Consideration of a job there as being ‘good’ also reflected the distinctive social and cultural context of the workshops where masculine camaraderie, craft pride and perceptions of valued public service not only contributed to job satisfaction but also helped shape their individual and collective identities. In view of the changed nature of employment there since the 1990s, when Queensland Rail adopted commercialisation and out-sourcing, with consequent job losses and contract employment, it is timely to examine what has become almost as much a casualty of workplace reform as the steam locomotives the Roundhouse once contained.

Theoretical perspectives and methodology

Studies of work and the workplace have traditionally been dominated by experts in labour process theory and employment and industrial relations theory positioned largely in the capital-labour dialectic (Patmore, 1991:131). However, as others have argued (Probert, 1989:1-3; Fox & Lake, 1990:8-11; Fox, 1991:iix; Shields, 1992:2,4), work is not a theoretical construct nor one that has intrinsic meaning or objective measurement; it is an historical, cultural and subjective concept. Historically, Australia’s capital-scarce business environment shaped government which was both a major employer and one whose purpose differed profoundly from private enterprise (Patmore, 1991:51; Fox, 1991:iix). The prime objective of government instrumentalities such as the railway was public service, while profit was a lesser concern as other sources of state income could compensate for an operating loss—in Queensland at least to the 1980s. Moreover, rather than being necessarily exploitative, onerous and alienating as the capitalist paradigm implies, work can bring satisfaction, fulfilment and friendship and can facilitate wider social relations (Fox and Lake, 1990:8-11). Work is integral to the formation of personal identity (Fox, 1991:x), generating feelings of attachment and, for men, notions of masculinity (Taksa, 1999:156-8). John Shields’ (1992:89) study of apprentice metalworkers in large Sydney industrial sites demonstrates a ‘collective self-image’ shaped by work as well, in particular a shared pride in craft skills. His writing and that of Alison Alexander (1992; 1999:41:184) on the Risdon Electrolytic Zinc Works identify the role of masculine camaraderie and pranks in such a context. Finally, work can influence others’ perceptions of people as well as stimulate a degree of envy for certain jobs. Indeed, as Janet McCalman (1985:22) identifies in her study of working-class Richmond, railway employment was commonly regarded as being ‘a good job’ of the highest order.
In recent years, Lucy Taksa has examined the now-silent Eveleigh Railway Workshops in Sydney where she explores ‘the physical, social and mental layers’ (Taksa, 1999:156) which provide the context for the execution of tasks and employment relations. On a lesser scale, and constrained here by limited wording, this paper explores the nature of work in pre-reform Rockhampton Railway Workshops between the late 1930s and early 1980s. During that period, the facility serviced rolling stock and provided manufacturing and maintenance services for the Central Division of Queensland Railways, as it was then known. At the height of the rail era in the 1950s, there were some 1,250 men in the workshops alone (Cole, 2004). There are now fewer than half that number, with more redundancies scheduled (PWC, 2001; ABC, 2004).

This paper is part of wider research into railway history in Rockhampton only recently begun. Unfortunately, holdings at Queensland Rail, State Archives and the Ipswich Workshops Museum reveal that most of the Rockhampton records have not survived. Therefore, while some material derives from union records and previous research, the paper draws heavily on oral testimony. However, as Shields observes in his work (1992:2), oral history can provide ‘an almost palpable account’ of the physical conditions of the working environment and an intimate view of day-to-day work practices and social relations unobtainable in written sources. To date, some 30 recorded interviews have been conducted with former railway workers and, from early in the process, the distinctive nature of workshops employment became apparent so the focus moved to that context for initial exploration. The accounts of a dozen workshops men are included here, there being no women employed during the period. Interviewees were either known from doctoral research or were subsequent referrals by old workmates. This admittedly has led to skewing towards sheetmetal workers but also includes coppersmiths, fitters, an engineer, blacksmith, wagon builder and carriage builder. Continuing interviews with boilermakers, plumbers and labourers will provide a more balanced sample. Where general aspects of railway employ are discussed or to highlight contrasts with other sectors of the railway, testimony from non-workshops employees has been included. The oldest interviewee commenced work in 1938 while most began in the 1940s and 1950s. Some spent all their working lives in the railway, retiring as late as 2000; others were forced out through technological change in the intervening period. Those latter men in particular help bring into perspective the positive and negative sides of a railway job. Despite the bias to metalworkers and the inevitable distortions in recollection through the lenses of time and personal interpretation (Shields, 1992:3), one can ascertain enough commonality in these stories about work in the Rockhampton Railway Workshops to the 1980s—‘before it started to change’ (Bendall, 2004)—to explain their belief in having had ‘a good job’ there.

**Working for life in Queensland Railways**

In Rockhampton, as elsewhere, Queensland Railways readily attracted job applicants because it provided more opportunities than any other local employer. As one former union delegate concedes, while the department’s real function was transport, ‘manufacturing employment’ was its de facto role (Tait, 2004). ‘Blue’ Seery (2004) recalls that, when he started as a wagon builder in 1947, ‘the erecting shop was an anthill, just crawling with people’. When Brad Neven (2004) began as an apprentice blacksmith in 1945, there were 65 in his shop alone. Many youths applied for jobs before completing the Junior Public Examination. Workshops clerk Brian Cridland (2004) remembers Br Duggan, who was preparing his 1948 class for the exam, asking who had already applied for railway work. When 31 of the 40 boys raised their hands, the teacher retorted ‘this is no bloody good to me’ and stormed out of the room. During the 1950s and 1960s, the workshops alone apprenticed 100 youths each year for five years. Many remained as tradesmen while others, reluctantly, went ‘outside’ into private industry (Lawrie, 2003), many to reapply as vacancies occurred.

Like other forms of government work, a railway job was regarded as permanent and promised lifetime security (McCalman, 1985:2). Arthur Simpson (2004), apprenticed as a coppersmith in 1941, explains: ‘You had to do something regarded as criminal to be put off.’ That security became more appreciated as men married and took on mortgages. Banks, it seems, considered railway workers a good credit risk and readily lent money for home purchase; it was ‘a way in, a green light’ (Bendall, 2004). For Bob Hoare (2004), who came from Walter Reid & Co’s tinshop, the railway provided more security than private enterprise. When work slackened off at Reids, management stood men down without pay or just ‘kicked you out’, apprentices included. Hoare
applied for a railway position in 1956 and, after a year's wait, was taken on until his retirement in 1995. Permanent work looked particularly attractive immediately after World War II when demobilised troops flooded the market. Blue Seery (2004) undertook a 14-month government trade traineeship for ex-soldiers and was thankful when the workshops took him on as a wagon builder rather than having to be an outside carpenter where, he says, you were 'out in the sun [or] out of work'. Changes in technology destroyed dreams of permanency for some, however, with the advent of diesel-electric locomotives in the 1960s making coppersmiths no longer in demand. Some moved to other roles but others, like Arthur Simpson (2004) who then entered the motor trade, had to find alternative work. Similarly, Bill Bloomfield's (2004) skills as a carriage-builder became redundant when metal carriages replaced wooden ones. Both recall their years in the railway fondly and still regret being forced to leave.

For railway 'lifers', the principle of seniority determined promotion through the ranks and was strictly applied in the workshops in particular where 'you went up the ladder in your turn' (Brown, 2004). Bob Hoare (2004), who started there in his mid-twenties, could never achieve promotion because there were younger men with more years than him. Yet most interviewees approved wholeheartedly of seniority because of its 'fairness' and transparency: all vacancies appeared in the Railway Weekly Notices and there was no divisive 'crawling to the boss' (Cole, 2004). At JM Smith, where Bob Cole (2004) served his apprenticeship, the boss's sons were in line for promotion rather than the senior man or even the most competent employee. The problem with seniority, they all concede, was that the appointee was not always the most competent. 'Some were dills,' admits Blue Seery (2004), 'but that's how it was.' Brad Neven (2004), who also worked at Mount Isa Mines, stands alone in considering that railway seniority 'stifled initiative'.

Other aspects than permanency positioned railway employment more favourably than private sector jobs in the minds of workshops men. Every payday at noon, their money would be waiting in the time-keeper's office, in small numbered metal tins until the 1970s (Cole, 2004). The pay was always correct, with all penalties paid and holiday pay included when due; 'You got what you were entitled to' (Hoare, 2004). As Des Bendall (2004) recalls of his years at Reids and Malleys in Brisbane, private firms expected men to work overtime but did not always pay extra unless the union intervened. That fact is substantiated in 50 years of union reports (Webster, 1999:267-268). In some of the firms he later worked in, claims Arthur Simpson, men did not last long enough for holidays, being dismissed before Christmas. In the days before long-service leave and superannuation in the blue-collar workforce, railway men had accumulated leave paid on retirement. When Bob Cole (2004) finished as a sub-foreman in 1977, he received a 'useful' cheque for $20,000.

The generally higher rate of pay under state awards advantaged railway men above tradesmen on federal awards in the private sector. On one occasion in 1948 when that was not the case, combined action to force the federal flow-on precipitated a nine-week rail strike across Queensland. It was the collective power of railway unions to defend their members' interests, former workers believe, that made working life there better than in the private sector (Webster, 1999:268,280; Tait, 2004). The annual 'privilege' was a bonus for railwaymen also. Every employee obtained a free pass for family rail travel each year. Surprisingly, while they recognised this 'perk' as something outsiders envied, comparatively few of the workshops men availed themselves of the benefit, finding accommodation on a trip away too expensive or preferring to go camping at the beach (Fitzpatrick, 2004). More useful was the quarter-fare pass several interviewees' daughters exploited to travel together to university in Brisbane (Tait, 2004).

Weighed against these advantages were less appealing aspects of railway employment. While bureaucratic red-tape did not worry most workshops men who simply completed their daily job sheets, Bob Hoare (2004) found the system much more onerous than at Reids: 'Everything [was] in writing on memos. Outside, you just went and argued with the boss.' Having a second job contravened government policy and anyone pencilling at the races or doing a milk-run, for example, received 'a [cautionary] bluey' if found out. Nevertheless, blacksmith Brad Neven (2004) delivered milk for three years—with full knowledge of his workmates—until told to decide between jobs. The punitive powers of the Commissioner for Railways to dismiss, suspend, transfer, fine, demote and reduce pay for neglect of duty, misconduct or breach of any rule or by-law were always present (QS, 1965).
None of the workshops men interviewed had so incurred the wrath of the Commissioner but the case of four men suspended for ‘idling and playing cards on duty’ (MB, 1957) indicates those powers were still exercised in the post-war era. It seems, though, bosses usually gave a caution, as apprentice fitter Ray Harris (2004) experienced when blamed for a cracker thrown ‘under the bum’ of a pedantic tradesman. Des Bendall (2004) still hears the roar of the engineer ‘threatening to suspend me [for] idling my time [by] reading a newspaper’. In cases of fines for petty offences in the 1950s—‘£2 or so out of your pay [which] private bosses couldn’t do’—workers could appeal, but the odds being stacked against them was a widely held belief (Bendall, 2004; Cole, 2004). Nevertheless, in outside business they could be dismissed without redress. Petty theft of railway property meant prosecution and dismissal as it would in a private enterprise but the government practice of summary dismissal for a criminal conviction, however minor, seems to be double-punishment inflicted on railway workers. Yet most interviewees concur that this was appropriate; ‘You couldn’t have criminals there,’ opines sheetmetal worker Fred Brown (2004). That view appears somewhat ironic in view of accepted practices in the workshops, discussed below.

The workshops environment

While the nature of railway employment considered to this point reflects common conditions in the service, those in the workshops were distinctive in several respects. Indeed, interviewees saw their existence as being almost as different from that of other railway workers as it was from that of fellow tradesmen in private enterprise. The whistle dictated daily workshops routine. ‘There were whistles for everything,’ Des Bendall recollects of his 37-year career: whistles to start, to stop, for smoko, dinner, washing hands, going home. The physical environment remains fresh in the minds of men years after their last day on the job as well. ‘The dirt, heat, dust, lumps of coke,’ recalls Brad Neven. ‘Dirty clothes, soot and diesel,’ recollects Len Reddy. ‘The noise...hammers on metal,’ replies Bob Hoare. ‘Mrs Boswood insisted I wash my own overalls. She said “the job’s dirty but the money’s clean’,” reminisces Charlie Lawrie of his days as an apprentice fitter. When Bob Cole arrived home every afternoon, he had to scrub to the elbows with Solvol before going upstairs, despite a wash time before knock-off. Even so, the author recalls the ‘railway smell”—a pungent blend of solder flux, diesel fumes and sweat—lingering until bath-time.

The corrugated iron buildings were hot in summer, draughty in winter and often had cinder floors until the 1960s (Cole, 2004), although some private firms were considered far worse (Hoare, 2004). In the old Roundhouse, converted to workshops, boards covered old service pits where rats sometimes nested and were only baited when unions complained. Health inspectors did not visit government premises so conditions prohibited in private industry prevailed (Simpson, 2004). As late as the 1950s, union complained about leaking guttering, stinking urinals and blocked sewers and the absence of showers, lockers and drinking fountains (AEU, 1952). The toilets feature vividly in recollections; plentiful in number but with doors removed to prevent idlers smoking and reading. ‘There wasn’t a lot of privacy...you used to sit along in a row...but you got used to that’ (Lawrie, 2004). Bob Cole never got used to it and waited until he got home. After years of eating lunch at their benches or squatting in the shade of the big water-tank, the men obtained canteen facilities in the 1950s when the combined unions set up facilities in a building erected and equipped by the department. From then, they could eat a cheaply purchased three-course meal (Cole, 2004). Overall, though, both the administration and unions ranked good conveniences a low priority (Webster, 1999:281).

