

Tom Keenoy and Di Kelly, **The Employment Relationship in Australia**, Second edition, Harcourt, Sydney, 1998, ISBN 0-7295-3408-1 (paperback), xii+479.

Peter Sheldon and Louise Thornthwaite (eds), **Employer Associations and Industrial Relations Change: Catalysts or Captives**, Allen and Unwin, St Leonards, ISBN 1-86448-748-8 (paperback), xi+267.

Reviewed by Peter Gahan\*

**A**s for most countries, the last decade has been one of the most important periods in the history of Australian industrial relations. The structure of industry and employment has shifted decisively away from manufacturing towards the services sector, part-time and casual forms of employment have increased substantially, and a diverse range of employment and business forms have proliferated. And more is no doubt still to unfold as the new economy takes shape. In the thick of all this change have been legislative reform, changing priorities and approaches of management towards the employment relationship and unions, and, as is widely documented and analyzed, the decline in union membership.

What has not been so well analyzed or perhaps understood is the role and impact of employer associations. The edited volume by Sheldon and Thornthwaite is, for this reason, an important and welcomed addition to the Australian industrial relations literature. It seeks to answer a series of questions relating to the growing proactivity of employer groups in changing the 'playing field' both in a broader macro-regulatory sense, and at the workplace.

In their introduction, Sheldon and Thornthwaite attempt to frame the remaining chapters and the broader question of the role of employer association behaviour within the strategic choice approach, popularized in the industrial relations literature by Kochan and his colleagues at MIT. In their view management have been the key catalyst for changes to the conduct of industrial relations. What is less well accounted for within their framework is the role of employer associations. The editors also examine two important contributions to debates about the role of employers associations: Streeck's own adaptation of strategic choice in which uncertainty created by the new environment raises uncertainties and difficulties for the

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role of management, and Plowman's reactivity thesis which applies specifically to the role of Australian employer associations. The last of these has obvious interest. Having never really understood the precise way in which Plowman's reactivity thesis worked, and having now re-read Plowman's work on the role of employer associations, I am taken by the degree of ambiguity with which the notion is framed by him. In some respects it almost becomes a chicken and egg phenomena: employers react to the environment (institutional, economic, political), but in doing so, behave in a proactive manner to achieve their objectives. Reactivity in its true form is perhaps better framed within Dabscheck's 'absentee landlord' hypothesis, in which the nexus between arbitration and tariff protection reduced the strategic importance of industrial relations. It is in this manner that Sheldon and Thornthwaite frame their understanding of Plowman's reactivity thesis. A notable omission from their analysis here is the important work by Chris Wright who indeed challenges the notion of employers and their representatives as 'absentee landlords' and as being reactive. Employers, he finds, certainly did seek to use industrial relations in a more strategic manner, and employers associations were part of the action.

The remaining chapters examine a number of employer associations, from the Business Council of Australia to the Private Hospitals' Association of Queensland. These varied experiences are brought together and synthesized by revisiting the competing hypotheses about employer association behaviour in a final chapter, also by the editors. Overall, this volume was well written and, for an edited book of this type, well integrated. It is important because it sheds light – in a more systematic manner – on the role of employer associations with quite different constituencies, and helps explain many of the changes that have been underway in Australia now for some time. Less clear is whether Australian employers are any more that 'callous agents' transmitting changes in the industrial relations environment into the system, or truly strategic actors.

Keenoy and Kelly examine industrial relations in a broader sense. In this, the second edition of their undergraduate textbook, they have managed to deal with a number of glitches and stylistic issues which were present in the first edition. It is gradually shaping to become one of the major undergraduate texts in Australia.

Its strength is to make the employment relationship the starting point of analysis in industrial relations – too long ignored by standard texts in my view. This chapter examines the nature of the employment relationship and tries explain what appears to be irrational or militant behaviour, which most students find difficult to conceive of as reasonable. The second part of the

book examines more familiar terrain the regulatory environment, while the last part explores various aspects of industrial conflict.

The book portrays more of the continuities in industrial relations than the radical shifts explored in the previous book. This is perhaps an important counter to the general belief that we have entered some new unitarist world where employers and employees can now enter into harmonious relationships than previously possible. But this strength is also one of its weakness. I came away with only a limited sense of the extent of the change that has certainly occurred. Moreover, the book fails to provide a sense of the theoretical convergence that has occurred within industrial relations and related fields. These criticisms aside, the book has found a place in the Australian literature. In the present environment in which no preeminent text is available, I am sure this book will go through to a third edition and will grow and develop in the process.