Workshops tasks were often dangerous. Arthur Simpson (2004) recalls the intense heat and claustrophobia of crawling into a steam engine to fit copper pipes with the fire going. Bill Bloomfield (2004) lost a finger in a carriage-shop accident; Bob Hoare (2004) has industrial deafness. He claims that before the 1980s, when management began to issue protective equipment, workers were oblivious to the danger of noise and, even when later alerted to the risks, had to request, sign for and share ear-muffs if they wanted them. Several coppersmiths have died and others suffer emphysema, reputedly from inhaling fumes from hydrochloric and nitric acid used in brazing boiler tubes (Simpson, 2004). The work was heavy too. Other than cranes in the lifting, erecting and boiler shops, there was little mechanical equipment, although this is a point of disagreement and indicates changes over time and differences between individual occupations as much as vagaries in recollection. Nevertheless, doing heavy, dirty and dangerous work was an accepted part of the job; after all, they were workers and men and ‘that’s what working men did’ (Bendall, 2004).
Innovation proved very slow in the workshops. Ron Fitzpatrick (2004) describes cutting metal sheets with ‘the big knife’, a guillotine operated by two or three men swinging on the handle. He brought back pop rivets from National Service in 1955: ‘Nobody had ever seen them before. I tried to get the engineers to buy them to make the job easier but they kept on with the old solid hand rivets.’ In the sheetmetal shop, everything was done by hand until into the 1980s when ‘technology came in’ (Reddy, 2004). Reflecting on standards before the 1980s when management started ‘spending big money’ (Bendall, 2004), former Workshops Superintendent Charlie Lawrie (2004) states: ‘We had top men and the equipment was adequate. We had everything that was needed.’ Outside industries had more plentiful and more modern machinery but undertook ‘boring, repetitious’ (Hoare, 2004) manufacturing work in a narrow range of items. As well as repairing engines and rolling stock, workshops men made a wide range of items to service the entire Central Division, from pigeonholes in the offices to sanitary pans for country railway quarters (Bendall, 2004). This diversity, together with the number of tradesmen available, underlay their belief that apprentices received better training in the workshops than in private industry where greater specialisation prevailed (Hoare, 2004). Workshops men also appreciated being able to complete many tasks individually rather than doing only one stage of an item. As a carriage builder, Bill Bloomfield (2004) liked to ‘make the thing holus bolus instead of picking out one thing and [having] someone else finishing it. That happened a lot in furniture making.’

One marked difference between the workshops and private enterprise was the pace of work. ‘They didn’t crack the whip’ is Blue Seery’s memory of building wagons. Men who started in private industry tell a common story. ‘My [railway] workmates said “Don’t break any rules in here. You’ve got to gear yourself to our pace.” You fell into a system,’ says Des Bendall (2004). That system was a set output per day—the darg—based on a specified time for producing each item or completing each task. Times were listed in a large book kept by the sub-foreman: eight minutes for a pay tin; 16 hours for a roof ventilator; with decreasing times for multiples. Outside, a higher rate was expected due to using, and having to keep up with, machines (Fitzpatrick, 2004). Bill Bloomfield (2004) paints a vivid picture of the boss’s son patrolling Tucker and Tuckers’ furniture factory, where he worked for a short time. ‘He belted his trouser leg with a big stick. He’d report you to the foreman if you weren’t working all the time and have you write every minute on the job sheet.’ Workshops clerk Brian Cridland (2004) can still quote ‘eight handlamps per day’ whereas outside workers would be expected to do 12 to 14, ‘slaving their guts out’. Bob Hoare (2004) recalls his first weeks in the workshops and quickly learning to toe the line on pace:

> When I came from Reids [where] you’d work flat-strap 7 to 4, I was given 200 slush lamps to make. I finished nearly a day ahead of the time limit. I couldn’t go any slower. The others told me to slow down [because] if you finished fast, you’d get another job. You just went along with it. As long as the job was done properly, that’s what mattered in the railway.

Demarcation disputes between rival unions caused stoppages at times: between tinsmiths and coppersmiths, between ‘sheeties’ and boilermakers, and where wood met metal. In Bob Hoare’s experience: ‘Demarcation got on my goat when I first went in...damn ridiculous but you got used to it. Outside [it was] never a union issue; you just did it.’

A commonly accepted practice—and drawing a coy laugh with denial or requests for anonymity from interviewees—was ‘doing a foreigner’. That entailed making items for yourself or a mate during lunchtime or smoko, typically using off-cuts from completed work or ‘making improvements’ to legitimately purchased materials before removal from the premises. Taking scrap pine chips home for the bathroom water heater ‘courtesy of Quentin Reynolds’ was a variation in the 1950s. ‘Unless they were large items,’ remembers one worker, ‘they went out in your [tin] port. A lot went out over the years.’ Most were small items like fishing sinkers or cake tins, but rotary clothes lines and washing machines were not unknown, being placed over the fence or concealed in the surge of bicycles at knock-off time. Sometimes the time-keeper looked the other way. Bob Cole recalls a search at the gate: ‘Ports opened, stuff went everywhere’ in the crowd before the men left. By the time engineers had fetched the General Manager, ‘everything had been spirited away’ by men on overtime. Most workers distinguished between ‘pinching off the shelf’ and ‘doing foreigners’; the former was dishonest but the latter was not. Yet both constituted theft and could bring criminal charges and dismissal. However, one retiree comments: ‘If anybody got caught, it was through his own stupidity.’
Those who worked in large private industry claim ‘foreigners’ happened there too (Neven, 2004) but Arthur Simpson (2004) believes it was difficult in smaller outside shops with ‘the foreman overseeing you eight hours a day’. Len Reddy (2004) recalls: ‘You couldn’t do it [at JM Smith’s] in my experience...not in daylight hours at least.’

**Socio-cultural dimensions**

As the willingness to tolerate and cooperate in ‘foreigners’ indicates, camaraderie ranked as one of the most satisfying aspects of a workshops job. While ‘security’ was the pragmatic response to such a question, the reply that sprang unqualified and immediate from the heart was ‘mateship’. Railwaymen in general were ‘like brothers...if you run across a railwayman you could talk to him for hours’ in the view of Charlie Lawrie, but the level of camaraderie in the workshops was absent from the administration (Gridland, 2004) and running crew (Tait, 2004). In Fred Brown’s (2004) opinion, ‘the workshops was one big family. Everyone knew everyone across all the shops.’ Those who had spent time in private industry found relations markedly different in the railway. Where tasks were concerned, ‘there was always somebody to help you if you got stuck in a job’ (Bloomfield, 2004). Arthur Simpson (2004) agrees, finding his coppersmith colleagues ‘very loyal...they’d go out of their way to cover up for you. If you made a mistake bending a pipe, they’d stick together and share the blame’. This contrasted with his later experience in a panel-beating shop. ‘If you were in trouble [there], the happier they were. You never heard a railway worker criticising his mate but when I went outside it was dog-eat-dog.’

Loyalty was paramount in the workshops ethos (Lawrie, 2004), especially ‘not dobbing in’ anyone (Neven, 2004). ‘Comradeship meant you never split on anybody’ to Blue Seery (2004). He recounts the story of a ‘wild’ workmate who picked a fight with a new man. When the victim complained and witnesses were called for, not a man would come forward. The engineer reputedly announced: ‘I’ve never seen so many blind bastards in all my life. A thousand of you here and not one of you has seen anything!’ Bob Cole (2004) recalls a fight between two men to settle a dispute the manly way, organised in the boiler shop and complete with gloves, referee and hundreds of witnesses. The bosses did not investigate, he believes, because they knew nobody would give evidence against either combatant. As these examples show, camaraderie was overtly masculine, reflecting as it did both the nature of the work and the demographics of the workshops; there were no women there until the 1990s other than a female nurse in later years (Lawrie, 2004). Even during World War II, women were not employed as munition workers in Rockhampton as they were in other railway workshops (Cole, 2004). According to Bob Hoare:

> We were getting a few girls at end...creeping in as boilermakers. I wouldn’t like my daughter working there...too rough for a girl although it’s probably better now. It was pretty wild...language and that stuff.

Practical jokes and ‘horsing around’ held a special place in the memories of workshop men. More innocent pranks played on apprentices included sending them to the store for a ‘left-handed hammer’ or a ‘long weight’ or having them hold the end of a heavy plank and then pretending to go for tools for ten minutes or more (Cole, 2004). Of a more physical nature was tit-for-tat dumping of a messenger from another shop in the water trough, while Christmas breaking-up day traditionally brought a spate of water-bombs (Brown, 2004). Around ‘cracker night’ in November, a favourite trick was to place a double-bunger in a soldering fire-pot during lunch so that, when the device was re-lit in the afternoon, the consequent explosion blew the chimney off and gave everyone ‘a hell of a fright’. Reflecting on these acts, many men agree that they were juvenile but ‘innocent...[and]...done in a fun context’ encouraged by the relaxed workshops fraternity (Bendall, 2004). However, they also acknowledge that some actions, like lighting a ball of newspaper and floating it down the open sewer below the row of occupied toilet seats (Cole, 2004) or setting a fire under a tank in which a riveter was working (Brown, 2004), did endanger lives and would never be tolerated today. At the time, though, bosses accepted it and turned a blind eye; these were blokey stunts in a ‘blokey’ environment (Bendall: 2004).

Mateship extended beyond work hours as well. Men regularly went fishing or played cricket or football together, while more than a few visited adjacent hotels after knock-off to share a cold beer (Simpson, 2004). Des Bendall (2004) recalls that when he started as a tinsmith in 1963, colleagues invited him to play in a weekend cricket game against the coppersmiths. Having
come from several private shops, he found out-of-hours fraternisation highly unusual, even in a work-based activity. He and others joined a plethora of official railway sporting clubs—football, rifle-shooting, swimming, tennis (Cole, 2004); the Railway Recreation Club which also catered for wives and children with gymnastics, callisthenics, boxing, netball and archery (Seery, 2004); and the Queensland Railways Institute which organised pool, darts, bowls, dances and holiday accommodation (Hoare, 2004). Participation in railway ambulance and fire-fighting teams further cemented workshops men into a close unit. Brian Cridland (2004) missed that convivial atmosphere when he transferred to the pay office where people spoke only to the classifications immediately above and below and never socialised. Len Reddy (2004) sums up the spirit of the workshops: ‘You worked in a team environment. You made a lot of friends for the rest of your life.’ Bob Hoare concurs, ‘I had a lot of good mates there. That was the worst thing about leaving.’

So much a part of their life, and indeed part of their identity, were the railway workshops that friendships remain strong over the years since retirement. Until security passes were required, some men made regular visits to workshops to savour the old atmosphere, to catch up on railway gossip (Hoare, 2004; Cole, 2004) and, most likely, to get the odd foreigner done.

Another feature of the workshops environment which made work there enjoyable was the generally good relationship between bosses and men during these decades. That situation was in marked contrast with the other major worksite, Lakes Creek Meatworks, where the meat union insisted all communication with the foreman went through the delegate (Webster, 1999:353). In the workshops, men readily fraternised with foremen, often playing cards at dinnertime and sometimes going fishing at weekends. What fostered the close bonds in the workshops was respect generated by the knowledge that bosses had also served their time and had come up through the ranks. ‘We had mighty bosses,’ says Fred Brown (2004) with depth of feeling. At the meatworks, on the other hand, foremen garnered little respect, rarely sharing the meatworkers’ practical skills and often having obtained a position through family connections or by taking a short course in, say, meat inspection at the technical college. Respect also extended to senior railway management, especially to former Commissioner, Jim Goldston, who started in the local workshops as an apprentice fitter and progressed to ‘the top job’ in Brisbane throughout his long career (Lawrie, 2004).

Respect for those who had gone before them indicates the high value placed on traditional skills by the workshops men. Paradoxically, while they complain of a lack of machinery over the years, doing things by hand—using their craft as they had been trained—was key to their satisfaction as workers. Des Bendall (2004) nostalgically enjoyed doing:

real sheetmetal work, the old work I’d known [at technical college] when I served my time.
We set out the patterns...cut and folded and soldered. You had to improvise but that was pleasurable because you were using your brain and your natural skills.

Ron Fitzgerald (2004) displays with great reverence a notebook in which, over the years, he drew diagrams of all the items he learned to make, as well as entering their respective times. If there was no pressure for speed in the workshops, there certainly was with quality. Restating Bob Hoare (2004): ‘The job [had to be] done properly, that’s what mattered.’

Camaraderie and trade skill gave a strong sense of job satisfaction and permeated the identity of workshops men but so too did pride in being a railway worker. ‘We felt proud to be part of something big...something important...a service,’ claims Ted Tait (2004). They reflect on the value of their work to Queensland Railways and, in turn, to its role in the development and prosperity of the state. For many years, in their recollection, only their Central Division turned a profit, and one large enough from coal haulage to sustain the entire service (Cole, 2004).

Older workers also look back proudly on their wartime service in a protected industry and their invaluable contribution to the nation in constructing massive munitions-making toggle presses (Cole, 2004; Brown, 2004). For Ron Fitzpatrick (2004), railway identity is in the blood with five generations of rail workers in his family; others both came from and married into railway families, compounding the association with railway (Cridland, 2004). In what was essentially a railway-and-meatworks city, a railway job with its permanency and regular pay and, specifically, being a workshops tradesman was considered ‘a cut above’ the rest. Some men concede their parents-in-law thought they were ‘a good catch’ (Cole, 2004).
But workshops men of later years acknowledge accusations from other quarters that the railway was ‘a bludger’s paradise’ (Bendall, 2004) and allegations of being ‘loafers’ (Seery, 2004). Certainly there were some slack times when men had ‘a bit of a sit down and talk’ (Bendall, 2004) and Charlie Lawrie (2004) concedes the workshops were ‘overstaffed, so some people got it easy’. Nevertheless, the work was ‘dirty, heavy and hard’ and they believed they deserved a rest at times (Seery, 2004). Some felt a reputation for laziness was based on sights of ‘porters hanging around the station’ by those who had never entered the workshops (Brown, 2004); others put it down to envy of a good job. Brian Cridland (2004) recalls ‘a continual stream’ of people to the enquiry desk seeking employment, while there were ‘people knocking on my door all the time’, says union representative Des Bendall (2004). That high demand from the wider community for a job in the railway, confirms their belief that it was indeed ‘a good job’ and perceived as such by others as well as themselves.

**Conclusion**

The opinions of employees in the Rockhampton Railway Workshops revealed in this research substantiate the adage of ‘a good job’ in the railway in the pre-reform era. The men enjoyed a permanent and secure existence, albeit with some terminations through technological change; and, despite some drawbacks of working for a large government instrumentality, they consider the terms and conditions of employment there were better and more equitable than those of their fellow tradesmen in outside industry. While the physical side of the job—heavy, hard, noisy, dirty and sometimes dangerous work in spartan conditions—may have repelled lesser men, those in the workshops saw it as fundamental to their identity as workers and as men. Consideration of a job there as being ‘good’ also reflected the distinctive social and cultural context of the workshops where camaraderie and craft pride were essential features. Those characteristics, together with perceptions of valued service not only contributed to job satisfaction but also helped shape their individual and collective identities as workshops men, of which they were proud and, seemingly, the envy of others. This study reflects the findings of other researchers, but in a hitherto unexamined provincial context, that work is not necessarily onerous, exploitative and alienating as the capitalist model implies. In no small part shaped by an environment where service prevailed over profit, employment in the Rockhampton Railway Workshops to the 1980s is a clear example of work providing personal satisfaction, fulfilment, life-long friendships, a sense of attachment and notions of identity. Without exception, all of the interviewees assert that, if they could have their working lives over again, they would willingly offer themselves for the job—but only under pre-reform conditions. As Bob Hoare (2004) concludes: ‘It was a good job...I enjoyed my time there. I’ve got no complaints.’ Ted Tait’s summation, in a 50-year-old ditty he and his work mates once sang, is more poetic:

> See that Garrett roll down the track, five hundred tons upon her back.  
> The railway life, she’s good enough for me.

**References**


AEU (1952) Amalgamated Engineering Union (Rockhampton No. 1 branch) minutes 30 October and 19 February 1953. Noel Butlin Archives E162.33/3.


**Recorded interviews**


Reproducing gender inequality: Segregation and career paths in information technology jobs in Australia

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University of Queensland

ABSTRACT

This paper draws on recent survey data to examine horizontal and vertical segregation within information systems employment in Australia, and seeks to illuminate the ways in which gender inequality is reinforced and/or reshaped at organisational level in this rapidly evolving area. Our analysis shows patterns of horizontal segregation across job categories that suggest some limitations to the use of simple dichotomies such as ‘hard’ versus ‘soft’ technologies to explain the occupational distribution of women, while also identifying patterns of vertical segregation consistent with the situation in the broader labour market. The organisational case studies highlight both cultural and structural barriers that tend to reinforce gender inequalities in information technology work.

Introduction

Numerous studies have drawn attention to the limited (and in some cases declining) representation of women in information technology (IT) tertiary courses and professional jobs (see, for example, Greenfield et al., 2002; Margolis and Fisher 2002; Panteli et al., 1999; Webster 1996). The broad pattern across the information and communications technology (ICT) sector as a whole, both within countries and on a global scale, is for women to be concentrated in the more routine jobs (for example, data entry or telemarketing), while men predominate in the engineering and design of information systems.

While this situation is clearly contrary to earlier hopes of a new industry less imbued with traditional distinctions between ‘men’s’ and ‘women’s’ work, it comes as little surprise to most feminist and labour studies analysts. Assumptions about the ‘indeterminate gender’ of computers run counter to understandings of the masculinity of science and technology (see, for example, Wajcman 1991), exemplified in male domination of ‘pure’ computing (Grundy 1994) and ‘hacker’ culture (Turkle 1984; Wright 1994). Moreover, predictions of the emergence of ‘information age’ firms with more flexible forms of work organisation, and operating in the context of well established equal employment opportunity practices (see Deakin 1984; Fountain 2000) contrast with the potential for work pressures in highly competitive environments to reinforce gender inequalities in career opportunities.

Our first goal in this paper is to provide a more comprehensive overview than has been available to date of the distribution and earnings of men and women involved with the design and maintenance of information systems in Australia. While our focus is thus considerably narrower than the ICT sector as a whole, the task is still complicated by a wide range of detailed job descriptions, inconsistencies in nomenclature across firms and ongoing change in the scope and content of particular occupational roles. We draw on a survey of large IT firms to examine patterns of horizontal and vertical segregation in this field, and assess the utility of distinctions between ‘hard and soft’, ‘creative and routine/support’, and ‘solitary and socially engaged’ job roles in explaining the gender differences evident in the data.

Our second goal is to elaborate some of the ways the gender differences we identify are reproduced at organisational level. Following Acker’s (1991: 162-3) recognition that ‘organizations are one arena in which widely disseminated cultural images of gender are invented and reproduced’, we use information from organisational case studies to examine the ways gender stereotypes are reinforced and challenged, and structural barriers to women’s career progression maintained, in different IT occupational roles and organisational settings.
The gendered distribution of information technology jobs: an Australian overview

Data for this section of the paper were collected in a commissioned survey of large IT firms conducted by Classified Salary Information services (CSI) in November-December 2003. CSI regularly surveys Australian Information Industry Association (AIIA) members for detailed information on salaries and remuneration packages, using a comprehensive and regularly updated list of occupational roles and position descriptions in the IT sector (although it has not previously included a gender breakdown). We requested information on the employment distribution and salaries of men and women in 106 roles directly related to the development, configuration and maintenance of information systems (excluding senior executives, non-technical sales and marketing staff, finance/administration and human resource management staff). CSI contacted 108 companies with employees in our selected roles, and responses were received from 77 (a response rate of 71 percent). Annual turnover within Australia in these organisations ranged from $2 million to over $5,000 million, and together they employed over 63,000 staff. Specific information was collected on 12,706 employees working in the designated occupational roles, although not all of these jobs were sufficiently prevalent to provide statistically reliable information. The sample includes regular full-time employees and long-term contractors, but excludes part-time, short-term contract, casual and expatriate staff. It cannot be taken as representative of IT employment or computing professionals as a whole: as well as excluding some types of employees (in particular short-term contract staff who may be very highly paid), it does not include organisations in which IT was not a primary function, and is predominantly comprised of large, high-turnover organisations. However, the data do provide a relatively comprehensive picture of regular employment in large IT companies in Australia, with an important advantage being the level of occupational detail available within these specialised firms (detail far superior to the occupational categories in the Australian Standard Classification of Occupations). To set our data in context, we note that the Australian Bureau of Statistics (ABS) estimate that there were 107,686 information and communications technology (ICT) employees working in ICT specialised businesses in Australia in 2003, 34 percent of whom were female (ABS 2004: 11). As these statistics include a wider range of occupations than those included in our survey data (including administrators), the proportion of women in our sample is likely to be lower.

Overall female share of the jobs included in our survey was only 22 percent, but the distribution across the different occupational roles varied considerably. In close to one-third of the roles, female share was 10 percent or lower (less than half the survey average); but in around one-fifth of the jobs, women made up 40 percent or more of employees (from around twice to four times the survey average). The occupations with 10 percent or lower female share included a few highly paid senior positions, but the majority of employees in this group of occupations were in ‘support engineer’ roles primarily involving installation and repair of computer systems. Entry and higher level pay rates in these jobs tended to be lower than those in programming, and a number of the position descriptions either did not specify the need for tertiary qualifications or indicated the value of TAFE or industry training.

While a low level of female representation in support engineer roles is consistent with perceptions of these types of jobs as ‘hands on’ technical and stereotypically masculine, many of the occupations in which female share was 40 percent and over were also technical support roles. As Table 1 shows, women’s representation was high in jobs providing technical support for software development projects, and although a familiar decline with increases in career level and pay was evident, women’s representation at management level in this area was still high in comparison with the survey average. Women were also well represented in lower career level (and team leader) jobs in Technical Support Centres, which provide technical assistance to customers via telephone or email. Specialised support analyst jobs in these centres typically require computer science or engineering degrees, and at the top of the career ladder they are relatively well paid. However, the decline in female share with steps up the career ladder is particularly marked, although less so for ‘operational analysts’ (poorly paid jobs not requiring formal qualifications) and ‘team leaders’ (also comparatively poorly paid for the career level, perhaps indicating the undervaluation of team management responsibilities in this context).
TABLE 1
Technical support roles, female share and relative pay for full-time employees in large IT organisations, 2003

<table>
<thead>
<tr>
<th>Occupational roles</th>
<th>Career level</th>
<th>% Female</th>
<th>Average pay relative to programmer</th>
<th>F/M pay ratio²</th>
<th>N (employees)</th>
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<tbody>
<tr>
<td>Software Project Support</td>
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<td>Technical writing</td>
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<td>82</td>
<td>113</td>
<td>.94</td>
<td>22</td>
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<td>146</td>
<td>.92</td>
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<tr>
<td>Testing and quality management</td>
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<tr>
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<td>.92</td>
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<td>3</td>
<td>26</td>
<td>143</td>
<td>.97</td>
<td>356</td>
</tr>
<tr>
<td>Srn technical analyst-specialised support</td>
<td>4</td>
<td>14</td>
<td>172</td>
<td>.96</td>
<td>169</td>
</tr>
<tr>
<td>Principal technical analyst-specialised support</td>
<td>5</td>
<td>10</td>
<td>206</td>
<td>.92</td>
<td>167</td>
</tr>
<tr>
<td>Technical support centre team leader</td>
<td>4</td>
<td>40</td>
<td>130</td>
<td>.81</td>
<td>35</td>
</tr>
<tr>
<td>Technical support centre manager³</td>
<td>6</td>
<td>19</td>
<td>239</td>
<td>.87</td>
<td>27</td>
</tr>
<tr>
<td>Total sample (106 roles)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>22</td>
<td></td>
<td>.95</td>
<td>12,706</td>
</tr>
</tbody>
</table>

1. Mean Nominal Base Salary (NBS) for the job role ‘Programmer’ = 100. NBS includes taxable base salary and any Salary Sacrifice Superannuation amounts made by the employee. The survey also provided figures for Total Remuneration Cost (TRC), defined as the total cost of all salary and benefit items, total variable pay and any fringe benefit tax liability, but excluding overtime and shift/standby allowance. Using NBS values provides conservative estimates – for example the average pay of a Technical support centre manager based on TRC values is 279% of a Programmer’s average TRC.

2. Based on mean Nominal Base Salary (NBS) scores for men and women.

3. Small cell sizes for this occupation mean the results should be interpreted with caution.

Source of data: CSi Study of Gender Based Pay Rates and Demographics in the ICT Industry, Australia 2003

What these data suggest is a division within technical support roles, with ‘hands on engineering’ jobs remaining strongly male dominated, and remote technical support, software testing and documentation more open to women. This division has some resonance with a ‘hard/soft’ distinction among technical tasks, but only partially, as remote technical support work and software testing cannot unproblematically be classified as ‘soft’, or linked with associated notions that sustain ideologies of masculinity of engineering and technology (see Cockburn 1985: 196-7). Cockburn’s study also reminds us, however, that encroachments on horizontal segregation may be accompanied by a reinforcement of vertical segregation, and Table 1 underlines the strength of vertical segregation in technical support centre work.
Another potential dimension of gender difference is between ‘technically creative’ (design and innovation) and ‘technical support’ roles, with women deemed more likely to be represented in the latter. Two groups of occupational roles are used to illustrate the more creative end of the spectrum: one involving software research and development; the other incorporating the professional services staff who develop links with clients and shape products to customers’ needs. This also allows comparison of job categories with quite different levels of customer liaison and social interaction, another dimension on which gender divisions are predicted.

Initially, it can be observed that although female share in both these groups of jobs is lower than in many of the technical support roles included in Table 1, it is considerably higher than in the support engineer type roles discussed previously; thus there is no clear confirmation of gendered distribution along a purely creative/support continuum. Table 2 shows that women’s representation in basic programming jobs is higher than the survey average, and that this is maintained in the more advanced career levels of Analyst Programmer and Systems Analyst (see also Baroudi and Igbaria 1995; Beirne et al., 1998). Our figures do show, however, that women are less likely to progress to Senior Programmer (the highest paid of the four software development jobs) or be rewarded as highly as men if they do. In a similar pattern to that shown for Support Centre Managers in Table 1, women’s representation is relatively high in Project Leader jobs, but this drops off dramatically with further steps up the career ladder and pay increments, and the gender pay gap is widest at the senior management level.

### Table 2

<table>
<thead>
<tr>
<th>Occupational roles</th>
<th>Career level</th>
<th>% Female</th>
<th>Average pay relative to programmer</th>
<th>F/M pay ratio</th>
<th>N (employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Software developers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programmer</td>
<td>2</td>
<td>29</td>
<td>100</td>
<td>.97</td>
<td>345</td>
</tr>
<tr>
<td>Analyst programmer</td>
<td>3</td>
<td>27</td>
<td>143</td>
<td>.97</td>
<td>909</td>
</tr>
<tr>
<td>Senior programmer</td>
<td>3</td>
<td>22</td>
<td>158</td>
<td>.92</td>
<td>778</td>
</tr>
<tr>
<td>Systems programmer</td>
<td>4</td>
<td>28</td>
<td>139</td>
<td>.92</td>
<td>224</td>
</tr>
<tr>
<td><strong>Software project managers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project leader</td>
<td>4</td>
<td>32</td>
<td>145</td>
<td>.94</td>
<td>523</td>
</tr>
<tr>
<td>Software project manager</td>
<td>5</td>
<td>22</td>
<td>190</td>
<td>.94</td>
<td>166</td>
</tr>
<tr>
<td>Senior software project manager</td>
<td>6</td>
<td>15</td>
<td>249</td>
<td>.88</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total sample (106 roles)</strong></td>
<td></td>
<td>22</td>
<td></td>
<td>.95</td>
<td>12,706</td>
</tr>
</tbody>
</table>

1. Mean Nominal Base Salary (NBS) for the job role ‘Programmer’ = 100. (For further details on the NBS measure see notes to Table 1).
2. Based on mean Nominal Base Salary (NBS) scores for men and women.

Source of data: CSi Study of Gender Based Pay Rates and Demographics in the ICT Industry, Australia 2003

Table 3 focuses on jobs that combine customer liaison and technical tasks, specifically the pre-sales support staff and consultants who design and adapt computer systems for individual clients. These are the types of jobs often depicted as ‘hybrid’, with the expectation that the combination of technical and communication skills would be particularly attractive to women (see Woodfield 2002). (They are also jobs that could be located more towards the ‘soft’ end of a hard/soft continuum.) The figures in Table 3 do indicate that women’s representation at the lower ends of these career ladders is higher than the survey average, but it is not markedly higher than for programmers – thus raising some questions over expectations that women would be more prevalent in hybrid or customer oriented, as opposed to more isolated and purely technical, IT jobs. Again, there is a marked decline in female share with steps up to the very well paid jobs at the top of these career ladders.
TABLE 3
Customer interface/technical design roles, female share and relative pay for full-time employees in large IT organisations, 2003

<table>
<thead>
<tr>
<th>Occupational roles</th>
<th>Career level</th>
<th>% Female</th>
<th>Average pay relative to programmer</th>
<th>F/M pay ratio</th>
<th>N (employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-sales Support Specialists</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assoc Pre-Sales Support Specialist</td>
<td>2</td>
<td>32</td>
<td>130</td>
<td>1.01</td>
<td>28</td>
</tr>
<tr>
<td>Pre-Sales Support Specialist</td>
<td>3</td>
<td>12</td>
<td>176</td>
<td>.85</td>
<td>126</td>
</tr>
<tr>
<td>Senior Pre-Sales Support Specialist</td>
<td>4</td>
<td>8</td>
<td>217</td>
<td>.97</td>
<td>258</td>
</tr>
<tr>
<td>Principal Pre-Sales Support Specialist</td>
<td>5</td>
<td>10</td>
<td>254</td>
<td>.99</td>
<td>86</td>
</tr>
<tr>
<td>Pre-Sales Support Manager</td>
<td>6</td>
<td>18</td>
<td>301</td>
<td>.73</td>
<td>17</td>
</tr>
<tr>
<td>Consultants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associate Consultant</td>
<td>2</td>
<td>31</td>
<td>105</td>
<td>.98</td>
<td>346</td>
</tr>
<tr>
<td>Consultant</td>
<td>3</td>
<td>31</td>
<td>150</td>
<td>.89</td>
<td>1135</td>
</tr>
<tr>
<td>Senior Consultant</td>
<td>4</td>
<td>19</td>
<td>203</td>
<td>.90</td>
<td>594</td>
</tr>
<tr>
<td>Principal Consultant</td>
<td>5</td>
<td>23</td>
<td>214</td>
<td>.91</td>
<td>449</td>
</tr>
<tr>
<td><strong>Total sample (106 roles)</strong></td>
<td>22</td>
<td>22</td>
<td></td>
<td>.95</td>
<td>12,706</td>
</tr>
</tbody>
</table>

1. Mean Nominal Base Salary (NBS) for the job role ‘Programmer’ = 100. (For further details on the NBS measure see notes to Table 1).
2. Based on mean Nominal Base Salary (NBS) scores for men and women.
3. Small cell sizes for this occupation mean the results should be interpreted with caution.
Source of data: CSi Study of Gender Based Pay Rates and Demographics in the ICT Industry, Australia 2003

The analysis thus far suggests that horizontal patterns of segregation in these occupational groupings cannot simply be explained in terms of hard/soft, or indeed creative/routine or socially isolated/engaged divisions. Rather the picture appears to be one in which these distinctions overlap and are overlaid with a strong pattern of vertical segregation. The following section of the paper narrows the focus to the organisational level processes that impede the progress of women in the jobs represented in Tables 2 and 3 – that is, software development and customer interface/technical design roles. Our analysis is concerned with the extent, and means of reinforcement, of a masculine culture around these jobs, as well as the structural barriers that impinge on women's advancement.

The reproduction of gender inequality: case study evidence

The evidence in this section of the paper is drawn from eight organisational case studies conducted in 2003-4. The organisations were from both the public and private sectors. The private sector organisations were sometimes smaller and IT was their core business, whereas in the public sector organisations, IT was only one aspect of the organisations’ activities. IT professionals were employed in a range of occupations, and some commonalities were evident. Table 4 provides information on sector, industry, number of employees and types of computing roles, as well as the labels we use to identify them in the following analysis. We note that the jobs titles are those used within the organisation and that information about the job tasks would indicate that similar roles have different names, and different roles have similar names, in the various organisations. This uncertainty is one of the ongoing difficulties of research in this field (see Panteli et al., 1999).
TABLE 4
Overview of case study organisations

<table>
<thead>
<tr>
<th>Case</th>
<th>Sector, industry</th>
<th>Workplace size¹ (employees)</th>
<th>Computing roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Public, education</td>
<td>5081 (263)</td>
<td>Helpdesk support, workstation support, network service, database manager, IT trainer, website manager, customer service, IT security, infrastructure manager, software developer/programmer, system administrator, server administrator, database admin.</td>
</tr>
<tr>
<td>B</td>
<td>Private, software</td>
<td>1131</td>
<td>Consultant, support analyst, software developer, internal IT consultant</td>
</tr>
<tr>
<td>C</td>
<td>Private, software</td>
<td>266</td>
<td>Technical analyst, programmer, tester, business analyst, developer, consultant</td>
</tr>
<tr>
<td>D</td>
<td>Public, education</td>
<td>2832 (156)</td>
<td>Helpdesk support, IT infrastructure, system administrator, web developer, database administrator, on-line communications officer, programmer</td>
</tr>
<tr>
<td>E</td>
<td>Private, software</td>
<td>42</td>
<td>Professional services consultant, software architect, programmer, technical consultant, analyst programmer, project manager</td>
</tr>
<tr>
<td>F</td>
<td>Public, govt admin</td>
<td>6518 (142)</td>
<td>IT support, user tester, IT logistics, computer systems officer, web, desktop systems</td>
</tr>
<tr>
<td>G</td>
<td>Private telco service</td>
<td>25</td>
<td>Developer, database administrator, system analyst, web designer, IT security, network administrator</td>
</tr>
<tr>
<td>H</td>
<td>Public, govt admin.</td>
<td>4612 (206)</td>
<td>Applications developer, lead analyst, systems analyst, applications tester, tech support, project manager, web co-ord., enterprise systems officer, network services officer, database admin, project manager</td>
</tr>
</tbody>
</table>

1. In organisations where IT was not the main business, number of computing staff are included in parenthesis. This figure for Case D is an estimate.

Information from these organisations was gathered from senior managers, human resource managers and computing professionals themselves, using interviews and focus groups conducted according to semi-structured interview schedules. These covered a broad range of issues including qualifications and skills, recruitment, training and careers, work organisation, pay, working time and flexibility, work/family, work regulation and organisational culture. The semi-structured format meant that the sessions were essentially discussions where respondents reflected on recent experience and interacted with each other and the interviewers. The sequence of questions, apart from initial introductory questions, was not crucial and most topics could be pursued as they arose. The number of interviews conducted in each case ranged from two to seven, and depended primarily on the complexity of the organisation.

Software development roles

While software development roles varied somewhat among our case study organisations, two relatively consistent themes emerged in terms of gendered divisions within this group of jobs. The first was an essentialist notion of the suitability of women for ‘analyst’ tasks, but at the same time a widespread recognition that men were the primary candidates for the main development and ‘software architect’ roles. The second was the idea that the time-intensive ‘lived culture’ around advances in computing tended to keep women at the lower end of the career ladder. These themes were evident in the responses of managers and employees, albeit with some variation between organisations.
The role of ‘analyst’ (analyst programmers and systems analysts) was seen not only as increasingly important in the industry, but also a job at which women would excel:

I think the importance in the analyst role will grow...Twenty years ago the IT industry was full of men, and they decided that they knew best and people would get what they would give them, [but] that world has changed. The end-user is much more sophisticated now, so being able to interpret what they need [and translate that] into delivering a product [is very important]. So the role of analyst, which I believe women are much better at, is a strong role...I think [it] is a natural job for a woman, for a technical woman... [because] women think like at this level [indicating breadth] about a wide scope of things, where men sort of think like that [indicating a linear thought process] (female manager, E: 5, 16-17).

At the same time, however, this manager (among others) noted that the key software ‘development’ roles, the ‘really kind of pointy-end roles’, still attract more men – and often men who tend to fit the stereotype of socially inept technical wizards: ‘these guys, our development guys ... don't have a lot of client skill’ (female manager, E: 17). In such environments, ‘power’, ‘aggression’ and ‘wanting to dominate’ were often seen as important aspects of the workplace culture (female manager D: 6; female manager F: 5).

In some organisations (particularly the small organisations immediately dependent on innovation for financial viability), it appeared that perpetuation of this type of culture around the development jobs was – at least informally – woven into recruitment and work organisation practices. For example considerable work was put into maintaining a particular (masculine) culture around the development team at Case G, ‘because the environment they operate in together is very important, and to upset that environment is really costly ’ (male manager, G: 9-10). New members of the team were carefully selected to fit the existing ‘technological orthodoxy’, and an important part of attracting new talent was to provide an environment ‘where they’re going to fit in, where they’re going to feel valued, where there’s an alpha geek that they…want to learn from (male manager, G: 16). Within this workplace, the development team were the leaders: ‘they know everything, they’re arguing about stuff, and they’re really opinionated and they just live it’ (male manager, G: 14, 15). Their status meant they were accorded a high level of flexibility and autonomy over their work, ‘I let them do what they want to do [and they] get paid a lot’ (male manager, G: 9, 20).

Amongst employees, there was a widespread recognition of competition among male staff in keeping technologically ‘up-to-the-minute’, and the level of time commitment required to keep competitive in such an environment – particularly for those who could not, or preferred not, to ‘live’ IT. Although a relatively small number of our male respondents were currently living the complete ‘geek lifestyle’ where their non-work time was spent on all-night computer sessions and LAN (local area network) parties that maintained their cutting-edge skills and knowledge, it was a facet of the culture in a few cases. At Case G, for example, the development team all had ‘LAN at home, with eight computers on it, and that's all they do’ (male manager, G: 15). Women sometimes referred to their earlier experiences with this culture: ‘I didn’t have kids then, and … my whole life was like a lot of the people are in IT ... it's like you eat, drink and sleep it’ (female IT worker, A: 9). Another told us: ‘When I first started in IT I got really into it, and now I’m still into certain aspects of it, but I’m not going to attend a LAN party when I could be out doing something else’ (female IT worker, A: 8). More generally, it was seen as difficult for women to maintain the time commitment necessary to keep up-to-date: ‘for women, if you want to build up your technical expertise ... [you can], but it does take time and a reasonable amount of dedication and commitment ...While you can [be] dedicated ... nine to five, it's the after hours that you have difficulty with’ (female manager, F: 3).

These pressures at least partly explained the tendency of some women to stay in programming roles. Programming was depicted as one of the ‘easiest’ paths for women in computing:

because it's more of a discipline that doesn't require people to do a lot of hands on hacking or experimentation....[In comparison] sys admin...fits with people who are doing a lot more of the tinkering with operating systems ...[so it's] a bit more difficult to compete with the men [in those areas]. (female manager, A: 3)
Overall, this interview data highlights some of the ways a masculine culture tends to be reinforced around the higher-level development jobs, through perceived associations between technical brilliance and a masculine hacker-style culture, the intensity of the lived IT experience and difficulties of keeping at the ‘leading edge’. Although essentialist assumptions about the suitability of women for analyst roles were also evident, a clear distinction seemed to exist between these types of jobs and the leading development jobs in some organisations, and the less challenging role of basic level programming appeared a safe haven for those less engaged with IT culture.

**Customer interface/technical design roles**

As in our investigation of software development roles, examination of jobs combining customer liaison and technical design also uncovered some tension between an essentialist view of women as highly suited to such roles and barriers to advancement at the organisational level. The jobs under analysis in this section of the paper are consistent with the concept of ‘hybrid’ – terminology utilised in debates over the changing needs of the IT industry and a perceived need to rely less on technical wizardry and more on the actual needs of end-users (see, for example, Woodfield 2002). The combination of technical with business/communications skills exemplifies the notion of ‘hybrid’, and such jobs have been depicted as more likely to be attractive to women than socially isolating purely technical roles. If true, this is significant as pre-sales and consultancy jobs are relatively well remunerated at the higher career levels (see Table 3, which also shows, however, that women in our survey were considerably less likely than men to progress up these career ladders).

There was some evidence in our case studies that organisations were seeking a ‘hybrid’ style of worker, at least for some roles. At Case B, for example, Business-IT dual degree graduates were seen as desirable recruits – so much so that the organisation sponsored the program at the local university. The Human Resource manager noted that staff for the organisation’s Consulting Group ‘generally come out of a business IT type degree, have some technical skills … some functional as well…so that the mix is good…[and] there are more women…[These graduates are] well rounded [with good] communication skills’ (female manager, B: 3, 4, 6). Employees were aware of this orientation and the demand for business and communication skills: ‘communication skills are definitely what they’re looking for…communication skills and customer focus’ (female IT worker, B: 11)

Nevertheless, it was clear (particularly in the private sector organisations) that consultancy roles involved intense work pressures and were not suitable for those with family commitments. In one organisation there was a clear division between ‘research and development’ and ‘professional services’ jobs, with consulting in the latter grouping. One of our female respondents noted that:

> if you’re married…with small children, then [consulting] is the last place you’d want to be because…you are working for a customer who’s paying for your time…If there’s an urgent problem, you’ve got to fix it and fix it now; and it’s expected that you don’t leave until it’s fixed. (female IT worker, C: 14)

Where overseas travel was part of consultancy work (as in Case C), there was a clear tendency for women to move into the development job stream: ‘on some [consultancy] teams it’s very heavily male dominated, but a lot of that’s because of the travel that’s required… A lot of the ladies have children, and they try and go into the [development] area where they don’t need to travel’ (female IT workers, C: 11). This tendency was not limited to Case C, or to moves into software development roles. The HR manager at Case B spoke of her shock when a highly competent (female) consultant sought to transfer to the internal IT section of the organisation when she planned to start a family: ‘[her decision] sort of blew me away because she’s one of the…top, most highly regarded performers in consulting’ (female manager, B: 18).

These observations illustrate the pressures that run counter to the idea that women will find niches in relatively highly paid technical jobs in the IT sector, and the reasons why some might be more inclined to pursue careers in ‘development’ rather than ‘consulting’ sections of organisations, or alternatively to take up programming or routine support jobs rather than pursue careers. The product testing area in Case C, for example, was highly feminised – a situation a senior (male)
A staff member explained in the following terms: ‘I think there’s a few who are … married. Happy just to do [testing work], not ambitious … It’s a … bit of a dead end job. I mean for someone who’s on the career move you don’t stay in testing very long’ (male manager, C: 5).

Conclusion

The analysis presented in this paper has highlighted difficulties in explaining the horizontal distribution of women in information systems jobs on the basis of simple (often essentialist) dichotomies that suggest women will be located primarily in ‘soft’ technical areas, particularly those involving customer liaison and communications skills, or in ‘routine support’ rather than ‘design’ roles. While there is some evidence for these general expectations, reality is far more complex, and one of the most striking patterns evident in the data is the level of vertical segregation (which of course is not peculiar to IT employment). The case study material illustrates some of the pressures that impede career advancement for women in these jobs, and although some are peculiar to IT (a competitiveness around up-to-the-minute skills honed through ‘living’ IT, and assumptions about men’s mastery of technical skills), others reflect work organisation arrangements that make certain types of higher level jobs incompatible with family or other commitments. This not only reinforces vertical segregation, it also appears to generate horizontal shifts that help explain women’s relatively high presence in programming and technical support roles.

Acknowledgements

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The hidden traps in multi-tasking: The experience of work intensification for personal service attendants in the healthcare sector

Eileen Willis
Flinders University

ABSTRACT

This paper outlines the creation of a new category of worker, personal service attendants (PSAs), through the amalgamation of cleaning, nurse assistant, orderly and kitchen hand tasks. The study focuses on the introduction of PSAs into one public hospital in South Australia between 1996 and 2000. The paper makes three points. First, the creation of this occupational group was not the result of post-Fordist moves to up-skill and multi-skill workers, but was in response to budget cuts that saw the reduction in staff numbers across all occupational and professional groups in the hospital, pressure by the state government to out-source all non-core services and a desire by human resource managers to bring the orderlies under control. Secondly, nurse managers supported the creation of PSAs, despite objections from the Australian Nursing Federation, as it offered an opportunity to shift lower order tasks to this group and thus reduce the work intensification of nurses. Finally, the paper argues that the introduction of this new occupational group did little to alleviate the workload of either nurses or PSAs; both groups experienced work intensification in the period under discussion. However, becoming a PSA did increase work satisfaction for female PSAs.

Introduction

This paper outlines the creation of a new category of worker, personal service attendants (PSAs), through the amalgamation of cleaning, nurse assistant, orderly and kitchen hand tasks. The study focuses on the introduction of PSAs into one public hospital in South Australia between 1996 and 2000. The paper makes three points. First, the creation of this occupational group was not the result of post-Fordist moves to up-skill and multi-skill workers, but was in response to budget cuts that saw the reduction in staff numbers across all occupational and professional groups in the hospital, pressure by the state government to out-source all non-core services and a desire by human resource managers to bring the orderlies under control. Secondly, nurse managers supported the creation of PSAs, despite objections from the Australian Nursing Federation, as it offered an opportunity to shift lower order tasks to this group and thus reduce the work intensification of nurses. Finally, the paper argues that the introduction of this new occupational group did little to alleviate the workload of either nurses or PSAs; both groups experienced work intensification in the period under discussion. However, becoming a PSA did increase work satisfaction for female PSAs.

Work intensification in the health sector in Australia

Over the last decade health professionals in Australia have argued that their work has become more intensified as a result of budget restraint and healthcare reform (White and Bray, 2004; Willis, 2002). Finding the evidence for this work intensification requires understanding the changes that have occurred and the factors that might contribute to work intensification in workplaces such as Westernvale. Two varieties of work intensification are suggested in the literature (Green, 2004:714). These are extensive and intensive work effort. Extensive work effort refers to working longer hours, while intensive work effort refers to working at a faster pace or with fewer down times. Both these concepts can be elaborated when applied to hospital work that incorporates shift work. In hospital settings the hours of work are non-standard, usually with a reduced number of workers as the shifts move across the twenty-four hour day from morning to night and through the five days of the standard working week to the week-end. In the past this arrangement has assumed a reduction in duties as the day progresses or as the week moves toward Saturday and Sunday. These assumptions are no longer guaranteed although many hospitals still operate according to this model.
In making a claim for work intensification Green (2004) suggests five hypothesis or factors need to be examined. These are; the presence of increased technological and organisational change; the introduction of multi-skilling and functional flexibility; human resource management techniques designed to engender greater worker engagement; increased use of incentives; decreased power of unions; and rising job insecurity. Added to this, he suggests that each of the processes listed above may impact on the other. For example a weak union may precipitate the introduction of new technology, while the threat of redundancies may soften workers up to accept job redesign (Green, 2004). White and Bray (2004:3) add a sixth factor to the list in support of work intensification. They suggest that in many instances it is possible to provide evidence of increased work volume. A seventh factor suggests that if one occupational group makes a claim of work intensification, this is likely to impact on the work of others in the team, especially where multidisciplinary teamwork is required. This paper argues that this is especially so for personal service attendants; a newly created occupational group introduced into a number of public hospitals in South Australia in the 1990s.

Case study: personal service attendants as a third level carer

In South Australia personal service attendants (PSAs) were created by amalgamating the occupational groups of nurse assistants, kitchen staff, cleaners, porters and orderlies. Their work mirrors that of personal care attendants (PCAs) working in Nursing Homes but they perform fewer direct nursing tasks, such as dispensing medications, and there is as yet no formal vocational training available for them outside of hospital settings. Previously these occupational groups operated independently of one another with a tendency for men to be orderlies and porters and women to function as nurse assistants, cleaners and kitchen staff. At Westernvale cleaners had up to four weeks formal training with a strong emphasis on infection control, while kitchen staff, orderlies and porters learnt on the job. Around 35-40 percent of PSAs time is spent in cleaning clinical areas such as patient beds, lockers, toilets and showers as well as offices, kitchens and lounges within the wards. Their time is also devoted to a range of tasks known as ‘fetch and carry’. This includes transporting patients to and from tests, to home wards or to discharge areas. This takes up to 20 percent of their time. Other duties such as distributing meals, moving beds and lockers around the ward and in some areas shaving patients prior to surgery make up the remainder of their job description. Much of the work involves heavy manual handling and cleaning with the concomitant risk of occupational injury.

While the creation of PSAs in South Australia was a direct result of radical budget cuts instigated by an in-coming Liberal government in 1994 following the collapse of the State Bank, this newly created occupational group is also a belated response to the transfer of nurse education to the tertiary sector and the subsequent loss of cheap, low-grade, student-nurse labour. The shift from hospital-based training to the university sector for nurses was formally ratified in 1990, but for Westernvale began in 1982 because of its close proximity to one of the earliest established tertiary based schools of nursing. Previously, junior nurses in training performed many of the duties now taken up by PSAs such as the cleaning of beds, lockers and ward furniture, the delivery of patient meals, the organisation of ward equipment such as linen and the transport of patients to tests and theatre for surgery. Over the last twenty years many of these tasks, such as delivering patient meals and arranging flowers have been classified by the professional and industrial arms of nursing, as ‘non-nursing duties’. Personal service attendants are as a consequence a form of substitute labour as well as a new occupational group created to fill a gap left by the up-skilling of registered and enrolled nurses.

Similar developments occurred in some other states in Australia such as Victoria and New South Wales (O’Donnell 1995) and in the USA, Britain, Canada and Hong Kong (Brannon 1996, Badovinac, Wilson & Woodhouse, 1999, Huston, 1996). O’Donnell (1995), commenting on the employment of PSAs in two large hospitals in New South Wales notes that these women are mainly from non-English speaking backgrounds, with minimal education, but high levels of commitment to the hospital, the nurses and the patients. His research showed that PSAs enjoy their new multi-skilled role and prefer to work as part of the nursing team, rather than under the direction of hospital administrators. However, the PSAs in O’Donnell’s study also reported high levels of stress because they worked in self-regulating, non-hierarchical teams where authority structures were unclear, but audit requirements were high and responsibility for performance
or lack of it shared equally by all. Multi-skilling has resulted in work-intensification with few opportunities for down time.

Brannon (1996), commenting on the use of substitute nursing labour in the USA, where both university and college trained nurses work with Unlicensed Assistive Personnel (UAPs), points to the fact that UAPs allowed new models of nursing care to be designed that left lower numbers of registered nurses working on the wards with higher numbers of UAPs, and no support from college trained nurses. The second tier or college trained nurses were laid off from the acute care sector and forced to find work in community and home-based nursing where the unregulated and underfunded nature of their work meant that they worked without direction from a registered nurse. In Brannon’s study they reported that they were often required to perform nursing duties, such as the administration of drugs that are legally outside their jurisdiction in a hospital setting.

Similarly Badovinac et al (1999) reported increased stress levels for RNs who had to manage their patient load with lower-skilled carers. Interestingly, consistent with Australian figures Badovinac et al (1999) found that over 50 percent of UAPs were 40 years of age or older, while 50 percent of RNs on the wards were under the age of 35 pointing to status differences based on age and education that may contribute to tension between the two groups. Green (2004) reports that in Britain increases in work intensification are more often reported in the service sector, in work done by women and those over 40.

The tension between nurses and substitute workers is most evident in Britain where healthcare assistants (HCA) were introduced into public hospitals, or their numbers increased, following the 1980s National Health Service reforms which also brought budget cuts. Their presence has created considerable ambiguity in nursing circles where their introduction has confounded the hopes of many registered nurses that the new Primary Nursing, where one nurse cares for the patient from admission to discharge, would facilitate a post-Fordist climate of task reunification, flexible specialisation and job enrichment (Daykin & Clarke, 2000). Daykin and Clarke (2000) report that Registered Nurses’ resistance to HCA arises from the fact that the promise of holistic care has been abandoned. While RNs are relegated to high level technological care and administration - and up-skilled - the day to day lower level, multi-tasked caring work involving patient interactions is performed by HCAs. As a consequence the work of HCAs is routinised and repetitive, while for much of their working day RNs are engaged in paper work rather than direct patient care.

In the Australian context personal service attendants should not be confused with the second level of nurse; the Enrolled Nurse (ENs), although they share some similarities in their relationship to registered nurses as substitute labour. Enrolled nurses are clearly aligned with registered nurses as a second tier nurse. This is despite the fact that in South Australia conflict between these two grades of nurses simmered throughout the 1980s and 90s. This conflict had its origins in the fact that training for ENs, which occurs in the Technical and Further Education (TAFE) sector, was considered inadequate for acute hospital nursing and legislation prevents ENs from working independently of supervision by a registered nurse. Attempts by the South Australian Nurses’ Board to bring the practice of ENs under greater regulation peaked in the early 1990s much to the distress of many of these nurses. The Nurses’ Board took this action in response to a realisation that many ENs were performing tasks at a level equal to registered nurses and outside the legislation. For many ENs working in public hospitals this led to de-skilling and dissatisfaction with the work they were allowed to perform, yet at the same time other ENs were up-skilled to perform tasks equal to experienced Level 1 RNs, but without adequate remuneration. Following the introduction of enterprise bargaining the Australian Nursing Federation took a more proactive approach to the issue of ENs. The 2000 EB agreement established set ratios for the employment of RNs to ENs at 70/30 thus keeping their numbers low, safeguarding the integrity of the registered nurse role, but making it difficult for managers to employ cheaper qualified/substitute labour. The ANF recognized that despite the legislation and the quota restriction many ENs had been up-skilled to perform tasks equal to that of registered nurses. As a consequence both the 2000 and 2004 EB agreements made provision for an advanced EN grade and role with accompanying salary increases. However the caveat on the ratio of ENs to RNs leaves the way open for the employment of more personal service attendants.
The introduction of PSAs at Westernvale

In 1993 the newly elected Liberal government saw its resounding win over the Labor government as a mandate to reduce the state debt through curtailing public expenditure. The introduction of casemix diagnosis related groups (DRGs), a prospective payment system was accelerated and became the basis for hospital funding while at the same time the hospital sector sustained a budget reduction of 15 million over the three-year period 1994-96 (Brooker, 1997). Funding to individual hospitals was negotiated through Service Agreements and the principle of contestability became mandatory (selected government services had to be put out to tender) along with the privatization of non-core activities. As a result many hospitals were forced to either offer state funded voluntary redundancy packages in order to reduce staffing levels or re-design work processes in order to comply with the principle of contestability. Two areas for privatisation were cleaning services and meal preparation.

Managers and clinicians at Westernvale argued that to privatise the services of kitchen staff, cleaners, orderlies, porters and nursing assistants would jeopardize quality care particularly in the area of infection control. One way of preserving this workforce as ‘core’ was to roll the occupational groups up into one, re-classify them as personal service attendants and allocate them to individual wards. This included shifting them from supervision by the centralized human resource managers to that of the ward clinical nurse consultants. An argument in support of this proposal was that once attached to a ward, PSAs, could respond immediately to nurse or doctor requests for test results to be collected, patients to be moved or beds to be cleaned following patient discharge. Previously when nurses wanted these tasks done they had to contact centralised services and wait for orderlies to arrive; sometimes up to half an hour, or in the case of cleaning tasks, wait until cleaners had finished in other areas or do it themselves. Managers could see the advantages of this newly multi-skilled workforce attached to specific wards who could respond ‘just in time’ to requests that facilitated patient through-put on wards in a hospital that had recently reduced both nursing and medical staff as a result of budget cuts. The re-organisation of the hospital into divisions, or the Johns Hopkins model of devolution, following the logic of casemix DRGs, facilitated this move. Budgets were devolved to divisional clinical managers. This included an allocation of PSAs for each ward. A secondary motivating factor was the fact that many of the female cleaners and kitchen staff believed the new occupational group would provide them with more interesting and meaningful work, although the male porters and orderlies were less sure.

The introduction of PSAs into Westernvale was not achieved without considerable opposition from the Australian Liquor, Hospitality & Miscellaneous Worker’s Union (LHMU); the union representing the various occupational groups. Prior to the Liberal Government reform, hospital managers at Westernvale had attempted to negotiate with the LHMU for the creation of a multi-tasked occupational group. A number of the managerial staff were of the view that the union was resisting the need to comply with the 1980s Structural Efficiency decisions of the Australian Industrial Relations Commission to build a multi-skilled and flexible workforce. This was particularly so for the orderlies. Managers found it difficult to bring these worker under control, to get them to outline their duties or to respond to the change in work design that was occurring throughout the hospital as a result of staff cuts and the need to increase productivity and efficiency.

The LHMU initially resisted the Liberal Government reforms, specifically competitive tendering, by invoking the 1994 Enterprise Bargaining clause, which required hospital managers to consult with unions on workplace change. In 1996 the union’s challenge to the principle of competitive tendering was overturned in the Supreme Court as not a violation of the 1994 EB agreement. This, coupled with the fact that the offer made to workers was financially attractive; all were appointed at a higher classification level, moving them from level one and two to three, along with the belief by many of the female cleaners and kitchen hands that this work would be more interesting given its multi-skilling and closer relationship with nursing staff, meant that the union was forced to withdraw its opposition. The newly created PSAs were given one weeks training; three weeks short of what was previously offered to cleaners and they were assigned to the wards. It is at this point that any argument for multi-skilling or up-skilling falls down. A more accurate description is that PSAs were now multi-tasked.

As previously stated the response of the ANF and nurse managers to this newly formed occupational group was positive in the light of a reduction of over 100 effective full-time nursing
staff between 1994-1996. Nurses believed that the PSAs would alleviate work intensification on the wards, although they were suspicious of encroachment by these workers into areas deemed ‘nursing duties’. These suspicions continued over the following four years and were a constant agenda item at site union meeting, but tended to be isolated to specific wards, such as Accident and Emergency, where the role of PSAs was more ambiguous. Across the hospital it became mandatory for PSAs to attended handover each morning for the first shift of the day, an essential task if they were to know which patients were booked for surgery and needed to fast or which patients needed to be delivered to laboratories for tests, rehabilitation classes or discharged. In organising their day PSAs needed to arrange cleaning and meal delivery around the needs of the patients as well as respond to nurse and doctor requests to pick up drugs from the pharmacy or retrieve equipment loaned to other wards. Many of these tasks were previously done by nurses assigned to the ward or kitchen staff, cleaners and orderlies working under the centralised human resource departments. An assumption was that they would reduce the burden of work for nursing staff. This assumption is explored below, along with the impact on their own labour.

**Work intensification: the process of extensive and intensive work effort**

Two qualities of work intensification are increases in the pace of work and extension in the time worked. In the hospital sector this can be extended to include the impact of shift work. Shift work incorporates non-standard and non-social hours as well as the idea that as the day or week progresses the pace of work reduces consistent with the patient load. These arrangements governing shift work are no longer accurate for many wards in public hospitals in Australia. The drive for productivity and increased efficiency, increases in private health insurance, the shift in the bulk of same day surgery to the private sector and the reduction in elective surgery in the public sector due to the increase in emergency admissions has led to many work re-design innovations. As a result, patients may return from surgery, not on Wednesday ready for discharge on Friday, but on Friday needing intensive care over the weekend. Not all patients return from surgery by early afternoon, settled and comfortable by 9pm, when the skeleton night duty staff come on duty; some return as late as 9 pm in need of intensive observations every ten to fifteen minutes throughout the night. In both cases these patients return to wards staffed with fewer nurses and PSAs than the morning or weekday shifts and fewer doctors available to check out concerns. These factors are part of the extended and intensive work burden of work for PSAs.

At Westernvale in October 1996 the Liquor Hospitality and Miscellaneous Workers’ Union conducted a mass meeting at the hospital following complaints from its members about working rosters. When the PSAs were cleaners and kitchen hands they had worked a rosters of 152 hours across a 28 day cycle with fixed and predictable days off each month. Under the new arrangements they now worked a similar shift pattern to nurses. This was a three by seven-day variable rotation per month of either an early (7am to 3pm) or late (1pm to 9pm) shift. Only one PSA was rostered on in the hospital for night duty. The difficulty with these arrangements for PSAs was that the number rostered per ward was considerably fewer than nurses. Usually three PSAs were on duty for the morning shift and two for the late shift. The majority of PSAs were older women in their 40s and 50s and they found the seven continuous days arduous, given that much of the work involved heavy manual handling tasks. Because of their fewer numbers they were unable to negotiate changes to their roster to deal with their fatigue, although some dealt with this by using morning and lunch breaks to lie down in empty rooms or spend time by themselves.

This issue came to a head in 1997 when many nurse managers reported they were regularly forced to work outside the agreement by altering rosters and requesting part-time PSAs to work because of the injury rate amongst full-time staff. By May 1997 the injury rate amongst PSAs was 4.3 percent per year, compared with the overall hospital rate of 2.5 percent for other staff. This number rose to 6.6 percent in 1998, despite the fact that it remained stable for all other professional and occupational groups. Workcover claims rose by almost 50 percent in the same year to 27; up from 14 in 1995. This resulted in an added burden to those able to work, lower standards in cleaning and low morale. In 1999 nurse managers performed a detailed task analysis of PSA duties. The outcome of this task analysis was a reassignment of PSAs more equitably across the wards, but their numbers did not increase.
**Impact of Multi-tasking and the reduction of idle time**

While PSAs remarked that multi-tasking made their work more interesting they had to manage the variety of tasks from their position of subordination. Refusing to do a task or follow a request from a nurse or doctor was not an option for PSAs, except where it contravened the orders of the senior nurse in charge of the ward. Their access to doctors is negligible, while their access to the senior nurse is restricted by their awareness of the work load these nurses carry and the seemingly trivial nature of their concerns about cleaning and meals. One of the major difficulties reported by PSAs is completing all the cleaning, but at the same time responding ‘just in time’ to the requirements to have patients delivered to rehabilitation classes or medical tests. When PSAs leave their cleaning work to respond to a nurse request, on return to the ward they must begin their cleaning work again, rather than take up where they left off, because cleaning agents must be freshly applied. Added to this, they must organise their work without disrupting medical rounds or treatment regimes performed by allied health staff and nurses. Nor can cleaning be performed during patient meal times. This work requires complex juggling, and ensures negligible down-time as there is always cleaning work to be done.

**Human resource audit**

While PSAs work without direct supervision, at Westernvale their cleaning work is audited on a three monthly basis by an independent company contracted by hospital management. Following each audit, wards are assigned a score, which becomes public knowledge and discussed amongst PSAs at morning tea, in the lifts returning to home wards and at handover. The scores are aggregated for each site visit and for the year, as well as benchmarked against other public hospitals around the country and state. The scores contribute to the hospitals’ initiatives in maintaining accreditation. Accreditation is a major benchmark for hospital quality assurance and has become increasingly important over the last few years as the evidence of the risks associated with hospitalisation becomes more public. In cases where the cleaning scores are low PSA staff are urged to intensify their effort and bring the score into line with the needs of accreditation and the hospital benchmark. O’Donnell (1995) notes in his study of PSAs working in public hospitals in New South Wales that the burden of maintaining standards where work is performed by a self-monitoring team, with no one in charge, creates work intensification for some workers. Responsible, competent and fit workers end up carrying the load for those who are not well or incompetent or when staff numbers are reduced due to injury or illness.

**Evidence of increased load**

There is no doubt that those PSAs who up-tasked from previous occupations as cleaners or kitchen staff enjoy their work, however, they were soon reporting that their working day was more intense than previously. At Westernvale senior administration employed some workload measures to calculate the number needed in each division, but as mentioned above their introduction was motivated by a desire to avoid out-sourcing what the state government bureaucracy defined as non-core activities and recognition of the need to reduce the work load for nurses. Not all cleaners or orderlies transferred to the newly created positions in 1996, significant numbers took redundancy packages so that while PSAs were trained to perform the range of tasks once restricted to narrow occupational groups, the pool of staff was reduced by 30 percent. This was a 9 percent reduction in the overall workforce.

The significance of this reduction in numbers can be gauged by examining Table 1, taken from the Westernvale annual reports for 1994 through to 2000. In 1994 the complement of hotel staff, the category assigned to PSA previous occupational groups was 314. By 2000, the number was reduced to 144 representing a 45 percent reduction in staff numbers over the eight-year period, although it needs to be stated that some of this work was out-sourced to private companies employed to clean the public areas in the hospital. At the same time the number of registered and enrolled nurses dropped from 922 in 1994 to 833 in 1995 and remained below 1994 figures until 2001 when the EB agreement between the ANF and the Department of Human Services brought nursing numbers back up above 1994-5 levels. Given that the table shows clearly that hospital occupancy increased, the number of same day procedures intensified and the length
of stay remained relatively stable, the work of PSAs like that of nurses, intensified. It is not surprising that by 1998 PSAs and nursing staff were reporting several difficulties with this new occupational group.

### TABLE 1
Activity data and staffing numbers 1994-2000 Westernvale Hospital

<table>
<thead>
<tr>
<th>Year</th>
<th>Occupancy (%)</th>
<th>*Same-day Nurse Nos.</th>
<th>PSAs and hotel staff</th>
<th>*LOS days</th>
<th>No. Bed days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>N/A</td>
<td>13,186</td>
<td>922</td>
<td>314</td>
<td>402</td>
</tr>
<tr>
<td>1995</td>
<td>86.9</td>
<td>14,232</td>
<td>833</td>
<td>200</td>
<td>402</td>
</tr>
<tr>
<td>1996</td>
<td>87.8</td>
<td>N/A</td>
<td>857</td>
<td>180</td>
<td>413</td>
</tr>
<tr>
<td>1997/8</td>
<td>88.3</td>
<td>16,553</td>
<td>882</td>
<td>146</td>
<td>427</td>
</tr>
<tr>
<td>1998/9</td>
<td>87.3</td>
<td>17,860</td>
<td>918</td>
<td>150</td>
<td>437</td>
</tr>
<tr>
<td>1999/2</td>
<td>95.40</td>
<td>20,035</td>
<td>881</td>
<td>144</td>
<td>402*</td>
</tr>
</tbody>
</table>

* Number of patients admitted and discharged on the day of their surgery.
** Length of stay in days.
# Average number of beds available across the hospital

### Discussion and conclusion

This paper has provided a case study in work intensification for personal service attendants working in one hospital in South Australia. The study demonstrates that PSAs experience both intensive and extensive work intensification. Changes to the work of PSAs included radical job redesign to create a new occupational group, changes in duration and timing of their shifts and less flexibility in their working hours. While PSAs found the multi-skilling and up-skilling made work more satisfying, responding to the tasks ‘just in time’ resulted in increased job stress and to a reduction in the ‘porosity of the working day’ (Green 2004:737). It is not surprising that PSAs, many of whom are women in their late 40s and 50s sought a quite room during tea breaks for a rest. PSAs also experienced considerable pressure as a result of increased work surveillance through the pervasive human resource technique of the quarterly cleaning audits, and the move from centralised control to the immediate supervision of nursing staff. The quarterly audit activity, while effective in bringing scores up to the benchmark, often meant that some PSAs were forced to carry the work of incompetent, sick or injured workers. While they were theoretically under the supervision of the senior nurse of the ward, they rarely brought their problems forward given that they regarded their complaints trivial. This left them to work on problems amongst themselves with little authority to find solutions other than work harder. The case study also provides evidence of increased work volume with virtually no idle time. This includes increases in same day surgery and reduction in patient length of stay, along with a reduction in nursing numbers.

The evidence for job insecurity is ambiguous. Prior to the formation of the occupation a number of cleaners, orderlies and kitchen hands took redundancy packages, and it is also true that those who sustained an injury had difficulty returning to the wards given the heavy nature of the cleaning and transport of patients involved, although the majority were permanent employees. Job insecurity did exist at certain times throughout the 1990s, but it was not sustained, although there was certainly an ethic amongst the nursing staff that those who could not take the pace should resign. Whether this spilt over into the PSA ranks is not clear. The case study provides insufficient evidence to suggest that the union’s power has diminished or that new technologies have impacted on their work, although Green (2004) includes new managerial strategies under this factor given that information technology allows remote control, but closer surveillance of work. What is clear is that as the numbers of PSAs reduced so too did those of nursing staff, despite close observation by the union. A key process contributing to work intensification is the increased pressure placed on groups of workers, when other occupational or professional groups in the team are under pressure.
In this study, one of the most significant factors of work intensification for PSAs is related to work intensification experienced by the nurses. When nurses are under pressure, much more of the mundane cleaning, patient retrieval and domestic work is left to PSAs. This increased work volume is in turn exacerbated by the reduction in PSA numbers which in turn impacts on stress levels and as the evidence suggests, increases the injury rate. In 2000 the EB agreement covering nurses brought their staffing numbers back to 1994 levels, no such increase was achieved for PSAs. However, by 2004 PSAs had achieved a separate EB agreement from administrative professionals in the sector.

There has been considerable increase in work intensification in the health sector. It has not been restricted to nurses or doctors, but is system wide and, as a consequence, is doubly intensified for health professionals and occupational groups given the high demand placed on them all to integrate their work in order to ensure efficient work practices are in place in what is increasingly becoming a multidisciplinary arena. PSAs may be at the bottom of the health occupational hierarchy, but this does not mean that their dedication to the care of sick patients as well as their commitment to the nurses and doctors, is diminished. Re-working the tasks of cleaning, patient transport and feeding requires more than creating new work arrangements. It requires maintaining staffing levels or increasing them, where productivity levels increase and systems of work are redesigned. It also demands recognition that the intensity of work for one occupational group will impact on other groups where the work is highly structured around teamwork and where all are committed to the service of care.

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**ABSTRACT**

This paper addresses the question: In the health sector why have managers outsourced some functions in preference to others? The research specifically uncovers a reason for outsourcing which has not been highlighted in the literature; that being a desire to improve department management. The research has shown the importance of power, as illustrated in the use of outsourcing to improve department management and their associated resistance to change, and the importance of trust and loyalty between management and internal staff in retaining services in-house.

**Introduction**

The introduction of National Competition Policy (NCP) in 1995 occurred within the auspices of public sector privatisation and saw public sector managers required to implement a range of structural adjustments and programs to adhere to government pronouncements. In health organisations variations in the extent of outsourcing and the types of services outsourced occurred. This paper addresses the question: With the introduction then of NCP, noting its pervasiveness and effects, why have managers outsourced some functions in preference to others?

**Reasons for outsourcing**

Six reasons can be gleaned from the theoretical and empirical outsourcing literature to account for, or justify, its adoption. The first reason for outsourcing is that managers have wanted to reduce costs. From economic theory, the following are pertinent in this regard. Transaction Cost theory (Williamson, 1986) emphasises cost implications due to transaction frequency, asset specificity, uncertainty and the threat of opportunism. Agency theory (Eisenhardt, 1989) focuses on choosing the structure that maximises efficiency and contends that bounded rationality and self-serving behaviour by agents introduces inefficiencies which can be limited by using either behaviour-based contracts (internal production) or outcome-based contracts (external contracts). It proposes that factors important to the success of the outsourcing decision are information and information systems, outcome uncertainty, risk aversion, goal conflict, task programmability, outcome measurability and length of the relationship between the organisation and vendor.

Focusing on core competitive advantage is a second reason discussed in the outsourcing literature. In this instance, the specialised nature of an organisation's competitive advantage is raised by Porter's (1980) Corporate Strategic theory, as important when choosing which governance structures are put in place. Indeed, it contends that the ability to specialise is influenced by the frequency of the transaction, asset specificity and environmental uncertainty, all of which are similar to those found in Transaction Cost theory.

Introducing workforce flexibility is a third reason cited in the literature. Atkinson's (1984) flexible firm model contends that the division of labour into core and peripheral segments, whereby the former provide functional skills and the latter numerical skills, introduces workforce flexibility which produces cost savings and improved efficiencies.

The labour market and political literature (Burgess & Macdonald, 1990:32; Campbell, 1993) suggest a fourth reason for outsourcing is the management of industrial relations problems. The associated increase in the power of management over labour and weakening of the power of trade unions have been put forward as reasons for contracting-out. Pfeffer (1994) has supported the flexibility concepts and asserted the reason behind the growth in the externalisation of employment is that it is quicker to staff vacancies. It is also suggested that contingent employees provide a buffer in times of economic downturns, whilst the cost of unskilled labour employed periodically is less.
The satisfaction of decision-makers’ personal objectives is a fifth reason and is primarily found in the political literature (Pfeffer, 1994). Public Choice theory (Hanke & Walters, 1990) asserts that public sector decision-makers are motivated by self-interest which Downs (1967) maintains is divided into self-interest, through a desire for power, money and prestige as well as more broader interests of maintaining loyalty to work groups, agencies, government or nation. In this vein, a sixth reason is the shaping of public sector agencies to align with the agenda of the government providing the funding. The reasoning here assumes that decision-makers are motivated by a desire for power and see this desire being fulfilled by acting in the interests of the government.

Table 1 summarises the reasons for outsourcing and lists the factors that the theoretical and empirical literature sees as important for the decision to be successful.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Description</th>
</tr>
</thead>
</table>
| Desire to reduce costs and increase efficiency | - transaction frequency  
- asset specificity  
- uncertainty  
- hierarchical costs  
- threat of opportunism  
- information & information systems  
- outcome uncertainty  
- risk aversion  
- goal conflict  
- task programmability  
- outcome measurability  
- length of relationship |
| Desire to focus on core competitive advantage | - core competencies  
- frequency of transaction  
- asset specificity  
- environmental uncertainty |
| Desire to introduce workforce flexibility | - labour market characteristics, such as functional and numerical skills  
- environmental uncertainty |
| Desire to improve management of industrial relations’ problems | - power of management and labour  
- labour market characteristics  
- culture |
| Desire to satisfy decision-makers’ personal objectives | - relative power of management  
- opportunism or self-interest of decision-makers |
| Desire to adhere to the ideology of government | - environmental uncertainty  
- government ideology  
- political or fiscal environment  
- power of management and labour |

An examination of the effects of outsourcing displays both economic and political precursors, even though improved efficiencies and reduced costs have been proclaimed as benefits (Hodge, 1996). For example, some cost reductions have arisen solely from contractors’ improved productivity (Cubbin, Domberger & Meadowcroft, 1987) or the payment of lower wages (Milne & McGee, 1992), but in other cases it has resulted from the movement towards more flexible forms of labour, such as part-time employment (Industry Commission, 1995:160) or from a combination of
Why outsource and what makes it work? Alternative arrangements for work in the health sector

reduced employment and fewer fringe benefits, as well as the use of modern equipment and better management practices (Hartley & Huby, 1986:293). In still other arrangements, the movement to employment outside the award system has reduced costs (ACIRRT, 1999:142-3), lowered the level of industrial relations problems (Benson & Ieronimo, 1996:69) and allowed management to fulfill the objectives of government (Burgess & Macdonald, 1990). Empirical analysis (Industry Commission, 1995:127) has highlighted deficiencies in looking solely at economic criteria in the outsourcing process, with much of the analysis citing a lack of objective analysis and/or inability to cost outsourcing reliably. Economic criteria are also often claimed (Pfeffer, 1981:140) to be limited in their ability to explain completely the decision-making process.

Thus, the primary reason decision-makers give for moving to an outsourcing arrangement is economic, with pronouncements stating the cause in terms of the need to reduce costs, increase efficiency and focus on core competitive advantages. However, such rationales are not always supported by the subsequent behaviour of decision-makers.

**Perceived and unperceived factors in the outsourcing decisions**

One difficulty with operationalising the theory of outsourcing is to match the various factors with the actual considerations that influence the outsourcing decision in practice. Each reason points to factors that necessarily impact on the utility of outsourcing. In analysing the outsourcing decision, all factors should be considered because they represent variables which will have contingent effects on the outcomes of outsourcing. Failure to consider any variable on the part of decision-makers also creates a risk of unintended consequences, whether positive or negative. In practice, managerial comprehension of these issues is likely to be bounded. Those factors that influence the outsourcing decision are called ‘perceived’ factors, while those not considered are referred to as ‘unperceived’ factors. Failure to consider all factors creates a real risk of unintended consequences where the decision-maker has not planned for all of the effects of the decision. It also follows that outcomes may be sub-optimal, and may surprise managers because no allowance is made for unperceived factors.

Unperceived factors are not directly regarded or acknowledged by decision-makers. Nor do they appear in interview statements or formal internal documents. Although they may have been vaguely or informally understood, they are not articulated. If all the factors that may theoretically influence the outsourcing decision are ranked according to their applicability to organisations, some will be positive in their effects (to be termed ‘enablers’) and others will be negative (to be termed ‘disablers’).

It follows that the model of the outsourcing decision will have four parts. This model is shown in Figure 1 below. First are the factors identified in theory as a justification for outsourcing. These are as general as the theory. Second are the factors perceived or unperceived by decision-makers in a particular context. Third are the factors that are relevant to a particular organisational context, which are called enablers or disablers. Fourth is the linear process leading from reasons for outsourcing to outsourcing decisions and outcomes.

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**FIGURE 1**

Model of Outsourcing Decision-Making: Choices and Outcomes

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**Part 1**

Theoretical factors

**Part 2**

Perceived

Unperceived

**Part 3**

Enablers

Disablers

**Part 4**

Reason

Decision

Outsource

Successful

Unsuccessful
Method

Case study research operates within an interpretivism paradigm and is used in the present research to uncover why outsourcing decisions are made. Initially, interviews were conducted with the Chief Executive Officers of each of the health organisations, using semi and unstructured questions to ascertain the extent of, and processes used in outsourcing specific functional areas, and in areas that have not been outsourced. Further interviews with decision-makers and staff in both outsourced and non-outsourced areas were then conducted. Interviews lasted approximately one-and-a-half hours and were held over a two-year period, covering all levels of hospital management, both line and support, as well as proprietors and staff of the outsourced areas, and union officials. Job positions of those interviewed are shown in Table 3. Data was obtained from the hospital and network's annual reports, and internal financial and consultant's reports, which are not cited fully in the reference list to maintain anonymity and confidentiality.

<table>
<thead>
<tr>
<th>Job positions</th>
<th>Case Study 1</th>
<th>Case Study 2</th>
<th>Union</th>
<th>Industry Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Officers</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Manager</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle Manager</td>
<td>5</td>
<td>3</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Union Officer</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outsourcing Vendor</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultant</td>
<td></td>
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<td>1</td>
</tr>
</tbody>
</table>

Tape transcriptions were then forwarded to the interviewees for checking, before being filed in a locked cabinet in the office of the writer for privacy purposes. The verification fulfilled the need for credibility checks and ensured that the information was reflective of the participants’ meanings and the interviewer did not introduce bias. As the information produced by qualitative methods is voluminous, content analysis, as proposed by researchers such as Patton (1990:381), was used to identify, code and categorise its primary patterns. Categorisation was performed on the basis of reasons, decision and outcomes as per the model. Further coding occurred to segment data between economic and political associations. The information was organised by health organisation, then delineated by services. The analysis of this information was performed in terms of the factors that surrounded the outsourcing decision.

Case study one: Rural public hospital

The town in which this hospital is located is the largest in the region, and in 1996, at the time outsourcing was being considered, had a population of 26,776. The healthcare campus serves a region with a population of 59,606 (ABS, 1996). The hospital is one of the region’s major employers of labour with 543 effective full-time staff. In 1999, it treated approximately 13,000 acute inpatients and 73,000 outpatients. Turnover amounted to $45 million with total assets of $55 million.

Within this hospital the services considered for outsourcing included radiology, pathology, garden and ground maintenance, engineering and equipment maintenance, and food services, although in the latter two instances, outsourcing did not eventuate. The fiscal environment produced pressure on the hospital through the lack of government funding for capital replacement. The Hospital’s Annual Report of 1993/94 (p.12) stated that ‘all attempts to secure capital funding from the Department of Health and Community Services to re-equip have proved fruitless, resulting in the pursuit of privatisation’. The industrial relations environment also had an impact with the Director of Human Resources (interview, 14 December 1999) arguing in relation to pathology, that ‘the push by the union for unsustainable income levels resulted in a statewide push for privatisation of pathology. Industrially they also had the ability to completely stop blood supplies and had strong bargaining power through their unity’. As such, political factors were important in setting the context in which each decision was made. The inter-relationship between the economic and political environment was particularly evident with regard to the
outsourcing of radiology. Interviewees (26 September 2000; 24 November 1999) referred to declining staff morale due to the political and unethical actions of the incumbent radiologists and the decline in patient numbers of 28.5 per cent between 1988/89 and 1992/93. This soon reduced the hospital’s private revenue, adding to the problems of insufficient funds to replace outdated equipment. Therefore, staff were exposed to job insecurity, reduced workload, poor equipment and conflicts of interest between the medical radiologists and the hospital (interview, 26 September 2000).

And the characteristics of the rural labour market placed added pressure on the hospital through the inability to obtain professional staff. The Hospital’s Human Resource Manager explained, ‘inland hospitals struggle to find staff. Staff attraction and retention is better for larger multinational companies that can contract across the State’ (interview, 14 December 1999).

Previous downsizing had produced fear and reduced morale on the part of staff. Hence the very threat of outsourcing under the guise of the benchmarking process changed work practices, introduced workforce flexibility and reduced costs.

This resulted in the unions starting to play ball with work flexibility. The climate allowed productivity gains that the public sector couldn’t achieve prior to this process occurring. And privatising decreased the union strength and power shifted (interview, 23 May 2000).

Political factors and tactics, the rural nature of the hospital and the relationship with internal staff were also evident in the decision to maintain internal production in the areas of engineering and maintenance, and food services. The Chief Executive Office believed the food department staff were very loyal, not highly paid and lacked transportable skills. Furthermore, in the past they had co-operated with hospital management to reduce costs and achieve savings by working with new technology, and changing rosters and work practices. He explained:

A country hospital’s decisions impact upon a lot of people and we have to bear in mind ramifications and consequences …. The hospital owes a debt of gratitude to them for making these changes, and so does not wish to privatise …(interview, 24 November 1999).

In the same vein, the department manager stated, ‘This is a local hospital employing local people and producing meals for local people’ (interview, 7 March 2000). He added, ‘It was not a good idea to outsource as jobs would be lost, including my own’. He explained that most hospitals did not want to contract-out because they would lose management control. As such, their decision was not based so much on public interest as self-interest. Support came from a union official when he argued, ‘If the service is outsourced the manager gets the sack, so it is really about protecting their own jobs’ (interview, 7 August 2000).

Therefore, overall, political factors, which were important in the decision making included the power of management over labour and trust between the two groups. In addition, political tactics were displayed in keeping services in-house, through the manipulation of data and lobbying of the board. Economic factors perceived to be important related mainly to human and physical asset specialisation and core competencies. Although other economic factors, such as frequency of exchange, hierarchical costs, outcome measurability and task programmability may have increased costs of using either internal or external arrangements, they were not generally mentioned by the interviewees as important or relevant in their decision-making. Specifically, each decision had different economic and political considerations that decision makers perceived as important.

**Case study two: City public health network**

In 1995, at the time outsourcing of market testing and outsourcing, the network had a configuration of ten hospitals and health services. It served a population of nearly one million people living in two metropolitan areas, as well as offering a range of specialist services for the whole state. Its major hospital operates 1200 beds and is a leading tertiary teaching hospital in the state with activities extending to training and research. The network services approximately 67,000 acute inpatients and 232,000 acute outpatients.

Since the early 1990s, the network, under the umbrella of NCP, had embarked on a review of services in the Infrastructure Division, and pathology and pharmacy departments.
The result of the review process was that car parking and garden and ground maintenance were outsourced to external contractors. Internal teams won the contracts for food services and engineering, whilst pathology continued to operate within the internal hierarchical structure.

The Infrastructure Division, of which the non-clinical services were part of, was the first area subjected to the review process due to its peripheral nature with regard to patient care, and the financial savings which management believed could be made through changing work processes and downsizing. An executive director in supporting internal bids, explained to the internal staff:

‘You can win it, but you’re going to have to change your work practices.’ So it gave the network an insight into whether these people really could make it or, whether, in fact, it was the same old public service syndrome, come to work Monday to Friday and have [the odd] Friday off. As management had the opportunity to set the specifications, it was a way to change work practices without necessarily having to go down the track with the unions (interview, 24 January 2002).

Her priorities were to ‘cull the departments, change work practices, bring the workforce into the 21st century and train them. Make them understand that this is what you have to do to survive and it is hard and we’re all going through the same thing’ (interview, 24 January 2002).

With regard to outsourcing food services to the internal team price carried the greatest weight (interview, 24 January 2002). In addition, the line manager claimed that the committee looked favourably on the changes the in-house team had already made in reducing staff numbers and transforming work practices (interview, 25 January 2002). A manager of a receiver hospital (interview, 5 February 2002) added that network managers believed that the service was sustainable, in terms of it being long-term with low risk, compared to the service offered by some external contractors. On awarding the contract to the internal team, ‘wholesale workplace reform’ resulted as all processes were investigated for change, from floor washing to pot scrubbing (interview, 24 January 2002). With regard to engineering, the line manager claimed that they won on the basis of first, cost and secondly, corporate knowledge. He explained, ‘We had all of the knowledge of critical areas and the person walking off the street was not familiar with the operation of the hospital at the depth that the in-house team had’ (interview, 25 January 2002).

Supply was outsourced externally as changes to the management style were required. The Director of Infrastructure explained that the Supply Manager employed internally had a very high opinion of himself, an opinion not supported by the executive team. She contended that she could not remove him from his position easily and his capacity for making change was limited (interview, 24 January 2002). Another manager, in support, added that workplace change and increases in efficiency had been sought for two years prior but could not be produced with the management team employed at the time (interview, 5 February 2002). The current supply manager concurred and added:

One of the motivations in market testing was that the network believed an external change agent would be more successful than an internal staff member because they wouldn’t have to protect the status quo. The individual hospital managers were reluctant to co-operate because at the end of the day there would only be one supply manager. (interview, 5 February 2002).

In addition, improvements were needed in staff training. The objective was to increase the skill levels of the staff and at the end of the contract revert to internal management. The Director of Infrastructure (interview, 24 January 2002) explained, ‘At the end of the contract the internal staff would be trained, and the people that went to work for the contractor could be bought back whilst retaining the knowledge’.

The outsourcing of gardens and grounds failed as the contractor who worked across a variety of host organisations, such as local government and parks and gardens failed to meet the specifications. An executive director explained, ‘We couldn’t find the contractor and we spent so much time going around to check if he’d done what he should have done in accordance with the contract, it cost money’ (interview, 24 January 2002). The director added, ‘fortunately it wasn’t worth a lot of money, but it proved that, like it or not, it [the success of the arrangement] is still based around personalities, whether in-house or contracted out’ (interview, 24 January 2002).
At this network, even where transaction characteristics favoured internal production, generally, as long as political factors, such as staff-management problems favoured outsourcing, the decision was taken to outsource. Asset specificity, or the availability of specialists, alongside the lack of department management skills, seems also to have been deciding factors. In all cases, the decision that was made coincided with the location of asset specificity being either in the market place or within the organisation. The nature of the clinical services, with regard to their teaching and research components, also heightened the risks inherent in outsourcing, and instead the choice was made to retain internal production whilst reducing costs and introducing change.

**Discussion**

The six reasons for outsourcing initially proposed focused, in economic terms, on the desire to reduce costs, focus on core competitive advantage and improve workforce flexibility and, in political terms, on the desire to adhere to government ideology, satisfy decision-makers’ personal objectives and improve industrial relations problems. The literature tended to group ‘management problems’ together as a reason for outsourcing; the focus being on the use of outsourcing to reduce union power (Burgess & Macdonald, 1990:32), to induce staff to adopt change (Reilly & Tamkin, 1996:24) and to solve problems of recruitment and selection of staff (Pfeffer, 1992). However, in discussing management problems, this research has uncovered a seventh reason for outsourcing which was not as apparent in the literature; that being a desire to improve department management, specifically related to their skill levels and their familiarity with new operating procedures. This research found that outsourcing was often used to replace middle managers, with the rationale that new managers would inject professionalism and skills such as in radiology in the rural hospital and food services and supply at the city network. The health organisations operated under the assumption that contract organisations had the expertise to introduce changes to work processes and to train the operating staff in new procedures. However, in some cases (i.e., city network gardens and grounds service), contract managers did not exhibit the desired skills and those with a lack of health sector experience had problems in meeting quality expectations and adhering to the contract specifications at the contract price. And when contracts were terminated it was typically due to the contractor’s inability to perform the work to the required outcomes due to having under-priced the contract or having not understood the specific requirements of the health organisation.

When choosing between outsourcing and internal staffing, differences in reasoning were evident between the rural and city health organisation with regard to the importance placed on relationships between the hospital and its staff, a factor not highlighted in the literature. The rural health organisation’s management tended to talk about the operating staff in terms of their loyalty, as well as the reciprocal loyalty of the hospital to the staff. This reflected the prominence of the rural hospital in its community, the lack of employment opportunities for employees, and the public perception of the hospital’s role as an employer and provider of services to the community. However, the lack of skills in the local labour market, alongside the distance from Melbourne, caused problems in staffing both clinical and non-clinical positions where expertise was required.

It was also evident that outsourcing occurred more often in non-clinical services than clinical services. The proficiency required by health organisations in operating their clinical services such as pathology and radiology was apparent, and even though tenderers were believed to be able to introduce economies of scale, cost savings could not be demonstrated. Due to the clinical services’ core nature and the link to patient care, outsourcing was not proceeded with at the city network. The outsourcing of non-clinical services, such as engineering and maintenance services, was thought to be less risky to patient care. In addition, the white-collar areas such as medical and nursing services were exempt from the whole process, thus displaying their core nature and their ability to exert influence and power over bureaucrats and decision-makers.

Consistent with what might be expected in terms of the model, the reasons for outsourcing varied both within and between health organisations, illustrating the autonomy of individual boards of management and managers. There was a general view that, in adhering to government ideology, costs could be reduced, through changing management practices, introducing more flexible work practices, and downsizing.
However, specific decisions about which services were to be outsourced were made on other bases, which included the characteristics of the labour market, including employee skill levels and the nature of industrial relations, the perception of what was core in relation to patient care, the level of internal management skills, the ability of internal teams to implement change and the relationships between management and staff. Moreover, managers were of the opinion that, in some instances, due to minimal sunk capital costs, the outsourced service could be brought back in-house if the contract was unsuccessful, if circumstances changed or once objectives, such as downsizing or increases in expertise, were obtained.

Decision-makers often ignored factors highlighted in the theoretical economic literature (Williamson, 1986) as optimising the decision between outsourcing and internal production. These included frequency of exchange, length of relationships between organisation, contractor and staff, and information availability. Whereas other economic factors such as asset specificity, outcome measurability, technology, hierarchical costs, labour market characteristics and goal conflict, and political factors, such as the relative power of management over labour were more likely to be perceived as important in the decision. Furthermore, consistent with the model, the negative effects of outsourcing related to factors not perceived at the time of the decision, which were the length of relationships between the parties and information availability. The former was important in relation to trust and loyalty and the latter raised problems with adherence to contract specifications, quality and ability to monitor outcomes.

Outsourcing has been performed for various reasons, but rarely do decision makers consider the full range of factors that may potentially affect the optimal nature of the decision, or the organisational characteristics of their workplaces. The research has shown the importance of power, as illustrated in the use of outsourcing to improve department management and their associated resistance to change, and the importance of trust and loyalty between management and internal staff in retaining services in-house.

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